



A Legacy,
Built
Together.



Integrated Annual
Report 2025



A Legacy,
Built *Together.*

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 approach to corporate governance, risk management, and the broader operating environment.

Covering the period from 1st January 2025 to 31st December 2025, 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 towards 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

In preparing this report, the bank has applied the principles of the Integrated Reporting Framework, reinforcing connectivity between strategy, governance, performance, risks and sustainability to enhance the relevance, consistency and quality disclosures.

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). 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, internal audit, and external audit teams. 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.

Reporting Period

This Integrated Annual Report covers the period from 1st January 2025 to 31st December 2025 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, and drive value creation for its investors and shareholders 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 26th May 2026, providing stakeholders with reliable and material information.

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Abbreviations

ACCA	Association of Chartered Certified Accountants	EMRF	Enterprise Risk Management Framework	IPF	Insurance Premium Finance	POCI	Purchased or Originated Credit-Impaired
ACPA	Associate Certified Public Accountant	EPS	Earnings per Share	IPCC	Intergovernmental Panel on Climate Change	PSSSF	Public Service Social Security Fund
AGM	Annual General Meeting	ESG	Environment, Social and Governance	ISA	International Standards on Auditing	QR	Quick Response
AI	Artificial Intelligence	ExCO	Executive Committee	ISO	International Standards Organisation	SASB	Sustainability Accounting Standards Board
ALCO	Assets and Liabilities Committee	FDI	Foreign Direct Investment	ISIN	International Securities Identification Number	SICR	Significant Increase in Credit Risk
ALM	Assets and Liabilities Management	FMO	Financierings - Maatschappij voor Ontwikkelingslanden N.V	LCs	Letters of Credit	SOFR	Secured Overnight Financing Rate
BARCC	Board Audit, Risk and Compliance Committee	FTE	Full Time Employee	LCR	Liquidity Coverage Ratio	SME	Small and Medium Enterprises
Bn	Billion	FVOCI	Fair Value through Other Comprehensive Income	LDR	Loans to Deposits Ratio	SMR	Statutory Minimum Reserve
BOT	Bank of Tanzania	FVTPL	Fair Value through Profit or Loss	LED	Light-Emitting Diode	SPPI	Solely Payments of Principal and Interest
BRELA	Business Registrations and Licensing Agency	GDP	Gross Domestic Product	LGD	Loss Given Default	SPV	Special Purpose Vehicles
CASA	Current and Savings Account	GHG	Greenhouse Gas	LIBOR	London Interbank Offered Rate	SSA	Sub Saharan Africa
CEO	Chief Executive Officer	G-SIB	Global Systematically Important Bank	LTFR	Long-term Funding Ratio	SWL	Salaried Workers' Loan
CET1	Common Equity Tier 1	HVAC	Heating, Ventilation, and Air Conditioning	MBA	Master's Degree in Business Administration	TCFD	Task Force on Climate-Related Financial Disclosures
CDIoDT	Certified Director by the Institute of Directors	IASB	International Accounting Standards Board	Mn	Million	tCO₂e	Tonnes Carbon dioxide equivalent
CFO	Chief Finance Officer	ICAO	International Civil Aviation Organization	MNO	Mobile Network Operator	TFRS-1	Tanzania Financial Reporting Standards Number 1
CIA	Certified Internal Auditor	ICMA	International Capital Market Association	MTN	Medium Term Note	TIRA	Tanzania Insurance Regulatory Authority
CMSA	Capital Markets and Securities Authority	ICT	Information and Communication Technology	MTP	Medium Term Plan	TMRC	Tanzania Mortgage Refinance Company Limited
CPA	Certified Public Accountant	IEA	International Energy Agency	MSE	Micro and Small Enterprises	TRA	Tanzania Revenue Authority
CSI	Corporate Social Investment	IESBA	International Ethics Standards Board for Accountants	NHIF	National Health Insurance Fund	TZS	Tanzanian Shillings
DSE	Dar es Salaam Stock Exchange	IFC	International Finance Corporation	NMB	NMB Bank Plc	UJVC	Upanga Joint Venture Company
DSS	Direct Sales Staff	IFRS	International Financial Reporting Standards	NBS	National Bureau of Statistics	USD	United States Dollars
E&S	Environmental and Social	IFRS IC	IFRS Interpretation Committee	NPL	Non-Performing Loan	USSD	Unstructured Supplementary Service Data
EAC	East African Community	IMF	International Monetary Fund	NSFR	Net Stable Funding Ratio	WEO	World Economic Outlook
EAD	Exposure at Default			OCI	Other Comprehensive Income	YoY	Year on Year
ECL	Expected Credit Losses			PCI	Payment Card Industry		
ED	Executive Director			PCAF	Partnership for Carbon Accounting Financials		
EIB	European Investment Bank			PD	Probability of Default		
				PLC	Public Limited Company		

Overview

NMB is Tanzania's leading financial solutions provider, renowned for its strong customer proposition and consistent value creation to stakeholders. With over 28 years of transformative operations, our journey has been characterized by remarkable achievements and a lasting commitment to excellence, driving significant socioeconomic impact throughout Tanzania.

↑ 9.9+ Million

Largest Customer Accounts Base

↑ 38%

Cost to Income Ratio (CIR)

↑ 1.8 TZS Trillion

Record Revenue Levels

↑ 1.1 TZS Trillion

Pre - Tax Profit

↑ 634 TZS Billion

Non Funded Income

NMB at a Glance

NMB is Tanzania's leading and most profitable 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 & Stability

A Vast Network

↑ 248 ↑ 735

Total Branches
(240 in 2024)



ATMs
(714 in 2024)



↑ 4,088 ↓ 18

Employees
(3,868 in 2024)



Cash Collection Points
(50 in 2024)

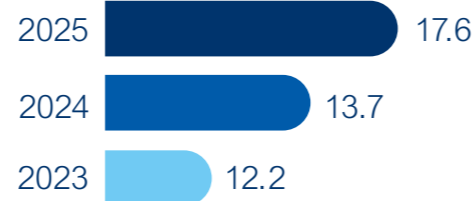


↑ 73,592

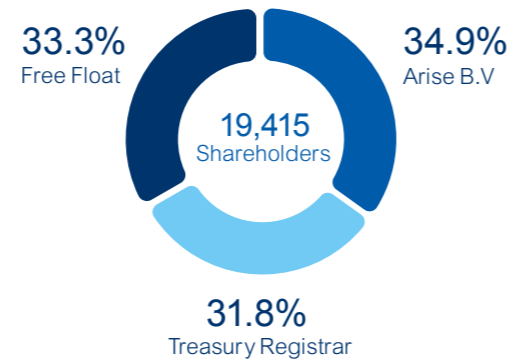
Wakala Outlets
(50,698 in 2024)



Total Assets (TZS Trillion)



Ownership Structure



A Leading Market Position in Tanzania

31%

Market Share in Profitability

#1

23%

Market Share in Net Loans

#2

22%

Market Share in Customer Deposits

#2

4.2 TZS Trillion

Market capitalisation
(As at 31 Dec 2025)

↑ 24.8%

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

MOODY'S
Credit Rating

B1
Stable

Organisational Strength

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

25+ Awards

Named the Best Bank in Tanzania:

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

2x

Best Bank Awards

2x

Best Digital and Innovation Bank Awards

5x

Best Retail and SME Banking Awards

10x

ESG related Awards

Differentiators

Client-Focused Approach

NMB puts clients at the heart of everything we do. Our core values drive us to deeply understand and meet our clients' needs, ensuring 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 & Prudent Resources Management

We pride ourselves on managing costs effectively 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.

↑
720 TZS Billion
Secured Single Borrower Limit

↑
97%
Coverage in all Tanzania Districts

↑
27%
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.



Branches **248** ATMs **735**



Agency Banking (WAKALA):

Our extensive agency banking network complements our robust physical channels.

Agent outlets

73,592



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 90,000+ QR codes.

Cards **+4.8** POS Devices **+4,712**
Million



Call Center, chat banking:

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

Our Strengths



Talent

The Bank has a diverse workforce of 4,088 employees, 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 17.6 Trillion, robust liquidity, and strong credit rating and capital position..



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 9.9 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 continues to deliver 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, for 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 and Social Bond, expose investors to emerging market opportunities.

Looking ahead to 2026, our engagement with investors will continue, with updates on our strategic priorities, progress on our financial framework, 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.

214 TZS Billion

Dividend paid 2024

27%

Return on Equity

~6.8%*

Jamii Bond Coupon Rate for USD Tranche

9.5%

Jamii Bond Coupon Rate TZS Tranche

*As of December 2025

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.

448 TZS Million

Revenue per staff

85%

Internal Mobility

97%

Employee retention rate

56%

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 2026, we remain committed to actively listening to and addressing customers' feedback and concerns, furthering our digital transformation and innovation endeavours, 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

1.3 Million

New customer Accounts

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

384 TZS Billion

Total Amount Paid to Vendors

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 2025, 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 2025, NMB Bank Plc emerged as the national overall winner, recognized as the largest taxpayer in Tanzania and the most compliant taxpayer for the fourth 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.

24.8%

Total Capital Adequacy Ratio

26.2%

Liquid Adequacy Ratio

722 TZS Billion

Total Tax

0

Data Breaches

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

6.4 TZS Billion

CSI spent

2 TZS Billion

Amount on Nuru Yangu Scholarship

125 Children

Donation to Heart Surgeries

131 Students

Nuru Yangu Scholarship



Our Value Creation Model

Capital Input

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.

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.

Intellectual Capital

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

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.

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.

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.

Trade-offs

→ 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.

→ 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.

→ 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.

→ 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.

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

→ 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

Outcomes

Financial

Total Funding
13.8
TZS Trillion
(26% YoY)

Total Equity 
3.1
TZS Trillion
(21.1% YoY)

Total Revenue
1.8
TZS Trillion
(+16% YoY)

Net Profit 
760
TZS Billion
(+17.5% YoY)

Superior returns for shareholders

Return on Equity
27%
(2024: 25% YoY)

Total Dividend Proposed 
305 TZS Billion
(2024: TZS 214 Billion)

Employees


Employees
4,088
Full Time Employees

Staff Benefits 
380
TZS Billion

Internal Mobility
85%

Staff Attrition 
3%

Productive, efficient, and effective workforce


Revenue per FTE 
448
TZS Million

Intellectual


Intellectual Capital
52 TZS Billion
ICT Investment Amount

+20 
Digital & Technology initiatives launched

Transactions
98%
Share of transactions performed on alternative channels

NFI Digital Channels 
282
TZS Billion
(+12% YoY)

Stability
99%
System Availability

Data Privacy 
0
Data Breaches

Manufactured

Branches
248

ATMs 
735

Customer Accounts
9.9+
(2024: 8.61+ Million)

Customer Deposits 
12.5 TZS Trillion
(2024: 9.6 TZS Trillion)

Net Promoter Score
56

CSAT 
89%

Social & Relationship

Customers
9.9 Mn
Accounts

CSI Spending 
6.4
TZS Billion

Outstanding Loans
10.4
TZS Trillion

New Customers 
1.3
Million

- Contribution to community empowerment
- Employment and Entrepreneurship
- Financial Inclusion


Natural

Renewable Energy
229 kWp
Installed Capacity

Green Financing 
329
TZS Billion

Energy Efficiency
248 Branches
Retrofitted with LED lights

Carbon Emissions 
1.47
MtCO₂e

Financed Renewable Energy 
26.4
Megawatts



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.

Value Added (Figures in TZS Million)	2025	2024	2023
Income earned by providing banking services*	2,328,862	2,080,171	1,750,815
Interest expense paid to third party funding	(93,502)	(116,594)	(73,697)
Other depositors	(267,976)	(195,048)	(172,380)
Fee and commission expense	(146,164)	(135,396)	(102,819)
Impairment	(81,567)	(85,068)	(84,485)
Total cost of banking service	(589,209)	(532,106)	(433,381)
Value added by banking services	1,739,653	1,548,065	1,317,434
Other operating income and expenditures	(106,740)	(104,308)	(93,114)
Value added from banking services	1,632,913	1,443,757	1,224,320
Value allocated			
To Employees:			
Salaries and other benefits	287,558	255,167	227,450
To Shareholders:			
Dividend to other shareholders	236,930	146,280	123,198
Government	68,145	68,145	57,392
To Government:			
Corporate Tax	311,966	290,432	238,571
PAYE	80,923	70,076	61,356
Skills development levy	11,194	10,413	9,117
Excise Duty	64,330	58,170	47,770
VAT on services	129,964	111,386	93,813
Other taxes	16,029	13,239	11,887
To Expansion & Growth:			
Depreciation, deferred tax and retained earnings	425,875	420,449	353,765
	1,632,913	1,443,757	1,224,320

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

25+ Awards



Strategy Review



#

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Bank Strategy

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

Our Strategic Pillars

Winning Propositions

- 1 Drive Loyalty with Mass
- 2 Win in Core middle
- 3 Win in SME & Agri
- 4 Deepen Penetration within Wholesale

Operational Efficiency

- 5 Boost Branch Productivity
- 6 Organizational Productivity
- 7 End to end Credit Risk Management

Innovating for the future

- 8 Strengthen Data & Analytics
- 9 Delight Customer
- 10 Enhance IT

2025 marked the final year of implementation of the Bank's Medium Term Plan 2021-2025, a key milestone in our strategic journey. The period strengthened the Bank's foundation, enhanced execution discipline, and positioned us for the next phase of sustainable growth and value creation.

Strategic Thrust

The Mass

NMB scaled access to banking at a pace that is changing how everyday Tanzanians save, transact, and run their businesses. The Bank opened 5.3 million new customer accounts, bringing its nationwide customer base to 9.9 million.

New Customers Accounts
5.3 Mn

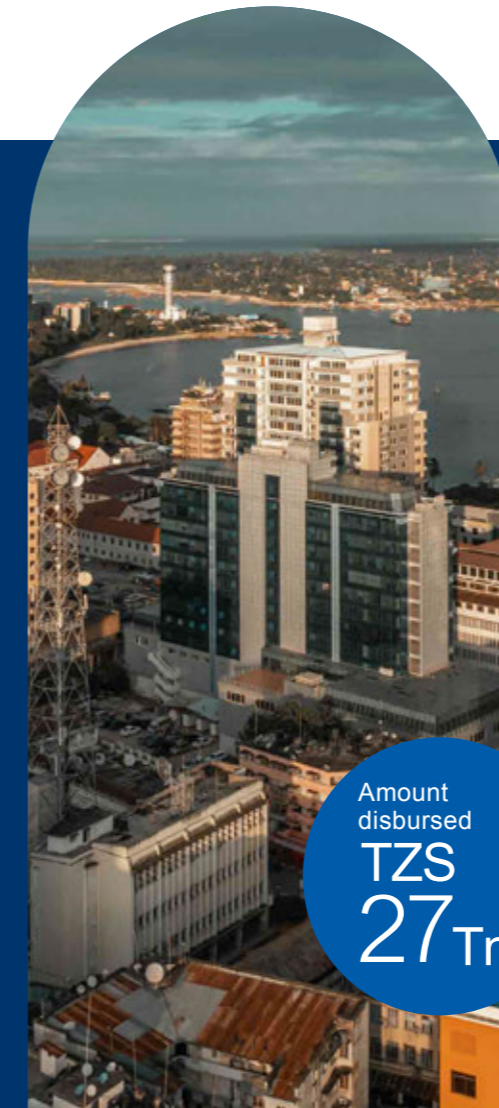
Customer base
9.9 Mn

NMB expanded its Wakala network from 8,410 to 73,592 agents, making it the largest in Tanzania banking sector. For customers, this means banking is now closer, faster, and more convenient, from city centres to underserved communities.

Wakala
73,592

Branches
248

MTP 2021-2025 Achievement



Powering the Economy

The Bank's impact on development remained strongly anchored in productive sector enablement, with TZS 27.6 trillion in loans. During the five-year period, the Bank disbursed more than TZS 10 trillion to personal loans and TZS 7 trillion to MSMEs, helping entrepreneurs expand inventory, invest in equipment, manage working capital, and sustain jobs across the economy. At the same time, NMB provided TZS 10 trillion in capital to large institutions, supporting strategic sectors and major projects that strengthen productivity, trade, and service delivery. Together, these investments reflect NMB's role as a practical partner in Tanzania's economic development, backing both grassroots enterprise and large-scale national ambition.

MTP 2021-2025 Achievement

MTP 2021-2025 Achievement

Value Add

NMB Bank is a significant contributor to domestic revenue through its tax payments. Between 2021 and 2025, the Bank paid a cumulative TZS 2.705 trillion in taxes. NMB has been recognised as the country's leading taxpayer and most compliant company for three consecutive years by Tax Revenue Authority.

Taxes Contribution

TZS
2.7 Tn



Empowering Communities

NMB Bank is committed to being a responsible corporate citizen and contributing meaningfully to Tanzania's social and economic development. The Bank allocates 1% of its after-tax profit annually to Corporate Social Investment, focusing on initiatives that deliver lasting impact in the communities where it operates. From 2021-2025, NMB invested TZS 24 billion. NMB's CSI focus areas include ESG, Education, Health, and Disaster Response.

CSI Investment

TZS
24 Bn



MTP 2021-2025 Achievement

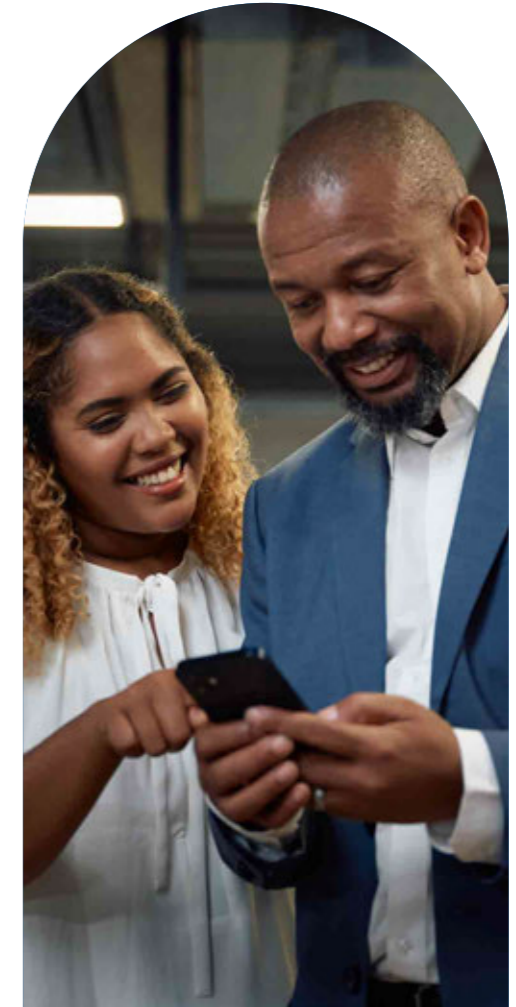
MTP 2021-2025 Achievement

Digital Leadership

NMB Bank continues to focus on technology as the core operating model for scale, efficiency, and customer convenience. The Bank invested TZS 232 billion in technology modernisation, strengthening platform stability, digital channel functionality, cybersecurity controls, and process automation, with approximately 98% of transactions now executed through alternative channels.

Technology Investment

TZS
232 Bn



Employer of Choice

Transformation at scale requires people capacity, specialist skills, and leadership depth. Over the five-year period, the Bank created more than 2,470 employment opportunities, strengthening frontline service capability, expanding relationship coverage, and building specialist expertise required for digital delivery, risk governance, product innovation, and operational excellence.

Direct Employment Created

2,470



MTP 2021-2025 Achievement

Sustainable Financing

In five years, Sustainability moved from commitment to execution through strong fund mobilisation. Over the five years, the Bank mobilised TZS 621 billion in sustainable funds, expanding the capacity to finance sustainability and deliver social outcomes at scale.

2022
Jasiri Bond

74 TZS Bn

2023
Jamii Bond

400 TZS Bn

2025
Social Bond

147 TZS Bn

Sustainable Fund
TZS
621 Tn



Dividends

Over the five-year period, the Bank maintained a disciplined dividend policy aligned with earnings sustainability and prudent core capital management. Total dividend payments amounted to TZS 703 billion, a consistent shareholders value-creation while preserving balance sheet capacity to fund strategic growth priorities and maintain resilience.

Dividend
Payments

TZS
703 Bn



MTP 2021-2025 Achievement

Profit

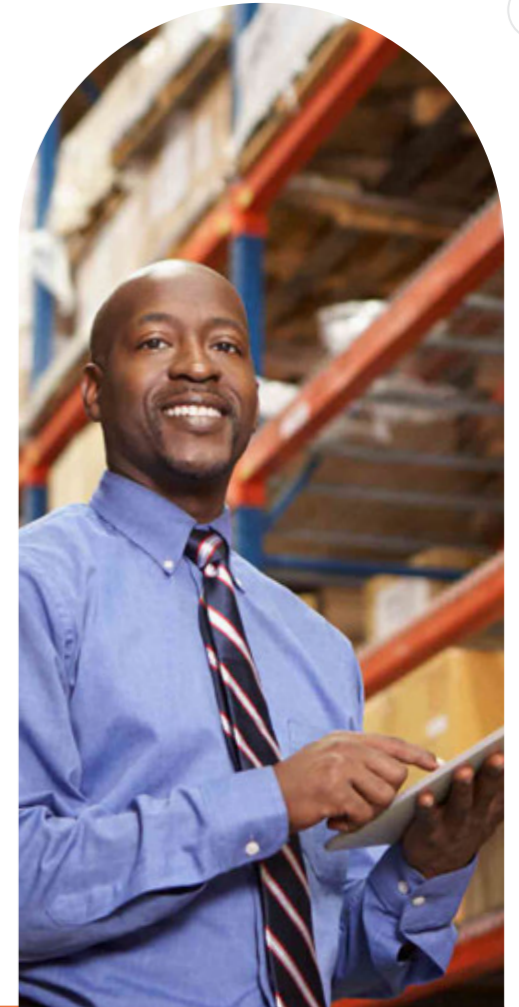
The Bank delivered strong and robust profitability across five consecutive years, supported by resilient core earnings, improving operating leverage, and disciplined risk governance. Total cumulative profits before tax for the period reached TZS 3.8 trillion while cumulative profit after tax amounted to TZS 2.7 trillion, providing a strong Capital for business growth, shareholder returns, and continued contribution to economic development.

5 - Year
Cumulative PBT

TZS
3.8 Tn

5 - Year
Cumulative PAT

TZS
2.7 Tn



MTP 2021-2025 Achievement



Financial Performance

Selected financial metrics for FY'25

↑ **760** TZS Billion

Net Profit

2.5%

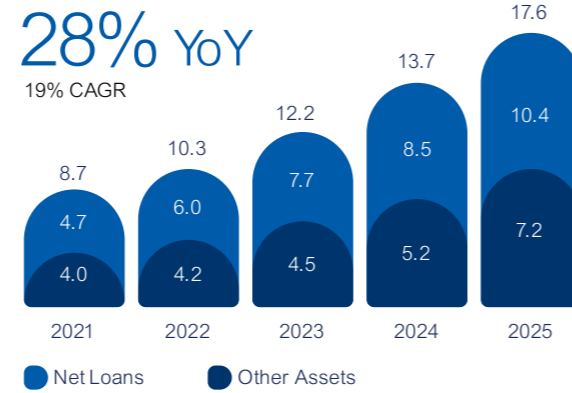
NPL Ratio

86%

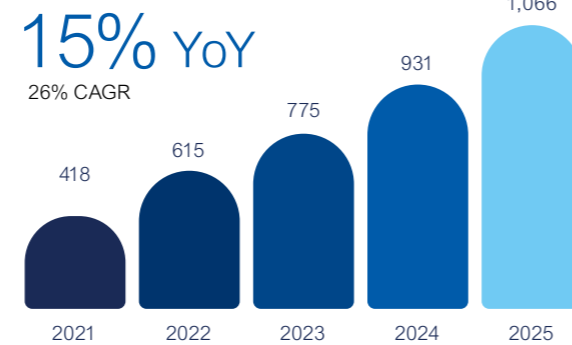
Loan to Deposit Ratio

Financing Tanzania Economy

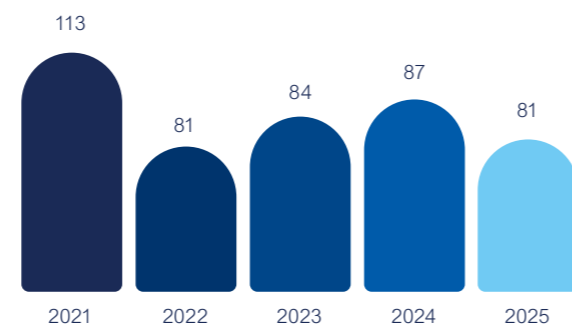
Assets (TZS Trillion)



Profit Before Tax (TZS Billion)



Impairment (TZS Billion)



Key Highlights

Amount in TZS Billion	2025	2024	2023	2022	2021
Income Statement					
Net Interest Income	1,191	1,058	937	790	680
Non-Interest Income	634	579	468	402	306
Total Income	1,825	1,637	1,405	1,192	986
Impairment Charges	82	85	84	81	113
Operational Expenses	677	618	546	495	454
Profit before income tax provision	1,066	931	775	616	419
Net profit for the financial year	760	646	545	432	292
Statement of Financial Position					
Total Assets	17,616	13,736	12,180	10,235	8,681
Net loans and advances	10,430	8,499	7,707	6,015	4,654
Deposits from customers	12,374	9,562	8,466	7,595	6,663
Total liabilities	14,509	11,174	10,087	8,545	7,327
Shareholders' funds	3,107	2,557	2,093	1,690	1,355
Total Risk-Weighted Assets	11,654	8,718	8,311	6,709	5,210
Financial Ratios (%)					
Tier 1 ratio	24.7	27.2	23.3	23.1	23.8
Total capital ratio	24.8	27.2	23.3	23.1	24.6
Return on average equity	27	25	29	25	21
Return on average total assets	5	5	5	4	4
Net interest margin	8.3	9.2	10	10	10
Cost-to-income ratio	38	38	39	42	46
Non-performing loans	2.5	2.9	3.2	3	4
NPL Allowance coverage ratio	96	93	96	109	108
Loan loss charge	0.8	0.97	1.06	1.2	2.3
Loan to Deposit ratio	86	91	95	82	73
Book value per share (TZS)	5,770	5,115	4,185	3,380	2,709
Earnings per share (TZS)	1,519	1,287	1,090	864	584
Dividend per share (TZS)	610	429	361	286	193
Dividend payout	1/3	1/3	1/3	1/3	1/3

Shareholder Value Creation

Selected stock market metrics for FY'25

↑ **4.2** TZS Trillion

Market Capitalization (Up 57% YoY)

↑ **1,519**

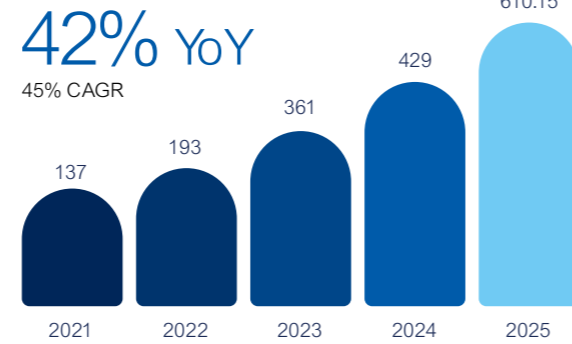
Earnings Per Share

8,410 TZS per Share

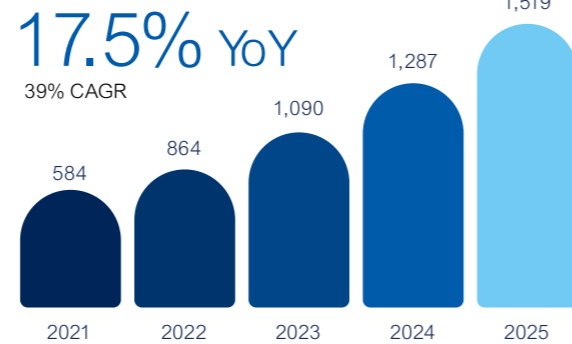
Share Price as of 31st December 2025

Robust Return

Dividend Per Share (TZS)



Earning Per Share (TZS)



Share Price Performance

Metric	As of 31 Dec 2025
Market Cap (TZS)	4.21 Trillion
Year capital gain	57.20%
Dividend paid per share (TZS)	428.85
P/E (annualised)	5.80x
Book value per share (TZS)	5,769.52
P/B (lastest published)	1.46x
Shares outstanding (shares)	500 Million
50-day moving average (TZS, trading days)	8,083
200-day moving average (TZS, trading days)	7,200
Average daily volume (TZS, trading days)	36,546

Share Price Trend



NMB Bank Plc Stock Snapshot

	2025	2024	2023	2022
Share Price (TZS)				
<i>Highest</i>	8,580	5,550	4,880	3,140
<i>Lowest</i>	5,350	4,300	3,000	2,000
<i>Average</i>	6,921	5,101	4,085	2,769
Closing price	8,410	5,350	4,500	3,020
Volume traded (000)	8,771	6,279	6,405	11,342
Market Capitalization in billions*	4,210	2,650	2,250	1,510
Ratio				
Price-to-earnings ratio**	5.8x	4.0x	3.8x	3.3x
Price-to Book Value** (number of times)	1.5x	1.0x	1.0x	0.8x

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



Chairman's Statement

The year under review concluded our 2021-2025 Medium-Term Plan, during which NMB strategically strengthened its market leadership, broadened its national presence, and created sustainable value for shareholders and stakeholders. The Board views MTP's results as evidence of disciplined execution and the strength of the Bank's business model.

Macroeconomic Overview

In 2025, NMB operated in a broadly supportive business environment, underpinned by continued economic growth in Tanzania, stable inflation, and expanding private sector activity. At the same time, amid global uncertainty, changing market conditions, and evolving circumstances, the Board remained closely engaged in overseeing strategy execution, risk management, capital and liquidity strength, technology resilience, and long-term value creation.

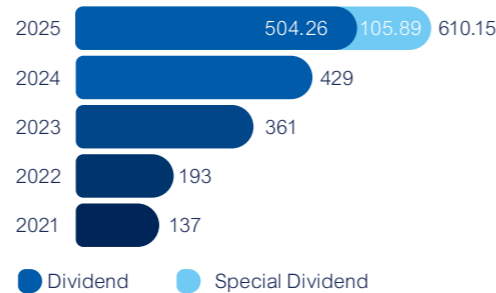
Driving Value, Delivering Higher Return

NMB continues to grow responsibly by balancing ambition with prudence. This involves maintaining disciplined execution, upholding strong governance, investing in technology and talent, while ensuring resilience against changing risks.

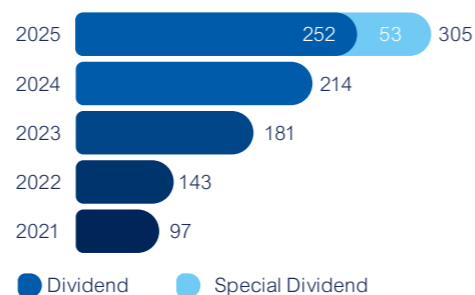
The Bank announced strong results, with total assets growing to TZS 17.6 trillion. Customer deposits rose to TZS 12.52 trillion, and profit before tax increased to TZS 1.1 trillion. Net profit after tax hit TZS 760.1 billion, resulting in a 27% return on equity. These figures highlight the Bank's sustained growth in core activities, efficient balance-sheet management, and dedication to creating long-term shareholder value.

Reflecting on our solid financial performance and robust capital position this year, the Board is pleased to propose a special dividend to our shareholders in recognition of your continued trust. The Board proposes an ordinary dividend of TZS 504.26 per share and a special dividend

Dividend Per Share (TZS)



Total Dividend Proposed (TZS Bn)



The Board proposes an ordinary dividend of TZS 504.26 per share and a special dividend of TZS 105.89 per share, bringing the total dividend per share to TZS 610.15, amounting to TZS 305 billion.

David Carol Nchimbi
Chairman of the Board

of TZS 105.89 per share, bringing the total dividend to TZS 610.15 per share, amounting to TZS 305 billion. This is equivalent to a payout ratio of 40.3%, compared to TZS 429 per share paid in respect of the 2024 financial year. This decision underscores our commitment to delivering superior, sustainable returns while maintaining a strong capital buffer, reflecting our financial resilience and confidence in the Bank's future growth prospects.

Governance

During the year, the Board continued to provide oversight on matters central to the Bank's long-term strength. These included strategic execution, risk and compliance management, operational resilience, leadership continuity, sustainability, and regulatory readiness. We also kept a close eye on areas needing ongoing discipline as the Bank expands in size and complexity. This includes fraud risk, cyber resilience, execution quality, and maintaining strong returns without compromising control standards. These issues are of great importance to the Board and will continue to influence our priorities.

Key Highlights

↑ 6.5%

Project GDP growth in 2026 (5.9% 2025)

↑ 610.15 TZS per share

Proposed Dividend (TZS 429 in 2024)

↑ 4.2 TZS Trillion

Market Capitalization (Up 57% YoY)

↑ 3.1 TZS Trillion

Total Shareholders Fund (Up 21% YoY)

MTP 2021-2025 Success

Looking beyond this year's results, the Board is encouraged by the progress made over the last five years. During the 2021-2025 Medium-Term Plan, NMB more than doubled its balance sheet, significantly grew its customer base, enhanced efficiency, improved risk management, and solidified its status as Tanzania's top financial institution. The Bank's customer base grew to over 9.9 million, supported by continued expansion in accessible delivery channels, including 73,592 NMB Wakala outlets. This growth has been matched by operational transformation, with digital adoption continuing to reshape how customers interact with the Bank.

Agenda 2030

Having established this solid foundation, the Board now concentrates on the next stage of the Bank's strategic development through Agenda 2030, our Medium-Term Plan for 2026-2030. This strategic cycle seeks to enhance NMB's position by adopting a more distinct approach to value creation, emphasizing greater customer relevance, improved ecosystem engagement, and stronger long-term resilience.

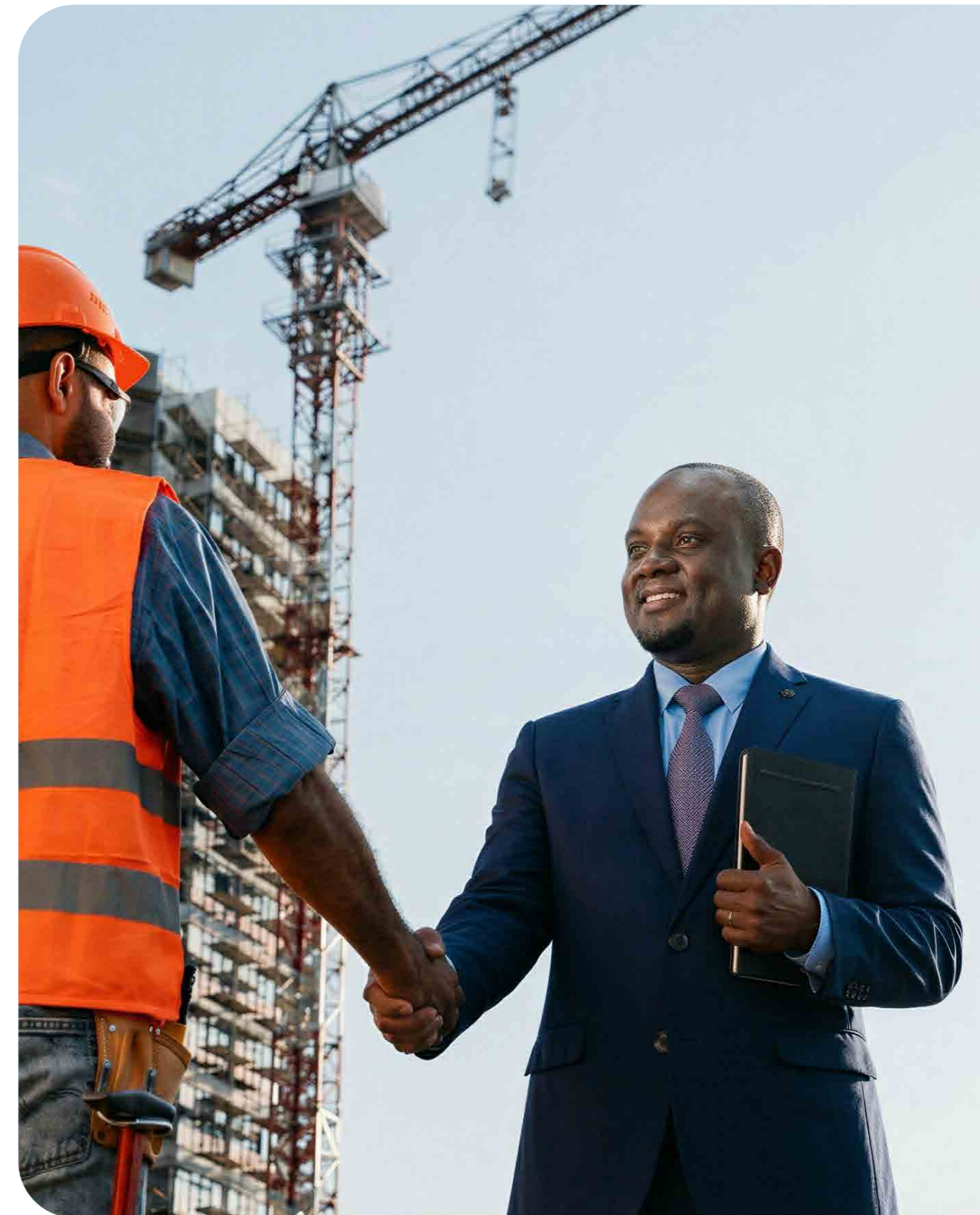
Agenda 2030 aims to cement our leadership in retail banking, build an integrated and impactful SME platform, deepen wholesale relationships across critical value chains, and pursue new growth avenues beyond traditional streams. The Board considers this plan both ambitious and vital, providing a framework to ensure NMB continues to lead with discipline, adapt sustainability, and remain a key driver of Tanzania's economic growth in the years ahead.

Outlook

Looking ahead, the Board's focus remains clear. We will collaborate closely with management to build upon the solid foundation established over the past five years, while thoughtfully guiding the next phase of growth with discipline and clarity. This approach includes protecting asset quality, preserving our capital strength, expanding our footprint and digital investments, boosting customer engagement, and adhering to best governance and risk standards. Growth by itself is not enough. Our goal is for NMB to develop into a more resilient, well-managed, and sustainable institution over the long term.

Acknowledgement

On behalf of the Board, I extend my sincere appreciation to our shareholders for their continued trust and support. I also thank our customers for their confidence in NMB, our regulators and government stakeholders for their continued engagement, and management and staff for their commitment, discipline, and hard work throughout the year. I am equally grateful to my fellow Directors for their dedication and stewardship.



Taarifa ya Mwenyekiti

Mwaka 2025, tumehitimisha rasmi Safari ya Utekelezaji wa Mpango Mkakati wa Muda wa Kati wa mwaka 2021 mpaka 2025 wa Benki ya NMB. Benki iliendelea kujimarisha katika nafasi yake kama Benki kiongozi, imara na stahimilivu na kuongeza thamani ya uwekezaji kwa wanahisa na wadau wake wote. Utekelezaji wa mpango mkakati wetu kwa nidhamu na umakini mkubwa umeendelea kuisukuma Benki kufanikiwa katika nyanja zote za kiutendaji na kiufanisi.

Hali ya Uchumi

Mwaka 2025, Benki ya NMB iliendelea kuwa na ukuaji bora wa kiutendaji na kiufanisi ikichagizwa na kuimarika kwa Uchumi, mazingira tulivu, uthabiti wa mfumuko wa bei ulio ndani ya malengo ya muda wa kati na ukuaji thabiti wa sekta binafsi, licha ya kuwepo kwa changamoto mbalimbali zilizotokana na misukosuko ya kiuchumi duniani na kuyumba kwa masoko ya kimataifa ya kifedha.

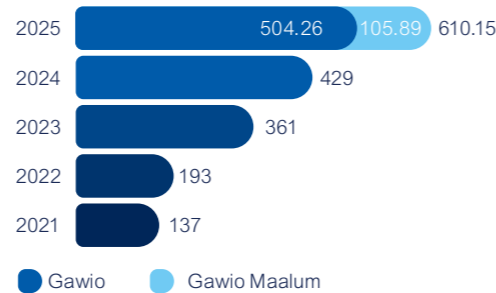
Bodi ya Wakurugenzi iliendelea kushiriki kikamilifu katika kusimamia na kutekeleza Mpango Mkakati wetu, uwekezaji wa kimkakati, udhibiti wa vihatarishi, mtaji madhubuti pamoja ukwasi wa kutosha, uthabiti wa mifumo ya kiteknolojia za kisasa, pamoja na mpango wa kuendeleza na kuchochea Ongezeko la thamani kwa wanahisa na wadau wetu wote.

Kuchochea Ongezeko la Thamani

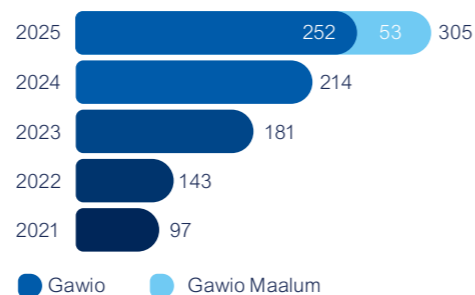
Benki ya NMB iliendelea kujimarisha kibiashara, kiushindani na kukuza wigo wa Upatikanaji wa Huduma za kifedha. Tumeendelea na utekelezaji wa mpango mkakati wetu kwa nidhamu na umakini mkubwa huku tukikuza vipaji na umahiri wa watu wetu. Aidha, tumeendelea kuimarisha misingi ya utawala bora na kuwekeza katika mifumo yetu ya kiulinzi na kidijitali dhidi ya vihatarishi vipya.

Mizania ya Benki iliendelea kuimarika, kwa kiasi kikubwa na kufikia jumla shilingi Trilioni 17.6. Amana za wateja ziliongezeka hadi kufikia shilingi

Mapato kwa kila Hisa (TZS)



Malipo ya Gawio (TZS Bilioni)



Bodi ya wakurugenzi inapendekeza malipo ya gawio la shilingi 504.26 kwa kila hisa pamoja na gawio maalum la shilingi 105.89 kwa kila hisa hivyo kufanya jumla ya gawio kwa kila hisa kufikia shilingi 610.15.

David Carol Nchimbi
Mwenyekiti wa Bodi

Key Highlights

↑ 6.5%

Matarajio ukuaji Pato la Taifa
2025 ukuaji ulikuwa 5.5%

↑ 610.15 TZS kwa kila hisa

Mapendekezo ya Gawio
2025 ilikuwa TZS 429 kwa kila hisa

↑ 4.2 TZS Trilioni

Thamani ya Mtaji (31 Dis 2025)
Ongezeko la 57% mwaka hadi mwaka

↑ 3.1 TZS Trilioni

Fedha za Wanahisa
Ongezeko la 21% mwaka hadi mwaka

Trilioni 12.52, Faida kabla ya kodi iliongezeka na kufikia shilingi Trilioni 1.1 Faida baada ya kodi imeongezeka hadi kufikia shilingi Bilioni 760.1, na kupelekea faida ya mtaji ya wanahisa kufikia asilimia 27. Ukuaji huu endelevu ni kiashiria bora cha ufanisi katika uendeshaji na namna ambavyo Benki imeendelea kuongeza thamani ya uwekezaji kwa wanahisa wake

Kwa kuzingatia mafanikio ya utendaji wetu wa kifedha na nafasi imara ya mtaji kwa mwaka huu, Bodi inapenda kupendekeza gawio maalum kwa wanahisa wetu, ikiwa ni kutambua na kuthamini imani yenu endelevu. Bodi inapendekeza gawio la TZS 504.26 kwa kila hisa na gawio maalum la TZS 105.89 kwa kila hisa, na hivyo kufanya jumla ya gawio kufikia TZS 610.15 kwa kila hisa, sawa na TZS bilioni 305. Kiasi hiki ni sawa na uwiano wa malipo ya gawio wa asilimia 40.3, ikilinganishwa na TZS 429 kwa kila hisa iliyolipwa kwa mwaka wa fedha wa 2024. Uamuzi huu unasisitiza dhamira yetu ya kuendelea kutoa faida endelevu kwa wanahisa, huku tukidumisha akiba imara ya mtaji, jambo linalodhihirisha uthabiti wetu wa kifedha na imani tuliyonayo katika ukuaji wa Benki katika siku zijazo.

Utawala Bora

Bodi ya Wakurugenzi imeendelea kushiriki kikamilifu katika kusimamia na kutekeleza Mpango Mkakati wetu kwa nidhamu na umakini, usimamizi na udhibiti wa vihatarishi inayohitajika kikanuni ili kuhakikisha uthabiti wa kifedha na uzingatiaji wa kanuni za udhibiti wa sekta ya fedha.

Aidha, kadri Benki inavyoendelea kukua na kuongeza wigo wa Upatikanaji wa Huduma za kifedha, Bodi imeendelea kuwa makini na kufuatilia kwa ukaribu maeneo maalumu kwa kuimarisha misingi ya utawala bora na kuwekeza katika mifumo yetu ya kiulnzi na kidijitali dhidi ya mashambulizi ya kimtandao na vihatarishi vipya na kudumisha muenendo bora wa kiutendaji na kiufansi bila kuathiri misingi ya udhibiti na utawala bora.

Hili linaendelea kuwa eneo la kipaumbele katika utekelezaji wa mpango mkakati wetu.

Mafanikio ya Mpango Mkakati wa muda wa kati 2021/2025

Tunapotazama matokeo endelevu ya utendaji wa kifedha wa Benki ya NMB kwa mwaka 2025, Bodi ya Wakurugenzi inajivunia mafanikio makubwa yaliyopatikana kipindi cha utekelezaji wa mpango mkakati wetu wa muda wa miaka mitano.

Mizania ya Benki imeendelea kuimarika kwa uthabiti wa hali ya juu ukiambatana na ukuaji endelevu uliosababisha mizania kuongezeka maradufu, kuboresha usimamizi na udhibiti wa vihatarishi na kuifanya Benki ya NMB kuwa Benki bora na kinara nchini Tanzania.

Idadi ya wateja wa Benki imeendelea kuongezeka na kufikia wateja zaidi ya milioni 9.9. Aidha, Benki imeendelea kukuza wigo wa

huduma za kibenki ikiwemo kuongeza mawakala hadi kufikia 73,592.

Ukuaji huu umechangiwa na uboreshwaji wa miundombinu yetu ya kiteknolojia na kidijitali ili kukidhi mahitaji ya wateja wetu na kutoa huduma zenye ufanisi na zinazopatikana kwa urahisi.

Mpango Mkakati wa mwaka 2026/2030 (Ajenda 2030)

Baada ya kuweka dira na Msingi imara ndani ya Benki yetu, Bodi ya Wakurugenzi sasa inaelekeza juhudi zake katika Mpango mkakati wa muda wa kati wa mwaka 2026 mpaka 2030. Mpango mkakati huu unatupa Dira mpya itakayotuongoza katika Ukuaji endelevu, unaolenga mteja, uliojikita katika Teknolojia kama kichocheo cha mabadiliko, na unaolenga kuongeza mchango wetu, katika maendeleo ya uchumi na jamii kwa ujumla.

Ajenda ya 2030 inalenga kuendeleza kuimarisha nafasi yetu ya uongozi katika utoaji wa huduma za kifedha kwa wateja binafsi, biashara ndogo na za kati, huku tukiongeza mnyororo wa thamani kwa wateja wakubwa na hivyo kufungua wigo mpana wa fursa mpya zinazokidhi mahitaji ya wateja wetu.

Bodi ya Wakurugenzi itaendelea kuongoza kwa weledi, nidhamu na umakini mkubwa katika kutekeleza mpango mkakati huu ili kuleta maendeleo kwa jamii na uchumi wa Tanzania kwa ujumla.

Mustakabali wetu

Mwelekeo wa Bodi unabaki kuwa wazi na thabiti, tutaendelea kushirikiana na menejimenti kutekeleza misingi iliyoainishwa kutoka kwenye mpango mkakati wa muda wa kati wa mwaka 2021 mpaka 2025 huku tukiendelea na Juhudi, umakini na nidhamu katika utekelezaji wa

Mpango mkakati wa muda wa kati wa mwaka 2026 mpaka 2030 (Ajenda 2030).

Mpango mkakati huu mpya unajumuisha kulinda na kuimarisha ubora wa kitabu chetu cha mikopo, uwekezaji wa kimkakati, utawala bora, usimamizi na udhibiti wa vihatarishi, mtaji madhubuti pamoja ukwasi wa kutosha.

Azma ya Benki ya NMB ni kuwa taasisi imara na stahimilivu inayosimamiwa kwa weledi, nidhamu na umakini mkubwa katika kutekeleza mpango mkakati wake ili kuleta maendeleo endelevu.

Shukrani

Kwa niaba ya Bodi, natoa shukrani zangu za dhati kwa wanahisa, wateja wetu na washirika wa Benki kwa kuendelea kutuamini na kutuunga mkono, Bodi inashukuru sana mamlaka zinazotusimamia Pamoja na Serikali kwa ushirikiano na mazingira wezeshi ya kibiashara.

Pia napenda kutoa Shukrani za dhati kwa menejimenti na wafanyakazi wote wa NMB kwa kazi yao Bora na kuendelea kuishi maadili ya taasisi katika kipindi chote cha mwaka.

Aidha, natoa pongezi na shukrani za pekee kwa Wakurugenzi wenzangu kwa uadilifu, kujituma, na uongozi wao madhubuti katika kuongoza na kusimamia Benki yetu.



Managing Director & CEO's Statement

A Defining Year

The year 2025 marked a defining milestone for NMB Bank as we concluded our 2021-2025 Medium-Term Plan. Over that five-year period, we set out to strengthen customer propositions, improve operational efficiency, invest decisively in technology and people, and build a stronger institution with the scale, resilience, and discipline required to deliver sustainable value. The progress achieved over the period confirms that those choices were well-made and have positioned the Bank strongly for its next phase of growth.

Strong Performance, Delivered with Discipline

NMB closed 2025 with strong financial and operating performance. Total assets increased by 28% to TZS 17.6 trillion, customer deposits rose by 31% to TZS 12.52 trillion, and profit before tax reached TZS 1.1 trillion. Profit after tax amounted to TZS 760.1 billion, while return on equity stood at 27%. Asset quality improved further, with the non-performing loan ratio at 2.5%, and the cost-to-income ratio remained at a disciplined 38%. We also maintained a strong capital position, with a total capital ratio of 24.8%, providing a solid foundation to support future growth while preserving resilience in a changing operating environment.

Growth remained broad-based, supported by

continued momentum across key sectors and our deliberate focus on productive segments of the economy. Deposit mobilisation remained a core strength, reinforcing the resilience of our funding base and enabling profitable growth on the balance sheet. Revenue diversification also strengthened, while the balance sheet remained liquid and well-capitalised.

Collectively, these results reflect disciplined execution, prudent risk management, and the continued relevance of our franchise to customers and to Tanzania's broader economy.

Delivering the 2021-2025 Medium-Term Plan

The successful completion of the 2021-2025 Medium-Term Plan stands among the Bank's most important achievements in recent years. Over the period, we materially expanded the Bank's scale, reach, and operating capability. Our customer accounts grew from 4.5 million in 2020 to more than 9.9 million by the end of 2025, while NMB Wakala expanded to 73,592 agents, significantly widening access to formal financial services across the country. By year-end, our network covered 97% of Tanzania's districts, supported by 248 branches, an extensive agency footprint, and increasingly capable digital platforms. This expansion was not pursued solely for scale. It was a deliberate investment in access, inclusion, and customer needs.



We also continued to align growth with the needs of the real economy. During the Medium-Term Plan period, SME lending increased to TZS 985 billion, and agriculture lending rose to TZS 1.4 trillion, reflecting our continued support for sectors that drive employment, production, and value creation. In wholesale banking, deposits grew to TZS 4.7 trillion, loans to TZS 2.9 trillion, and off-balance sheet exposures expanded to TZS 4.3 trillion, strengthening our ability to support large corporates and public-sector institutions more effectively. These outcomes demonstrate that NMB's growth has remained closely linked to national development priorities and to the productive sectors of the economy.

Building a More Modern Bank

A defining feature of the past five years has been the transformation of our operating model. We have invested materially in technology, data, automation, and control infrastructure to build a more agile, scalable, and secure institution. Over five years, the Bank invested TZS 232 billion in technology modernisation, while in 2025 alone, more than TZS 52 billion was committed to information technology, supporting channel modernisation, technology



Growth remained broad-based, supported by continued momentum across key sectors and our deliberate focus on productive segments of the economy

Ruth Zaipuna
Managing Director & Chief Executive Officer

Key Highlights

↑ **1.1** TZS Trillion

Profit Before Tax (Up 15% YoY)

↑ **27%**

Return on Equity (From 25% in 2024)

↑ **17.6** TZS Trillion

Total Asset (Up 28.2% YoY)

↑ **147** TZS Billion

Sustainable Fund Mobilized

resilience, cybersecurity enhancement, and data and analytics capabilities. By year-end, 98% of transaction volumes were executed outside branches, reflecting a structural shift in customer behaviour and in the economics of service delivery. Our mobile, agency, and digital platforms are no longer simply alternative channels. They are central to how we serve customers, improve efficiency, and position the Bank for the future.

Investing in Capability and Culture

This operational transformation has been matched by continued investment in our people. As the business has grown, we have remained focused on strengthening leadership capability, clarifying roles, improving workforce effectiveness, and sustaining momentum on inclusion and engagement. Training investment increased to TZS 7.2 billion in 2025, up from TZS 5.7 billion in 2024. Women represented 48% of the workforce and 33% of management roles. Across the five-year period, the Bank created 2,470 direct jobs, while productivity improved materially through better role design, process simplification, and stronger performance management. The quality of our people, our culture, and our leadership depth will remain fundamental to the sustainability of our results.

Operating Environment and Management Priorities

The operating environment in 2025 was broadly supportive, though not without risks. Tanzania's economy remained resilient, with estimated GDP growth of 5.9%, average inflation of 3.3%, and continued expansion in private-sector credit. This provided the Bank with scope to support households, businesses, and institutions across priority sectors. At the same time, global growth remained modest,

while market volatility, geopolitical tensions, and trade conditions continued to pose risks. In that context, management remained focused on balancing growth with resilience.

It is equally important to recognise that strong results do not remove the need for continued improvement. As the Bank grows in size and complexity, execution discipline must continue to strengthen. Service reliability, control effectiveness, and the ability to translate scale into consistently higher customer value will remain central priorities. Sustained leadership will depend not only on growth, but on the quality and consistency of execution across the organisation. This is a clear management focus as we enter the next strategic cycle.

Agenda 2030: The Next Strategic Cycle

As we move into the next phase, Agenda 2030 is designed to accelerate sustainable growth, deepen financial inclusion, and strengthen NMB's contribution to national development by leveraging the Bank's scale, balance sheet strength, and digital capabilities. The strategy prioritises expanding NMB's footprint in high-potential regional and domestic markets while sustaining targeted support to priority sectors, particularly agriculture, SMEs, and the broader productive economy.

Agenda 2030 is anchored on four strategic initiatives. The first is to power retail growth through highly targeted, segment-specific propositions. The second is to build a fully integrated SME banking ecosystem that goes beyond lending to include payments, insurance, advisory, supply-chain solutions, and digital productivity tools. The third is to expand wholesale banking wallet share through end-to-end, sector-specific value-chain solutions across corporate and institutional clients. The fourth is to extend selectively beyond the traditional banking core through regional

opportunities, digital propositions, platform partnerships, and adjacent non-bank financial services.

Collectively, these priorities position NMB to continue delivering resilient earnings growth, strengthen long-term shareholder value, and reinforce its role as a leading enabler of inclusive economic development in Tanzania and the region.

Outlook

We begin this next chapter from a position of strength. Over the past five years, we have built a stronger balance sheet, a broader customer franchise, more diversified earnings, deeper digital capability, and a more resilient operating

model. The task ahead is to translate that scale into even greater quality through better service, value creation, tighter execution, and more durable long-term returns. That will remain a central priority for management and the board in the years ahead.

Appreciation

I would like to express my sincere appreciation to our customers for their continued trust, to our shareholders for their confidence, to our regulators and Government stakeholders for their constructive engagement, and to our Board for its guidance and oversight. Above all, I thank my colleagues across NMB for their discipline, resilience, and commitment throughout the year.



Executive Director Finance & CFO's Statement

Delivering the 2021–2025 Medium-Term Plan with Discipline & Resilience

The successful delivery of NMB Bank's 2021–2025 Medium-Term Plan marks a period of disciplined execution and sustained value creation. Over the five-year period, the Bank more than doubled its balance sheet, delivered strong compounded profit growth, strengthened asset quality, and materially improved operating efficiency, while maintaining robust capital and liquidity buffers. These outcomes position the Bank in a position of strength as it enters the next strategic cycle.

Our strategic pillars were clear from the outset to craft winning customer propositions, operating efficiency, and innovate for the future, while generating sustainable returns for shareholders. The results are compelling. Since 2020, NMB's balance sheet has more than doubled, with total assets increasing from TZS 7.06 trillion to TZS 17.62 trillion by the end of 2025. This represents a compound annual growth rate of 26%, driven primarily by a 148% increase in gross loans and advances, which reached TZS 10.7 trillion, alongside strong expansion in debt securities to TZS 2.56 trillion. Such growth reflects not only our ability to identify and capitalise on market opportunities but also the strength of our risk management frameworks and underwriting discipline.

Customer deposits have been the cornerstone of our balance sheet expansion, rising from

TZS 6.1 trillion in 2020 to TZS 12.52 trillion in 2025 at a compound annual growth rate of 23.8%. Importantly, our low-cost deposit base, represented by CASA accounts, has remained robust and now comprises 84.5% of total deposits in 2025 from 83.8% in 2020. This optimised funding structure has underpinned liquidity stability and profitability by lowering our cost of funds and providing the flexibility to support growing lending activity. The sustained growth in deposits also reflects the trust and confidence our customers place in NMB, supported by our extensive agent banking network, digital channels, and customer-centric service models.

Maintaining asset quality has been a central pillar of our strategy, ensuring that growth is both sustainable and profitable. The non-performing loan (NPL) ratio improved markedly, declining from 5.0% in 2020 to a conservative 2.5% in 2025 as a result of enhanced risk management practices, including sophisticated early-warning systems, targeted portfolio strategies, and rigorous sectoral underwriting standards. These measures have mitigated credit risk and preserved capital, strengthening the Bank's financial resilience even in challenging economic conditions. Correspondingly, the cost of risk has declined significantly, from 292 basis points in 2020 to just 75 basis points in 2025, while provision coverage increased to 97% from 89% in 2020, ensuring robust buffers against potential loan losses.

The capital position of the Bank remains exceptionally strong, with a Common Equity Tier



Our strategic pillars were clear from the outset to craft winning customer propositions, operating efficiency, and innovate for the future, while generating sustainable returns for shareholders.

Juma Kimori
Executive Director Finance
& Chief Financial Officer

1 (CET1) ratio of 24.71% as at December 31, 2025, well above regulatory requirements, compared to 19.3% recorded in 2020, and reflecting prudent capital management. Following our designation as a Domestic Systemically Important Bank (D-SIB) in late 2025, we anticipate additional capital buffer requirements and are well prepared to meet them without compromising growth or shareholder returns. Liquidity metrics also remain healthy throughout the period, with a Liquidity Coverage Ratio (LCR) exceeding 831% and a Net Stable Funding Ratio (NSFR) near 156%, positioning the Bank to meet its obligations and seize emerging growth opportunities with confidence.

Revenue growth during the period has been strong and well diversified. Total revenue increased by 17% annual compounded growth to TZS 1.82 trillion in 2025 from TZS 839.5 billion in 2020, propelled by a 109% growth in net interest income to TZS 1.19 trillion and a 136% increase in non-funded income to TZS 635 billion. The growing contribution of non-interest income, now accounting for 35% of operating income from 32% in 2020, has been driven by broad-based growth across several segments, including NMB mkononi, Agency banking, fees, trade finance, microlending, mobile payments, and bancassurance. This diversification reduces earnings volatility

Key Highlights

↑ **760** TZS Billion

Profit After Tax (Up 17.5% YoY)

↑ **38%**

Cost to Income Ratio (From 38% in 2024)

↑ **2.5%**

Non-Performing Loans (From 2.9% in 2024)

↑ **26%**

Liquid Asset Ratio (From 33.6% in 2024)

and enhances the Bank's ability to generate sustainable profits across economic cycles.

Operational efficiency has improved significantly as we continue to scale the business and invest strategically in technology and talent. Over the five years, Operating income has recorded strong double-digit growth, while operating expenses rose moderately at a 10% compounded annual growth rate, yielding positive jaws and driving a 29% CAGR increase in operating profit before tax to TZS 1.1 trillion from TZS 301 billion in 2020. The cost-to-income ratio improved significantly to an all-time low of 38% from 50% in 2020, underscoring the success of our digital transformation initiatives, process automation, and disciplined cost optimisation.

Over the five years, we have recorded a 29% compounded annual growth rate in Net profit after tax, from TZS 210 billion in 2020 to TZS 760 billion in 2025. Return on equity stood at a robust 27%, consistent with our strategic targets and above 18.6% levels in 2020, a testament to our strategy's ability to generate attractive returns for shareholders. Our dividend policy, which maintains a minimum cover ratio of 3 times core net profit, has supported sustainable dividend flows throughout the MTP implementation period, contributing to total shareholder returns of 319.5% over five years. In 2025 alone, shareholders enjoyed a total return of 65.2%, comprising share price appreciation of 57.2% and dividends of TZS 428.85 per share, higher than the 11% total shareholder return recorded in 2020.

Our commitment to expanding financial inclusion is evident in the substantial growth of our customer base, which nearly doubled from 4.5 million in 2020 to 9.9 million by the end of 2025. This growth has been supported by the rapid expansion of our NMB Wakala agent network, which has increased more than eightfold to 73,592 outlets, providing convenient and accessible banking services across

Tanzania's urban and rural areas. This extensive footprint, combined with investments in digital channels, has brought banking closer to where customers live, work, and trade, driving deeper engagement and loyalty while supporting the Bank's revenue diversification.

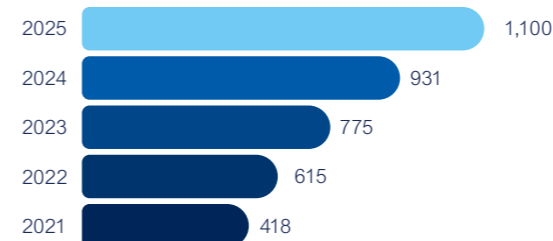
The Bank's digital transformation has fundamentally reshaped how we serve customers. By 2025, 98% of transaction volumes were conducted outside traditional branches, up from 94% in 2020, highlighting the success of our digital adoption strategies. Our mobile banking platform, NMB Mkononi, increased its subscriber base to 5 million, reflecting growing customer preference for fast, secure, and convenient banking. We continue to invest heavily in technology infrastructure, including core banking upgrades, internet banking enhancements, advanced data analytics, robotic process automation, and API-enabled systems to support future ecosystem integration, agility, and scalability.

2025 Financial Results Analysis

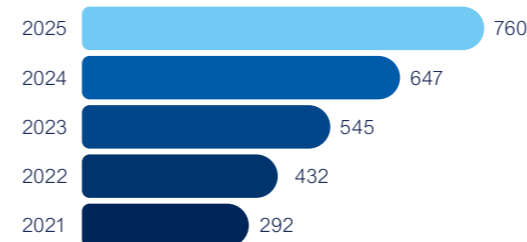
In 2025, NMB Bank delivered another year of strong financial performance, characterised by broad-based balance sheet growth, resilient earnings expansion, and sound risk management. Total assets grew by 28% to TZS 17.6 trillion, supported primarily by a 23% increase in loans and advances and a 31% uplift in customer deposits to TZS 12.5 trillion. Net interest income increased by 13% to TZS 1.19 trillion, while non-funded income remained robust at TZS 634.5 billion, suggesting continued progress in revenue diversification and higher customer activity across the franchise. Profit before tax rose by 15% to TZS 1.07 trillion, and profit after tax increased by 17% to TZS 760 billion, underpinned by disciplined cost management, lower cost of risk, and solid

business momentum. The Bank closed the year with strong capital and liquidity buffers, including a total capital ratio of 24.68%, LDR of 78% including borrowings, and liquidity metrics comfortably above regulatory thresholds. Overall, the 2025 performance demonstrates the strength of NMB's franchise, the quality of its funding base, and the effectiveness of its execution against strategic priorities.

Profit Before Tax (TZS Billion)



Profit After Tax (TZS Billion)



Net interest income

Net interest income strengthened by 12.5% year on year to TZS 1,191.1 billion from TZS 1,058.4 billion, supported by sustained asset growth and improved business volumes across the lending book. Interest income increased by 13.3% to TZS 1,548.3 billion, reflecting continued expansion in loans and advances as well as balance sheet deployment into earning assets. This performance was partly offset by a 16.1% increase in interest expense to TZS 357.2 billion, driven by a more competitive funding environment and a modest increase in deposit pricing.

While net interest income remained the

dominant revenue contributor, margin dynamics moderated during the year, as net interest margin declined to 8.08% from 9.06% in 2024, suggesting that faster growth in funding costs and balance sheet mix effects partly tempered the benefit of volume-led expansion. Nonetheless, the Bank preserved strong positive jaws between core revenue generation and impairment absorption, supporting a higher post-impairment earnings base.

Our net interest margin moderated but remained resilient, despite reductions in benchmark interest rates during the second half of the year, demonstrating the effectiveness of our funding mix optimisation and active liquidity management.

Non-Funded Income

Non-funded income remained a key pillar of revenue diversification, increasing 9.6% to TZS 635 billion in 2025 from about TZS 579 billion in 2024. Within this, net fee and commission income grew by 10.2% to TZS 485 billion on the back of continued traction in customer activity, transaction volumes, and distribution-led monetisation.

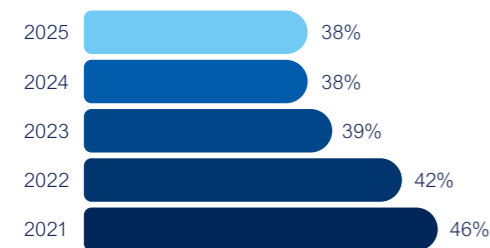
The composition of fee income indicates healthy transactional breadth. Agency banking fees increased 17% to TZS 142 billion from TZS 122 billion, credit-related fees rose 20% to TZS 171.5 billion in line with loan book and service growth. Foreign exchange income remained robust at TZS 106.7 billion, albeit marginally below the prior year's TZS 110.8 billion. Other income increased materially to TZS 35.6 billion, a growth of 49% year on year, supported mainly by 13% growth in recoveries and miscellaneous income. Overall, the NFI trajectory establishes continued progress in broadening earnings beyond traditional spread income.

Operating Costs and Cost-to-Income Ratio

Operating expenses increased by 9.5% to TZS 677 billion from TZS 618 billion in 2024, reflecting continued investment in people, technology, business growth capacity, and channel infrastructure. Staff costs increased 13% to TZS 379.7 billion from TZS 335.7 billion in 2024, remaining the largest component of the cost base, while other operating expenses increased modestly by 5.2% to TZS 298 billion from TZS 284 billion in 2024.

Notwithstanding continued investment, efficiency remained strong. The cost-to-income ratio was down to 38% and comfortably within both internal expectations and the regulatory benchmark supported by disciplined cost governance, improved operating leverage, and the continued migration of transactions toward lower-cost digital and alternative channels, as 98% of transaction volumes were conducted outside branches in 2025.

Cost to Income Ratio



Profitability

Profit before tax increased to TZS 1,067 billion in 2025 from TZS 931.3 billion in 2024, representing a growth of 15.0%. Profit after tax rose more strongly to TZS 760.1 billion from TZS 646.9 billion, up 17.5%, supported by strong top-line momentum, improved post-impairment income, and continued cost discipline driven by a positive combination of balance sheet

expansion, income diversification, and resilient asset quality.

The improvement in profitability was further supported by a lower cost of risk, which improved from 0.97% in 2024 to 0.75% in 2025, driven by a drop in total impairment charge of TZS 81.6 billion versus TZS 87.5 billion in 2024 on the back of improved credit quality dynamics and conservative risk management despite significant book growth.

Assets

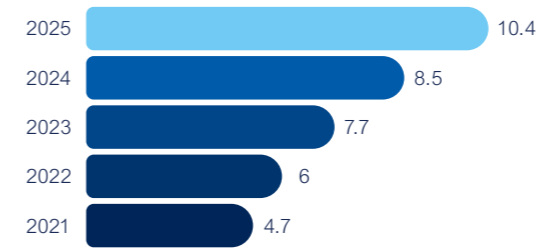
Total assets increased to TZS 17.6 trillion in 2025 from TZS 13.7 trillion in 2024, representing a 28% increase. Asset expansion was broad-based but primarily driven by customer lending, investment in debt securities, higher placements with other banks, and increased cash and balances, attributed to a TZS 2.013 trillion increase in net loans and advances, a TZS 835 billion increase in balances with other banks, and a TZS 330 billion increase in cash and balances with the central bank.

The asset build reflects both business growth and prudent liquidity management amid strong deposit inflows. It also highlights the Bank's market relevance, with approximately 23% market share of sector assets.

Loans and advances

Loans and advances to customers remained a core driver of growth, increasing by 23% year on year to TZS 10.7 trillion, driven by increased demand in both the Retail and Wholesale loan segments, consistent with improved private-sector credit conditions in the wider economy, demonstrating NMB's ability to deploy capital into strategic segments while preserving underwriting discipline.

Loans & Advances (TZS Trillions)



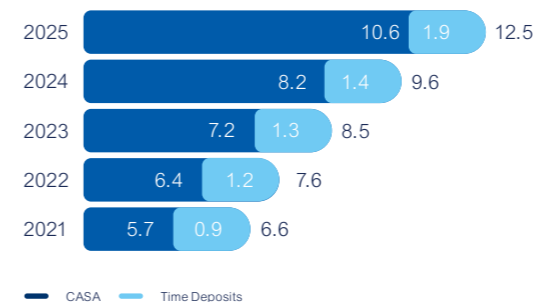
Importantly, loan growth did not come at the expense of asset quality. The Bank's non-performing loan ratio improved to 2.5% from 2.9% in 2024, while coverage increased to 96% from 93% in 2024. In parallel, the cost of risk decreased year on year by 22bps to 75bps, driven by sound origination quality, monitoring, and recoveries, even as the Bank accelerated risk asset growth.

Deposits

Customer deposits increased to TZS 12.52 trillion in 2025 from TZS 9.56 trillion in 2024, representing a growth of 31%. Deposits remained the dominant source of funding, accounting for 86.5% of total funding, broadly stable versus 85.8% in 2024. Total deposit remained heavily skewed toward low-cost CASA balances, which represented 84.4% of total deposits, supporting funding stability and margin resilience despite wider market competition for deposits.

The strong deposit mobilisation underpinned both liquidity and balance sheet scalability. It also enabled asset growth to be funded primarily

Deposits (TZS Trillions)



through customer liabilities rather than external wholesale sources, supporting the Bank's structurally attractive funding model.

Borrowings

Outstanding borrowings declined to TZS 1.299 trillion in 2025 from TZS 1.370 trillion in 2024, a reduction of about 5.2%. As a result, borrowings accounted for 9.0% of total funding, down from 12.3% in the prior year. This indicates that balance sheet growth was increasingly funded by customer deposits rather than debt, which is positive from a funding-cost and refinancing-risk perspective.

Capital and liquidity ratios

Capitalisation remained strong and comfortably above regulatory thresholds. Total capital increased to TZS 2.884 trillion from TZS 2.374 trillion, while CET1 rose to TZS 2.880 trillion from TZS 2.372 trillion. Risk-weighted assets increased materially to TZS 11.686 trillion from TZS 8.718 trillion, reflecting strong risk asset growth. Even so, the CET1 ratio, Tier 1 ratio, and Total Capital Ratio all remained at 24.68% in 2025, well above minimum requirements. The leverage ratio stood at 11.98%, also substantially ahead of the 3% regulatory floor.

Liquidity remained robust, albeit with some normalisation in certain ratios as balance sheet deployment accelerated. The Loans-to-Deposits Ratio improved to 78%, including borrowings, and 86% excluding borrowings, versus 80% and 91.4%, respectively, in 2024. The Liquid Asset Ratio stood at 26.2%, still comfortably above the 20% regulatory minimum. LCR of 831% versus 597% in 2024 and NSFR of 156%, well above the 100% minimum. While the NSFR in the capital table is shown at

156% versus 207% in 2024, both disclosures consistently indicate liquidity strength and ample structural funding capacity.

ROA and ROE

Return on equity improved to 27% in 2025 from 25.2% in 2024, reflecting stronger earnings generation and efficient capital deployment. This remains a high-quality outcome for a bank operating with strong capital buffers and indicates continued accretion in shareholder value.

ROA is estimated at approximately 4.8% for 2025, indicating strong asset productivity for the balance sheet size.

Outlook

Looking ahead, the Bank is well-positioned to build on its success and navigate future challenges. Our strong financial foundation, diversified revenue streams, prudent risk management, and focus on innovation provide

a solid platform for continued growth. We remain committed to financing critical sectors, advancing financial inclusion, and contributing meaningfully to Tanzania's economic resilience and formalisation.

Appreciation

As we close this chapter, I extend my deepest gratitude to our customers for their trust, to our employees for their dedication and professionalism, to the Board for its strategic guidance, and to our regulators and shareholders for their unwavering support. The successful delivery of the 2021–2025 Medium-Term Plan is a testament to collective effort and shared vision.

We now embark on the next strategic cycle from a position of strength, larger in scale, more capable, efficient in execution, and even more focused on delivering exceptional customer experiences. The foundation laid over the past five years gives us confidence that NMB Bank will continue to deliver responsible growth, sustainable returns, and lasting impact for all our stakeholders.



Business Segment Review



#

Retail Banking	60
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Retail Banking

Key Highlights

↑ **7.8** TZS Trillion

Loans and Advances

↑ **1** Million

Active NMB Mkononi Users

↑ **73,592**

Wakala Agents

↑ **99,526**

QR Merchants



Business Banking strengthened NMB's role as a partner to MSMEs. The MSME asset book reached TZS 985 billion, up 28% year-on-year, while Business Banking deposits grew to TZS 1.16 trillion, up 34% year-on-year.



Filbert Mponzi
Chief Retail Banking

Delivering Everyday Value

Retail Banking remained central to NMB Bank's purpose and performance, serving customers, supporting small businesses, deepening financial inclusion and strengthening the Bank's low-cost funding base. The year was defined by disciplined execution across customer acquisition, channel expansion and optimization, digital adoption, MSME and Agri-Retail growth, and responsible lending.

By the end of 2025, NMB served over 9.9 million customer accounts, reinforcing its position as Tanzania's largest customer base. This scale provides a strong foundation for transaction growth, low-cost deposit mobilization and deeper customer engagement across urban, peri-urban and rural markets. Retail Banking delivered strong financial performance, with deposits reaching TZS 7.78 trillion, up 22% year-on-year, and loans and advances reaching TZS 7.76 trillion, up 16% year-on-year.

Our Customer Segments

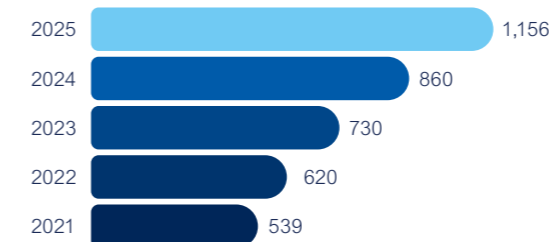
Growth was broad-based across Personal and Private Banking, Business Banking and Agri-Retail. Personal and Private Banking continued

to support salaried workers, private clients and households through savings, lending, cards, insurance, payments and investment solutions. The growth was attributed to active customer acquisition, strong booking momentum and deposit mobilization

Business Banking strengthened NMB's role as a partner to MSMEs. The MSME asset book reached TZS 985 billion, up 28% year-on-year, while Business Banking deposits grew up 34% year-on-year. This reflected stronger onboarding, improved relationship management, and targeted propositions for small businesses, educational institutions, and religious institutions, central to NMB's mass-market strategy, particularly in areas where access to formal banking remains limited.

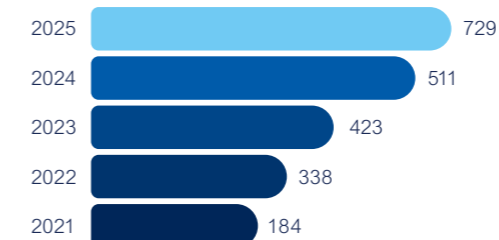
Business Banking Loans (TZS Bn)

5Y - CAGR: +21%
YoY Growth: +34%



Agribusiness Loans (TZS Bn)

5Y - CAGR: +37%
YoY Growth: +43%



Agri-Retail also delivered strong growth, with assets reaching TZS 729 billion, up 43% year-on-year, and deposits increasing by 50% year-on-year. This performance reflects the Bank's continued focus on agriculture, rural enterprise, and value-chain financing.

Our Channels

Our channel strategy in 2025 focused on making banking available where customers live, work, trade and transact. This required a balanced model that combined branches, ATMs, Bank on Wheels, Wakala agents, mobile banking, internet banking, cards, merchant solutions, QR payments, and assisted digital onboarding.

The physical network remained paramount; in 2025, NMB operated 248 branches, 7 Bank on Wheels units and over 700 ATMs, supporting customers across the country. Bank on Wheels continued to extend services to rural and semi-urban locations where permanent branch presence may not yet be commercially efficient.



Agency Banking (Wakala) remained one of the strongest drivers of access and inclusion, supported by the new Mnadani initiative, central to NMB's rural and mass-market strategy, particularly in areas where access to formal banking remains limited. The agent network expanded to 73,592 outlets, while the Mnadani closed at 5 units, all enabling customers to deposit, withdraw, transfer funds, pay bills

and access basic services closer to their communities.

NMB Mkononi continued to be the Bank's primary digital interface for everyday banking, reaching more than 1 million active users in 2025. Through USSD and the mobile app, customers can transfer funds, pay bills, save, borrow, buy airtime and access other banking services conveniently.

NMB Direct also supported digitally active customers, businesses and institutions that require secure internet banking access. Cards, POS, QR codes and Lipa Mkononi continued to strengthen the cash-lite payments ecosystem by enabling customers and merchants to transact more conveniently. Lipa Mkononi, through QR scanning and Lipa numbers, supported small traders, merchants and customers seeking simple, fast and low-friction payment options.

By 2025, 98% of customer transactions by volume were conducted outside traditional branches, confirming a structural shift in customer behaviour and the growing importance of digital and alternative channels in NMB's service model.

Digital and Product Propositions

Product innovation remained focused on practical customer needs. Mshiko Fasta expanded access to short-term digital credit, helping customers meet immediate financial needs quickly and conveniently. NMB Pesa Wakala extended banking services through agents using mobile interfaces, strengthening access in underserved communities.

NMB Jiwekee supported structured savings and helped customers build financial resilience. NMB Kikundi enabled groups to formalise and

manage collective finances digitally, bringing traditional savings groups closer to the formal financial system. NMB Pay by Link improved merchant payment capabilities by enabling secure remote payments, while Flex Malipo supported structured collections for schools, churches, mosques and other institutions.



Looking Ahead

Looking ahead, Retail Banking will focus on deepening customer relationships, accelerating low-cost deposit mobilisation, expanding rural access, growing MSME and Agri-Retail portfolios, strengthening digital adoption and improving service quality across all touchpoints. Under Agenda 2030, the business priority is to improve customer experience, reinforce primary banking relationships, increase customer value, and use data-driven personalisation to deliver more relevant, secure, and convenient banking experiences.



Wholesale Banking

Key Highlights

↑ **3** TZS Trillion

Total Loans (Up 42% YoY)

↑ **4.7** TZS Trillion

Total Deposits (Up 47% YoY)

↑ **4.4** TZS Trillion

Off-Balance Sheet (Up 95% YoY)



Loans and advances closed the year at TZS 2.9 trillion, up 42% year-on-year and above budget, with growth diversified across corporate banking, agri-wholesale, and sovereign-related exposures.



Alfred Shao
Chief Wholesale Banking

Wholesale Banking remained a key driver of NMB's growth in 2025, continuing to support large corporates, public sector institutions, development partners, agribusiness clients, and strategic projects across the Tanzanian economy. Through our Pan-Banking approach, we continued to provide integrated client solutions across lending, transaction banking, trade finance, cash management, and broader ecosystem banking.

Despite a challenging global operating environment and cost funds pressures, the business delivered strong balance-sheet growth and improved performance in non-funded income while maintaining cost discipline. Interest income rose by 17% year-on-year to TZS 248 billion, while non-funded income increased by 27% to TZS 107 billion, reflecting continued client activity and growth in transactional flows.

Loans and advances closed the year at TZS 3 trillion, up 42% year-on-year and above budget, with growth diversified across sectors. Customer deposits increased by 47% to TZS 4.7 trillion, supported by strong relationship management, retention efforts, and deeper client engagement.

Off-balance sheet exposures expanded significantly to TZS 4.4 trillion, representing 95% year-on-year growth, driven mainly by guarantees and trade-related activity, including participation in large strategic infrastructure transactions. This strong momentum reinforces Wholesale Banking's role not only in asset growth but also in supporting fee generation, liquidity flows, and national development priorities.

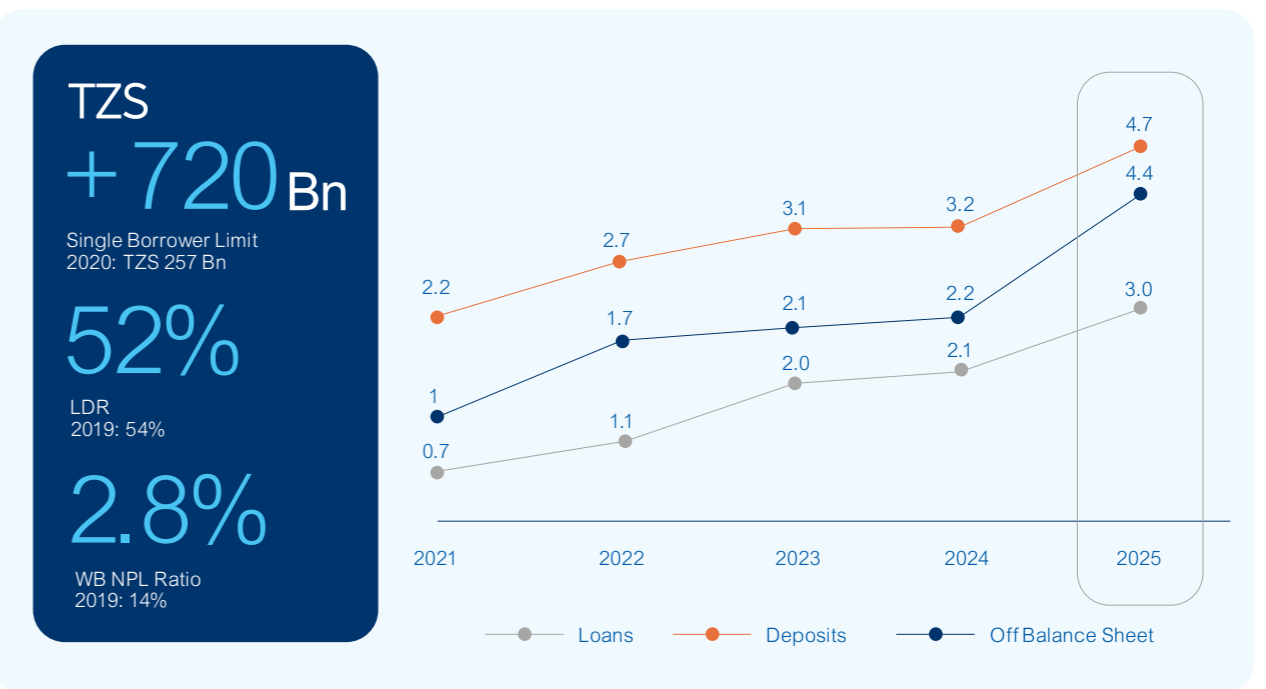
The business remained focused on prudent risk management, with continued emphasis on strengthening governance, enhancing credit oversight on large exposures, reinforcing

collateral and legal standards, and maintaining operational discipline in trade finance and cash management.

Outlook

Looking ahead, Wholesale Banking will continue to focus on deepening client relationships, expanding local and foreign currency deposits, providing cash management solutions to clients, growing non-funded income, and sustaining disciplined growth across funded and off-balance sheet business.

Deepening Wholesale Market Share



Treasury

Key Highlights

↑ 408 TZS Billion

Total Revenue (Up 16% YoY)

↑ 132 TZS Billion

Non-Funded Income (Up 14% YoY)

↑ 831%

Liquidity Coverage Ratio



NMB successfully issued the second tranche under its Multicurrency Medium Term Note Programme through a TZS 80 billion Social Bond.



Aziz Chacha
Treasurer

Treasury and Markets remained integral to both balance-sheet management and client execution across foreign-currency, money-market, and fixed-income segments. The business continued to optimise liquidity deployment, support prudent asset and liability management, deepen customer relationships, and provide foreign exchange and market solutions, while maintaining strong regulatory liquidity and funding ratios.

In 2025, Treasury income increased to TZS 408 billion, up 16% YoY, mainly from net interest income, which increased by 17% to TZS 277 billion due to better market conditions and active deployment into money market and government securities. Non-funded income increased to TZS 132 billion, 14% year-on-year increase, showing continued customer activity.

Treasury continued to play an important role in preserving the Bank's liquidity and financial flexibility. As of 31 December 2025, the Bank maintained strong liquidity and funding positions, with a Liquidity Coverage Ratio of 831%, a Net Stable Funding Ratio of 156%, a Liquid Asset Ratio of 26.2%, and a Loan-to-Deposit Ratio of 78% (including borrowings).

These outcomes reflect disciplined liquidity management, prudent balance-sheet positioning, and effective deployment of surplus funds.

Our Listings

In November 2025, NMB successfully issued the second tranche under its Multicurrency Medium Term Note Programme through a TZS 80 billion Social Bond. The unsecured 5-year instrument, issued at par with a 12% coupon payable semi-annually, was oversubscribed by 83%, attracting TZS 146.6 billion in applications, and is listed on the Dar es Salaam Stock Exchange. Proceeds are being deployed to finance and refinance eligible social assets and loans in line with the Bank's Sustainable Financing Framework.

The Bank also continued to advance the sustainable finance profile of its Jamii Bond,

issued in November 2023 under the same MTN Programme. Jamii Bond is scheduled to mature in November 2026 subject to terms of the instrument for both tranches (USD and TZS).

Outlook

The Treasury Business remains instrumental in securing a favourable cost of funds and preserving a robust balance sheet, particularly amid fluctuating interest rates. By strategically aligning customer deposits with funding needs, the Bank has optimized its funding structure. Looking ahead, Treasury will remain focused on deepening client flows, strengthening trading and fee income within approved risk limits, optimizing liquidity deployment, and advancing funding diversification to support sustainable growth and long-term value creation.



Digital Review



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Digital Review

Key Highlights

98%

Alternative Channel Transaction Volume

99%

IT System Availability



Digital capability has enabled the Bank to connect physical distribution, agency banking, onboarding journeys, mobile services, and payments infrastructure into a more integrated customer ecosystem.



Kwame Makundi
Chief Technology And Digital Transformation

Technology as a Strategic Growth Engine

Technology has become one of the core foundations of NMB Bank's growth model. Over the 2021–2025 Medium-Term Plan period, the Bank's digital agenda moved beyond channel expansion to a broader transformation of how we serve customers, run operations, manage risk, and build institutional resilience. The objective was not simply to digitise existing processes, but to build a more connected, reliable and scalable bank, one that can serve customers faster, operate more efficiently, and respond with greater agility to a changing financial services environment.

The clearest evidence of this transformation is the way customers now interact with the Bank. By 2025, a significant share of transaction volumes was conducted outside traditional branches, reflecting the continued migration of customer activity to alternative and digital

channels. NMB Mkononi also continued to grow (4.8 million subscribers, 2% increase YoY), confirming the increasing role of mobile banking in daily customer engagement.

Expanding Access Through Connected Channels

This shift has strengthened both convenience and inclusion. Digital capability has enabled the Bank to connect branches, Wakala, mobile banking, internet banking, QR payments, onboarding journeys and back-office execution into a more integrated customer ecosystem. That ecosystem supported the bank's expansion to 9.9 million customer accounts and 73,592 Wakala outlets by the end of 2025, bringing banking services closer to customers across urban, peri-urban, and rural markets.



Modernising the Technology Backbone

Over the five-year period, NMB invested significantly in technology modernisation. The TZS 232 billion investment supported platform stability, digital channel functionality, cybersecurity controls, process automation and broader enterprise readiness for innovation. It also aligned with the Bank's strategic pillar of "Innovating for the Future", which prioritised stronger digital capability, improved customer experience and modernised technology platforms to support scalable growth.

The Bank's technology programme also focused on strengthening the core architecture required for a modern financial institution. Key areas included core banking upgrades, internet banking enhancements, advanced data analytics, robotic process automation and API-enabled systems to support future ecosystem integration, agility and scalability. These investments are important because digital banking at scale requires more than customer-facing applications. It requires resilient infrastructure, strong data foundations, reliable integration, secure processing and disciplined change management.

Building Resilience, Security and Trust

Reliability remained a central priority throughout the transformation journey. As customer activity continued to shift to digital and alternative channels, system availability and continuity

became increasingly important to customer trust and operational resilience. The Bank continued to focus on infrastructure simplification, system resilience and digital transformation across core operations.

Cybersecurity and data protection were equally important. As digital adoption increased, the Bank continued to strengthen controls across identity and access management, security monitoring, endpoint protection and third-party access governance. This focus reflects the reality that a digital-first bank must also be a trusted bank. Customer confidence depends not only on convenience, but also on the security, reliability and integrity of every digital interaction.

Outlook: Building for the Next Phase of Growth

Looking ahead, the digital agenda will remain central to NMB's next phase of growth. The focus will be on deepening customer adoption, strengthening platform resilience, enhancing cybersecurity, scaling automation, improving data-led decisioning, and building technology capabilities that support growth across Retail, Wholesale, Treasury, risk management and customer service. The ambition is clear: to make NMB easier to access, safer to use, faster to operate and better prepared for the future. stronger resilience, deeper connectivity, and broader capacity to innovate responsibly.



Our People



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Our People

Key Highlights

↑ 448 TZS Million

Productivity: Revenue per FTE (Up 5.9% YoY)

↑ 4,088

Full-time Employee (Up 5.7% YoY)

48%

Female to Male Ratio



Our broader people strategy remains focused on building a future-ready workforce through upskilling and reskilling, enhancing performance and retention, strengthening leadership pipelines, and promoting employee wellbeing.



Emmanuel Akonaay
Chief Human Resources Officer

Our people remain central to the execution of NMB's strategy and the delivery of long-term sustainable value. In 2025, we continued to strengthen workforce capability, leadership depth, employee engagement and succession readiness, while maintaining disciplined management of staff costs and supporting a high-performance culture across the Bank.

Our MTP 2021-2025 Achievements

Over the five-year period, the Bank generated 617 full-time direct employment, increasing total workforce numbers from 3,471 in 2020 to 4,088 in 2025 out of which 48% are female. Total cumulative investment in our people reached TZS 1.523 trillion, with total staff costs growing at a 13% CAGR from TZS 210 billion in 2020 to TZS 380 billion in 2025, reflecting the scale of our commitment to building a capable, engaged, high-performing, and resilient organisation. Within this, we invested TZS 24.7 billion in

training and capacity building, TZS 55.8 billion in health and wellness, and TZS 110.1 billion in social security contributions. These investments have delivered strong gains. Voluntary turnover reduced to 3% from 5% in 2020, and revenue per employee increased significantly to TZS 448 million from TZS 200 million.

Our 2025 Performance

In 2025, we advanced our talent agenda through awareness programs, NMB Kinara, and completed the Head of Departments and Senior Managers Attachment Program across 42 branches to strengthen engagement and leadership development. We also continued to build future capacity through targeted recruitment and ongoing workforce planning aligned to the Bank's strategic priorities. Employee attrition remained low at 3%, significantly below the 8% market average, demonstrating workforce stability and the continued strength of our employee value proposition.

Our broader people strategy remains focused on building a future-ready workforce through upskilling and reskilling, enhancing performance and retention, strengthening leadership pipelines, and promoting employee wellbeing. This reflects our continued commitment to being an employer of choice and to creating an inclusive, high-performing and values-driven workplace.

Top Employer Certification/Award

In 2025, NMB was acknowledged as one of the global leaders in career development and talent nurturing. This milestone emphasizes NMB's leadership across both financial and non-financial fields. It also highlights the Bank's dedication to cultivating a positive corporate

culture, maintaining a strong code of conduct, and investing in employee welfare.

Outlook

Looking ahead, we will continue to advance our employee-centric strategy as a key driver of sustainable performance and long-term value creation. Our priority is cultivating an inclusive and engaging work environment that promotes productivity, collaboration, innovation, and accountability. Furthermore, we will increase investments in attracting, developing, and retaining essential skills, strengthening leadership pipelines, and increasing internal mobility to meet future business demands. Simultaneously, we will nurture a high-performance, innovation-driven culture through ongoing learning, upskilling, and the adoption of digital and data-driven approaches. Through these deliberate efforts, we aim to enhance workforce resilience, boost operational efficiency, and strengthen our competitive edge in a rapidly evolving banking landscape.



Key Employee Figures	2025	2024	2023	2022	2021	2020
Female staff (in %, Headcount) 1						
Female ExCo	21	31	31	27	27	27
Female Head of Department	28	27	28	31	35	37
Female Senior Managers	30	31	30	26	27	25
Female Managers	34	34	33	32	31	30
Female Officers	52	52	52	52	52	52
Total female staff in %	48	48	48	48	48	48
Age (in %, headcount) 2						
20 - 29 years	4	6	3	2	1	1
30 - 39 years	46	52	51	50	50	47
40 - 49 years	41	35	38	38	39	40
50 - 59 years	9	7	8	10	10	11
Total in %	100	100	100	100	100	100
Division (in %, Headcount) 3						
Retail Banking	80	81	81	81	81	82
Wholesale Banking	3	2	2	2	2	2
Treasury Banking	1	1	1	1	1	1
Other	16	16	16	16	16	15
Total in %	100	100	100	100	100	100
Employment type/Contract (in % of total staff)						
Permanent-term Employment	71	74	79	84	86	88
Fixed-term Employment	29	26	21	16	14	12
Total in %	100	100	100	100	100	100
Other Metrics						
Employees	4,088	3,868	3,642	3,544	3,482	3,471
Women in Leadership %	33	33	32	31	31	30
Internal mobility/hires %	85	84	59	64	64	57
Internal Hires by gender (women) %	49	53	36	40	30	26
Employee retention rate %	97	97	97	98	97	97



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Sustainability



Building a better tomorrow together

Key Highlights

608 TZS Billion

Sustainable Financing as of 31st Dec 2025

tCO₂e
1.4 Million

Carbon Emissions

9.9 TZS Million

Customer Accounts



The Bank also continued to strengthen sustainability disclosures in line with evolving expectations from regulators, investors and other stakeholders.



Innocent Yonazi

Director; Investor Relations, Sustainability, & Corporate Communication (ISC)

The year 2025 marked an important step in the Bank's sustainability journey, as we continued to embed responsible banking into the Bank's operating model. Our focus remained on maintaining momentum for executing our sustainability strategic aspirations.

Sustainable financing remained a key pillar of our long-term value creation agenda. During the year, the Bank continued to grow and manage eligible sustainability assets across priority sectors as defined by our Sustainable Financing Frameworks. In 2025, the Bank's total sustainable financing portfolio increased to TZS 608.3 billion, representing 5.69% of the total loan portfolio, compared with TZS 474.0 billion in 2024, equivalent to 5.42% of the total loan portfolio, an increase of TZS 134.3 billion, or approximately 28.3% year-on-year.

The Bank also continued to account for its Carbon footprint (through a comprehensive review of GhG inventory across Scope 1-3), strengthening our environmental accountability and providing a stronger baseline for future resource efficiency initiatives. During the year, our total operational emissions declined to approximately 22,075

tCO₂e, compared with 23,822 tCO₂e in 2024, representing a reduction of 7.4%. Financed emissions were recorded at 1.4 million tCO₂e, being an increase of 29% compared to 2024. Due to increase in calculation coverage.

Financial inclusion remained central to our social impact and business strategy. By the end of 2025, the Bank served approximately 9.9 million customer accounts, supported by about 1.3 million new accounts opened during the year. Access was enabled through 248 branches, more than 73,000 active NMB Wakala agents, digital channels and 8 Bank on Wheels units. The agent network exceeded the strategic target of 70,000 agents, while our rural banking strategy reached more than 2,000 villages. In addition, approximately 98% of transactions were processed through alternative channels, demonstrating the scale of our digital and inclusive banking transformation.

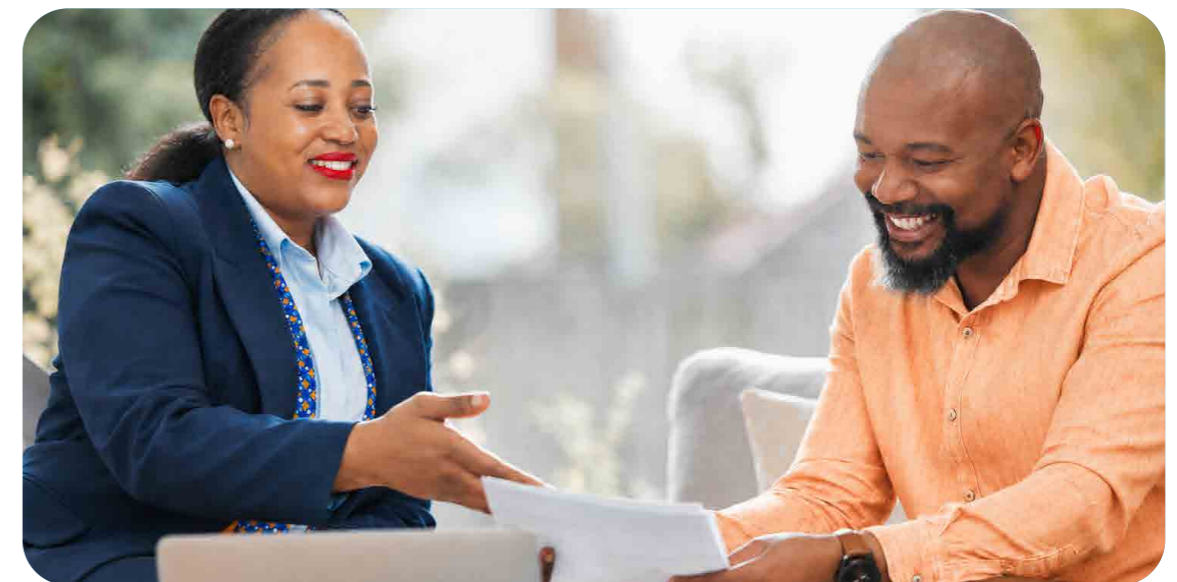
Responsible operations continued to underpin trust. In both 2024 and 2025, the Bank recorded zero reported material data privacy breaches, a testament to the robustness of the Bank's investment in data protection, cybersecurity, system resilience, conduct risk management and customer trust. As digital banking continues to expand, safeguarding customer information

and maintaining resilient platforms remain fundamental to responsible banking.

The Bank also continued to strengthen sustainability disclosures in line with evolving expectations from regulators, investors and other stakeholders. The 2025 Sustainability Report has been prepared with reference to recognised frameworks, including IFRS S1, IFRS S2, GRI, SASB Commercial Banks metrics, TCFD, PCAF, the GHG Protocol and relevant Bank of Tanzania sustainability and climate-related guidance. This reflects our commitment to transparent, comparable and decision-useful reporting.

Looking ahead, we will deliberately scale our sustainable financing portfolio while embedding climate risk more rigorously into decision-making. We will prioritize improving emissions data quality and expanding the scope and accuracy of financed emissions coverage, enabling clearer accountability and better-informed actions. At the same time, we will advance financial inclusion, reinforce customer data protection, and strengthen our readiness for robust, assured disclosures.

Our commitment is clear: to pursue growth with responsibility, innovation with control and sustainability with transparent and measurable impact.



Materiality Assessment

To comprehensively evaluate the impact of sustainability factors on our stakeholders and operations, NMB employs a double materiality approach that encompasses both financial and impact materiality. This approach provides a comprehensive understanding of the financial risks and opportunities associated with each material factor, also aiding in identifying priority areas for integrating sustainability risks and opportunities into our strategic planning and risk management processes.



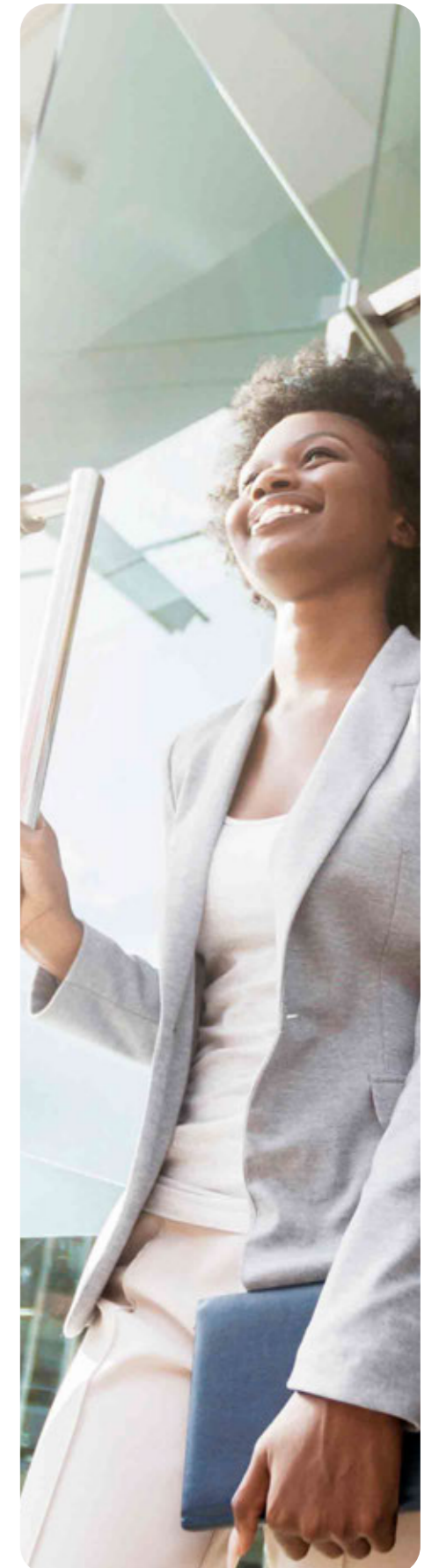
Stage	Key Steps	Outputs
<p>Identification</p>	<p>NMB pinpoint sustainability issues that may affect our strategic execution and are relevant to our market, aligning with stakeholders' expectations and our operational model. This involves compiling a list of sustainability factors pertinent to NMB through industry trend reviews, stakeholder engagement, and peer benchmarking.</p> <div style="display: flex; justify-content: space-around;"> <div data-bbox="1911 730 2148 779"> <p>Impact Materiality</p> <ul style="list-style-type: none"> Assess positive and negative impacts across NMB's value chain, supply chain, operations, and customer services. Evaluate the magnitude and likelihood of the impact. </div> <div data-bbox="2208 730 2445 779"> <p>Financial Materiality</p> <ul style="list-style-type: none"> Assess risks and opportunities affecting NMB's cash flows, cost of capital, and financing access over the short, medium, and long-term. Evaluate the magnitude and likelihood of the Risks and opportunities. </div> </div>	<p>A comprehensive list of topics with material significance to our stakeholders has been thoughtfully identified.</p>
<p>Prioritisation</p>	<p>Sustainability factors are prioritised based on financial and material impact, considering criteria such as potential long-term stakeholder value, influence on decision-making processes of key stakeholders, impact on NMB's business strategies, financial planning, and business model, outcomes, and business continuity, as well as contributions to the UN Sustainable Development Goals (SDGs).</p>	<p>Material topics impacting NMB were carefully prioritised to ensure a focused and strategic approach.</p>
<p>Review</p>	<p>Senior management and business units at NMB review the material sustainability factors for their relevance and significance from financial and impact materiality perspectives.</p>	<p>Final list of material topics validated by the Sustainability steering Committee.</p>
<p>Integration</p>	<p>Sustainability matters that are critical to value creation are incorporated into our balanced scorecard. This tool is essential for setting objectives, driving behaviours, measuring performance, and determining remuneration.</p>	<p>Sustainability forms part of our Bank's overall strategy.</p>

List of NMB Bank Material Topics

Sustainability Topic	Description	Impact Materiality	Finance Materiality		Double Materiality
			Risk	Opportunity	
Environmental Topics					
Sustainable Finance	Using innovation to build products and services that benefit both people and the planet.	●		●	●
Environmental & Social Risk Management (ESRM)	Aligning operations, lending, and investments with climate priorities to reduce operational and financed emissions, driving progress toward a sustainable, low-carbon future.	●	●		●
Nature & Biodiversity	Integrating nature (including waste and water management) and biodiversity considerations into financing and other business decisions.	●	●	●	●
Social Topics					
Financial Inclusion	Driving MSME growth, expanding financial access to unbanked and underserved communities, and enhancing financial literacy for our customers.	●		●	●
Customer Experience	Building trust by exceeding expectations with transparent finance solutions.	●		●	●
Community Social Investments	Creating lasting impact with community-focused initiatives and strategic philanthropy.	●			
Human Rights & Labour Standards	Promote labour standards and human rights by fostering fair treatment, equality, and dignity for all employees, customers, community and stakeholders.	●			
Digital & Innovation	Transform our digital services to meet evolving customer needs and deliver a seamless banking experience.	●	●	●	●
Employees / Our People	Building a better workplace through ongoing investment in our people, enhancing their skills, empowering their growth, wellbeing, and welfare to drive greater productivity.	●			
Governance Topics					
Cybersecurity & Data Protection	Enhancing cybersecurity protocols and safeguarding customer data privacy.	●	●		●
Compliance & Risk Management	Adhering to robust governance and Risk management frameworks and ethical business practices.	●	●	●	●
Tax transparency	Maintaining integrity in tax practices through fairness, transparency, and regulatory compliance.	●			
Financial Crime, anti-bribery & Corruption	Deploying controls and compliance frameworks to prevent financial crime, bribery, and fraud.	●	●		●
Gender Equality	Fostering a diverse, inclusive, and gender-balanced workplace built on respect and equity.	●			

● Impact Materiality ● Financial Materiality ● Double Materiality

The topics identified as material through the double materiality exercise align with NMB's current sustainability strategy. Moving forward, we will strengthen our strategic focus on these areas to guide both our future strategy and disclosures. Additionally, we will evaluate how the materiality assessment findings can be incorporated into the bank's ESG risk management framework.



Sustainability Related Opportunities

The Sustainability Agenda presents a bank with multiple opportunities, and the bank continues to refine and prioritise all sustainability-related opportunities based on their commercial viability and potential positive impact on society and the Environment. This strategic approach facilitates the transition of our customers and the broader economy to sustainable practices. The timing and impact of these opportunities will vary across sectors, influenced by government policies, technological advancements, and shifting customer preferences. The following are the potential product opportunities arising from the transition to a more sustainable economy.

Green Loans:

These fuel projects that translate environmental commitments into tangible, sustainable actions and innovations.

Sustainability-Linked Loans:

These loans incentivise borrowers to meet sustainability targets by linking them to the facility's pricing mechanism.

Green Car Loans:

Promote sustainable transportation by offering favourable financing for eco-friendly vehicles.

Sustainable-Current Account Savings Account (CASA):

Designed for corporate Customers, this account provides liquidity for everyday transactions and finances, sustainable projects with its proceeds.

Sustainability-Linked Supply Chain Finance:

Providing financing to suppliers based on their sustainability performance, offering favourable terms to those meeting predefined criteria.

Green Bonds:

Debt instruments issued to fund environmentally friendly projects, with proceeds specifically earmarked for initiatives that have positive environmental impacts.

Green Mortgages:

Incentivise homebuyers to invest in energy-efficient properties with benefits such as reduced interest rates.

ESG Advisory:

Offers bespoke sustainable finance solutions, advising Customers on structuring deals, developing Sustainable Finance Frameworks, and integrating sustainability metrics into financing decisions.

These financial products play an important role in promoting sustainability, encouraging responsible borrowing and investing, and supporting projects that contribute to a greener and more environmentally conscious future.

- Reduced exposure and geographical footprint related to activities identified as harmful within our E&S risk acceptance criteria.
- Net interest income from lending activities
- Additional fee income through advisory and underwriting activities.

Potential Financial Impacts of Climate-Related Opportunities to the Bank Balance Sheet and Income Statement.

- Increased volume of climate and sustainable funding and financing, on and off-balance sheet
- Growing balance sheet volumes through demand for new products and services that support the transition.
- Increased proportion of the balance sheet related to energy-efficient homes and buildings.

Sustainability Related Opportunities

NMB Bank is committed to integrating sustainability considerations into strategic initiatives, underpinned by four key pillars: Sustainable Operations, Sustainable Financing, Financial Inclusion, and Climate Risk Management.



Financial Inclusion

3,000

Unbanked Villages reached

282,863

NMB Pesa Accounts

4.8

Million

Customers in Rural Districts



Financial inclusion remains a strategic priority for NMB Bank in strengthening inclusive economic participation and expanding access to formal financial services across the Country. NMB Bank continues to support national financial inclusion objectives by expanding account ownership, strengthening distribution infrastructure, enhancing digital access, and improving the quality and affordability of financial solutions offered to individuals and small businesses.

Mass Account Opening

Expanding access to formal financial services remains a central component of the Bank's financial inclusion strategy and is closely aligned with the Winning Proposition pillars of the Bank's overall corporate strategy. NMB Bank continues to implement a number of initiatives to drive more individuals into the formal Financial and Banking system. In 2025, the Bank onboarded 1.3 million new customer accounts (2024: 2 million), bringing the total customer account base to 9.9 million from 8.6 million Customer accounts in 2024, the largest customer base in Tanzania's banking sector.

NMB Pesa remains one of the Bank's flagship financial inclusion initiatives and a key enabler of affordable access to formal banking services. Structured as an accessible CASA product, NMB Pesa is designed to serve low-income, underserved and first-time banking customers by significantly lowering the entry threshold to account ownership. With an opening deposit requirement of only TZS 1,000, and accessibility through Mobile Phone, the product continues to support convenient, low-cost and digitally enabled banking for a broad segment of the population. In 2025, the Bank onboarded 282,863 new NMB Pesa accounts, reflecting continued market uptake of the proposition and its relevance in advancing the Bank's financial inclusion agenda.

Universal access to financial services and products

In 2025, the Bank continued to implement the Rural Banking Strategy to extend formal financial services to underserved and unbanked populations in rural areas. As part of this strategy, NMB launched NMB Mnadani Outlets in rural auction locations to provide banking services during auction seasons, enabling customers to safely deposit proceeds, open accounts and access essential banking solutions closer to their communities. Through the Rural Banking strategy, in 2025, the Bank expanded its reach to more than 2,000 villages (2024:1,000) and onboarded 4,020 banking agents (2024: 2,057) to support service delivery and customer onboarding for NMB Pesa customers in those areas.

The Bank also continued to strengthen access through its broader distribution and digital onboarding infrastructure. By year-end, NMB had 248 branches and 73,592 agency banking outlets, maintaining the largest agency banking network in Tanzania. In support of its E-KYC agenda, the Bank revamped its DSS application to enable staff to open customer accounts digitally and more efficiently. This initiative contributed to the opening of 234,466 accounts during the year, further enhancing convenience, accessibility and speed of onboarding across the Bank's network. The Bank also operated 7 Bank on Wheels units across the country, providing banking services to remote areas where access to formal banking infrastructure remains limited, and the Bank has plans in place to increase the number of Bank on Wheels units in 2026. The Bank continued to promote device financing solutions to support increased ownership of mobile phones and digital devices, enabling more customers to access mobile banking and digital financial services.

Expand usage of a broad range of financial products and services

The Bank continued to prioritise the expansion of digital financial technology adoption to enhance the usage of financial products and services across its customer base. Investments in mobile banking, internet banking, digital payments, agency banking services and card-based payment infrastructure have significantly improved the convenience and accessibility of financial services.

In 2025, the Bank continued to expand the digital payments ecosystem and strengthen merchant acceptance infrastructure. The number of Point Of Sale (POS) merchant outlets increased from 4,124 in 2024 to 4,712 in 2025, while the QR code merchant base expanded significantly from 19,152 to 99,526, driving improved adoption of digital payments, with QR code usage rising from 8% to 22.5%. The Bank also recorded strong customer engagement across its digital platforms, with 4.8 million Mkononi registered users, of which 1.02 million were active within the last 30 days. In addition, Lipa-Mkononi's active users increased to 19,293, reflecting growing adoption of mobile-based merchant payments.

The Bank also continued to promote digital savings and micro-credit solutions designed to improve financial resilience and convenience for customers. Spend to Save, the Bank's digital savings solution, continue to record increase traction and demand for digital micro-lending continued to grow, with Mshiko Fasta micro-loans averaging 119,537 active users within 30 days, compared to 93,903 users in 2024.

Sustainable Finance

621 TZS Billion

Sustainable Funds Mobilized (2022 - 2025)

330 TZS Billion

Green Loans

608 TZS Billion

Sustainable Loan Portfolio



Sustainable Financing

Environmental & Social Management Policy For Lending & Investments

NMB Bank PLC's Environmental and Social Management Policy (ESMP) framework governs how the Bank identifies, assesses, mitigates, monitors and reports environmental and social risks across its lending and investment activities. The framework is embedded in the Bank's credit and risk management processes and reflects the Bank's commitment to sustainable banking, prudent risk governance and compliance with applicable regulatory and international standards.

2025 Milestones

During 2025, the Bank continued to strengthen the operationalisation of the ESMP framework across lending and investment activities. Key milestones included:

- Continued implementation of the Environmental and Social Management Policy for Lending and Investments across eligible credit transactions.
- Enhanced alignment of the ESMP framework with the Bank of Tanzania Guidelines on Reporting of Sustainability-Related Risks and Opportunities for Banks and Financial Institutions, 2025, and the Guidelines on Climate-Related Financial Risks Management and Disclosures, 2025.
- Reinforcement of E&S screening and categorisation requirements at transaction origination.
- Further embedding of E&S due diligence, action planning and covenant requirements into the credit approval process;

- Strengthening of monitoring and incident escalation procedures for higher-risk Customers and transactions; and
- Continued staff sensitisation and capacity building across business, credit and control functions on E&S risk requirements and responsibilities.

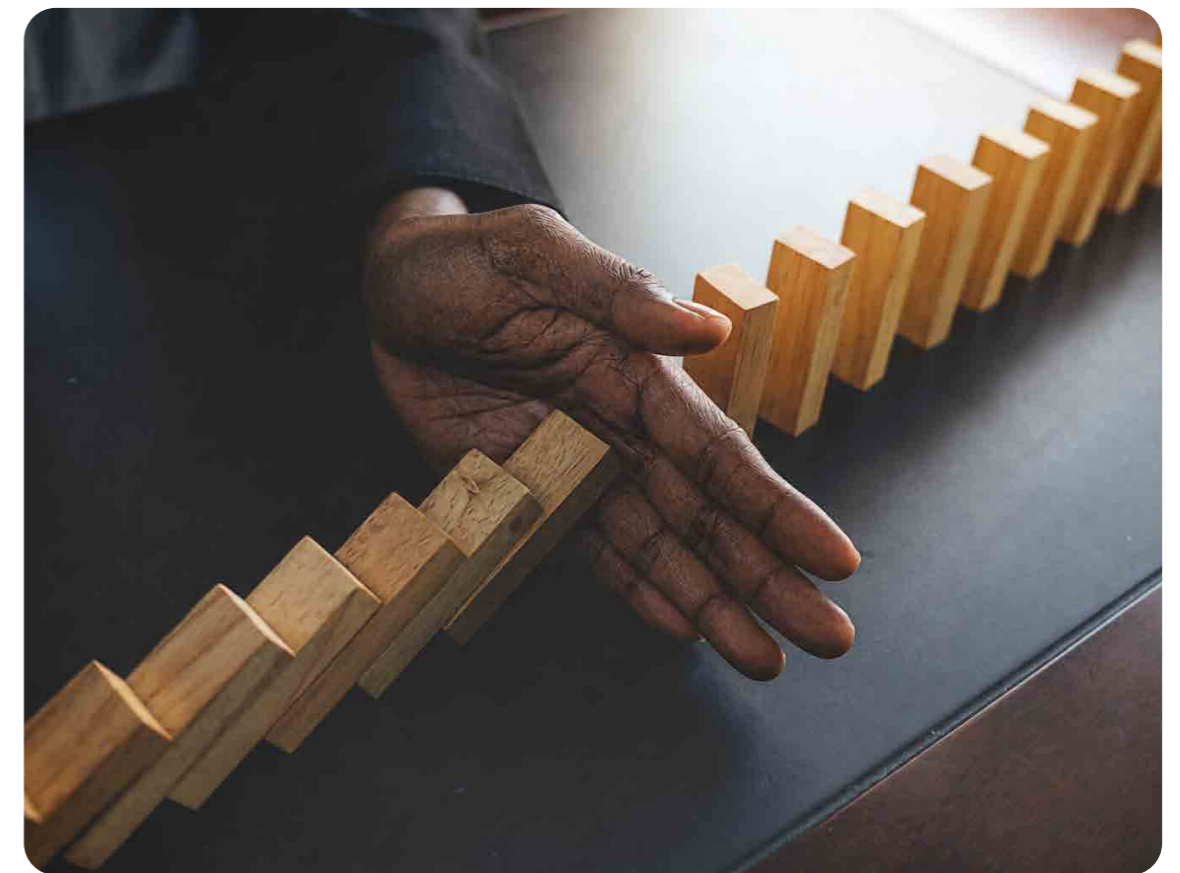
E&S Risk Strategy & Appetite

The Bank assesses environmental and social (E&S) risks and opportunities and their potential impact on its business, strategy and portfolio over the short, medium and long term to support credit decision-making, portfolio oversight and broader risk management. The Bank's E&S risk appetite is guided by its Environmental and Social Management Policy for Lending and Investments and is reflected through qualitative and quantitative considerations,

including exposure to excluded or high-risk sectors, transaction risk categorisation, material E&S incidents and compliance with applicable legal and regulatory requirements. The E&S risk appetite framework is overseen through the Bank's risk governance structures and continues to be embedded across relevant risk management processes and policies.

E&S Risk Management

E&S risk management is integrated into the credit lifecycle from origination to monitoring. The Bank screens eligible transactions against the exclusion list and applicable legal requirements, undertakes E&S due diligence for higher-risk transactions, agrees corrective action plans where required, incorporates E&S covenants into facility documentation, and monitors compliance throughout the life of the facility.



E&S Risk Assessment & Scorecard

E&S risk assessment begins with front-line screening of transactions against the Bank’s exclusion list and applicable E&S requirements. Eligible customers are then assessed using the Bank’s E&S risk categorisation approach to determine the level of environmental and social risk associated with their activities. This assessment combines qualitative and compliance-based considerations, including the nature of the client’s operations, regulatory requirements, permits, and the client’s capacity to manage identified E&S risks. The assessment is undertaken at onboarding for new customers and during periodic credit reviews for existing customers, ensuring that E&S considerations remain integrated into credit decision-making throughout the life of the relationship.

Reputational Risk Arising from E&S

The Bank recognises that failures by Customers to manage environmental and social issues can adversely affect stakeholder confidence, franchise value and the Bank’s standing with regulators, investors, lenders, customers and the public. E&S risk is therefore an important driver of reputational risk, particularly in relation to sectors or activities associated with pollution, unsafe labour practices, community harm, biodiversity degradation, land disputes, human rights concerns or non-compliance with law.

Reputational Risk is a principal risk within the Bank’s Enterprise Risk Management Framework and is governed through a separate Policy for Managing Reputational Risk.

The Bank manages reputational risk arising from E&S matters through its transaction screening, escalation and governance processes. Transactions that present elevated reputational sensitivity are subject to enhanced review

and challenge by the relevant business, risk and credit functions, and where necessary, escalated to senior management or Board-level committees. Material E&S incidents occurring during the life of a facility are also subject to prompt escalation and review to determine the appropriateness of corrective action, continued exposure and any further mitigation measures.

Sustainable Financing

NMB’s commitment to sustainable financing involves creating innovative instruments and advancing partnerships guided by our Sustainable Financing Frameworks. A second-party opinion evaluated our sustainable financing frameworks to ensure the credibility and desired impact would be achieved through a Sustainable Bond Issuance.

NMB Bank aims to empower customers to invest in sustainable assets and low-emission solutions through our comprehensive Sustainable Finance Framework, which offers diverse sustainability financing options tailored to meet the various needs of our Customers.



Sustainable Finance and Portfolio Alignment

In alignment with our sustainability ambitions, NMB’s Sustainable Financing Framework offers a robust foundation for green, social, and sustainable investments. This framework is designed to finance projects that deliver tangible environmental and social benefits, adhering to international best practices, such as the Green Bond and Social Loan Principles. Through these instruments, NMB is committed to financing projects that mitigate climate risks and drive positive change. Under the Sustainable Finance framework, NMB issued a Jamii bond to finance sustainable projects and businesses. As of the end of 2024, TZS 400 billion was allocated to eligible projects. During the year, the Bank issued a Social Bond worth TZS 147 billion with proceeds aimed at financing social projects, which advance social and economic development of the society. These funds bring the total accumulated mobilised sustainable funds to TZS 621 billion since 2022, with the maturity of Jasiri Bond, the Total outstanding Sustainable Bond instrument amounts to TZS 547 billion.

Metrics	Portfolio		Sustainable Development Goals				
	2025	2024	7	13	11	12	
Green Assets	Renewable Energy	1,658	802	7	13		
	Pollution Prevention	17,084	-	11	12		
	Climate Change	110,596	24,498	13			
	Clean Transportation	196,572	66,901	11	13		
	Water & Waster Mgt	3,553	3,000	06			
Social Assets	Clean Cooking	30,724	-	7	9	10	13
	Affordable Housing	58,749	-	1	10	11	
	Essential Services	5,877	-	3	4	5	8
	Social-Economic	14,284	74,268	1	5	8	10
	Food Security	104,213	290,316	1	2		
	Affordable Basic Infrastructure	64,998	13,850	1	2	3	6
	Employment Generation	-	14,483	8			

Sustainable Financing Framework

NMB Bank's Sustainable Financing Framework (SFF) underlines NMB Bank's commitment to environmental and social sustainability, aligning with the UN Sustainable Development Goals (SDGs), Tanzania's Development Vision 2025, and Nationally Determined Contributions (NDCs). The framework promoting climate mitigation, adaptation, and financial inclusion through mobilising funds via green, social, and sustainability bonds and loans, NMB aims to finance projects that drive inclusive economic growth, gender equality, and environmental resilience.

The framework ensures that proceeds from sustainable instruments are allocated to eligible projects across two key categories: green and social. Green financing focuses on renewable

energy, energy efficiency, pollution prevention, sustainable water management, climate adaptation, and clean transportation. Social funding supports projects in affordable housing, education, healthcare, MSME financing, job creation, and food security, benefiting vulnerable and underserved communities.

The management of proceeds follows strict governance measures, with funds allocated within 18 months and tracked through a Sustainable Asset Register (SAR). Unutilised proceeds are invested in short-term sustainable assets. The bank provides annual impact and allocation reports detailing fund utilisation, environmental benefits (e.g., carbon dioxide reductions, adoption of renewable energy), and social outcomes (e.g., increased financial inclusion and employment).



Climate Risk

21%

Exposure to Climate Sensitive Sectors

tCO₂e
22,075

Operational Emissions

tCO₂e
1,444,081

Financed Emissions



Our climate risk approach identifies two primary drivers of climate risk.

- Physical risk arises from acute events and chronic shifts in climate patterns, including more frequent and severe extreme weather events such as floods and storms, as well as longer-term changes such as rising temperatures and sea levels, all of which can disrupt operations, impair collateral and affect customer repayment capacity.
- Transition risk arises from the shift towards a lower-carbon economy and reflects the potential impacts of evolving public policy and regulation, technological change, market and customer preferences, and reputational dynamics, including the consequences of stakeholder expectations, action or inaction.

In addition to these core drivers, the Bank recognises thematic climate-related issues that are expected to manifest primarily through reputational, regulatory compliance and litigation channels.

- Net zero alignment risk relates to the risk of not meeting the Bank's net zero ambition, or falling short of external expectations regarding the pace, credibility and transparency of progress.
- Greenwashing risk relates to the possibility of inaccurate, unclear, misleading or unsubstantiated sustainability-related claims being communicated to stakeholders, whether intentionally or unintentionally, which could erode trust and attract supervisory scrutiny.

Climate Risk Drivers and Thematics Issues

Climate Risk – Risk Drivers

Physical

Acute	Increased frequency and severity of weather events are causing disruption to business operations.
Chronic	Longer-term shifts in climate patterns (e.g. sustained higher temperatures, sea level rise, shifting monsoons or chronic heat waves).

Transition

Policy and Legal	Mandates on, and regulation of products and services and/or policy support for low-carbon alternatives. Litigation from parties who have suffered loss and damage from climate impacts.
Technology	Replacement of existing products with lower emissions options.
End-demand (Market)	Changing consumer demand from individuals and corporates.
Reputational	Increased scrutiny following a change in stakeholder perceptions of climate-related action or inaction.

Potential Impacts

- Decreased real estate values or stranded assets.
- Decreased household income and wealth.
- Increased costs of legal and compliance.
- Increased public scrutiny.
- Decreased profitability.
- Lower asset performance

Time Horizons

Short-term, Medium-term, Long-term

Climate risk – Thematic Issue

Net Zero Alignment Risk

Net Zero Ambition	Failing to set or adapt our net zero ambition and broader business strategy in alignment with key stakeholder expectations, latest scientific understanding and commercial objectives.
Net Zero Execution Risk	Failing to meet our net zero ambition due to taking insufficient or ineffective actions, or due to the actions of Customers, suppliers and other stakeholders or due to different external factors.
Net Zero Reporting Risk	Failing to report emissions baselines, targets, and performance against targets accurately due to data, methodology and model limitations.

Risk of Greenwashing

Firm	Making inaccurate, unclear, misleading or unsubstantiated claims in relation to our Sustainability commitments and targets, as well as the reporting of our performance towards them.
Product	Making inaccurate, unclear, misleading or unsubstantiated claims in relation to products or services offered to Customers that have stated Sustainability objectives, characteristics, impacts or features.
Client	Making inaccurate, unclear, misleading or unsubstantiated claims as a consequence of our relationships with Customers or transactions we undertake with them, where their Sustainability commitments or related performance are misrepresented or are not aligned with our own obligations.

Approach

The Bank recognises that both the physical impacts of climate change and the transition can create material financial risks for corporates, investors and the wider economic system. Climate risks may affect the Bank directly through our operations and infrastructure, and indirectly through our relationships with customers and counterparties, with the potential to result in monetary impacts, such as credit losses and increased costs, as well as non-financial impacts, including reputational damage and heightened regulatory supervision.

Our climate risk approach is designed to manage material climate-related risks that could affect the Bank's operations, financial performance, stability and reputation, and it continues to evolve in line with regulatory expectations and market developments. NMB Bank continue to strengthen climate risk capabilities across the businesses, recognising that climate risk integration is an iterative, long-term process that requires continuous enhancement of data quality, analytical depth and maturity governance.

Over the medium to long term, the Bank will embark on prioritising sectors, portfolios and counterparties where climate-related impacts and transition dynamics are most significant, expanding coverage over time and incorporating more mature climate data, analytics, frameworks and tools and responding to emerging industry practices and evolving climate-related regulation, with a continued focus on ensuring consistency, auditability and decision usefulness.

The Bank's climate risk approach is embedded within the enterprise risk management framework and is aligned to the three lines of defence model, which defines accountability for risk identification, assessment, control, ownership, independent oversight and assurance.

Climate Risk Impact

The table below summarizes our climate risk is expected to influence subset of the bank's principle risks.

Principal Risk	Climate Risk Impact	Our Response
Operational Risk Operational risks may potentially crystallise through physical climate risk impacts to our buildings supporting service provision, or through physical and/or transition disruption to our third-party supply chain relationships.	Physical Risk Operational disruptions may arise from asset damage and workforce displacement.	We have developed metrics to assess how physical risk may impact our critical properties and to monitor progress against our own operations' net zero ambitions. Our operational risk policies are subject to continuous improvement to remain relevant to evolving climate risks.
	Transition Risk Shift to lower-carbon infrastructure may heighten costs, operational hurdles, and potential legal and third-party risks.	

Principal Risk	Climate Risk Impact	Our Response
<p>Compliance Risks¹</p> <p>Climate-related risks that could result in breaches of our regulatory duties to customers and inappropriate market conduct.</p>	<p>Physical Risk Extreme weather events could create compliance issues, risking legal breaches and affecting financial stability.</p> <p>Transition Risk Failure to adapt to climate rules and regulations raises costs and risks; strategic planning is essential.</p>	<p>We have updated our policies to incorporate Sustainability risk (including climate risk) considerations, particularly in relation to new and ongoing product management, sales outcomes, and product marketing.</p>
<p>Credit Risk</p>	<p>Physical Risk Physical assets damage, like buildings and factories, can devalue assets.</p> <p>Transition Risk Transition risks driven by regulatory shifts and green preferences may increase costs, raising borrower default risks from stranded assets and potentially requiring additional capital allocations.</p>	<p>The Bank will continue to strengthen climate-related credit risk management through its Environmental and Social Risk Management Policy, enhanced due diligence, sector exposure monitoring and collateral risk assessment. The Bank will also continue to conduct climate scenario analysis to assess the impact of physical and transition risks on borrower resilience, asset quality and capital adequacy.</p>



Principal Risk	Climate Risk Impact	Our Response
<p>Market Risk</p> <p>Climate risk may result in trading losses due to increased market volatility and widening spreads from macro- and microeconomic impacts of transition and physical risks.</p>	<p>Physical Risk Heightened exposure to climate events may result in economic fluctuations and asset devaluation, necessitating adaptive strategies for affected sectors.</p> <p>Transition Risk Evolving climate transition priorities may induce market volatility, intensifying market risks.</p>	<p>We conduct quarterly stress testing to understand the vulnerabilities of our trading portfolio to various scenarios, which are refined from time to time, with the results reported to the board.</p>
<p>Funding Risk</p> <p>Climate risk may impact Liquidity risk through increased regulatory requirements and changes in customer behaviour, which may result in increased deposit outflows.</p>	<p>Physical Risk Acute climate events can lead to reduced deposits and liquidity challenges.</p> <p>Transition Risk Banks with high-emission portfolios may encounter diminished demand in the wholesale debt markets as transition policies influence funding strategies and asset liquidity declines, affecting financial stability.</p>	<p>In October 2025, we published our revised Sustainable Financing Framework, in alignment with the International Capital Market Association Sustainable Bond Principles. This framework promotes transparency; it forms part of our Sustainability strategy and helps further to mobilize funding for financing sustainable projects.</p>



Principal Risk	Climate Risk Impact		Our Response
<p>Strategic Risk</p> <p>Climate risk may result in trading losses due to increased market volatility and widening spreads from macro- and microeconomic impacts of transition and physical risks.</p>	<p>Physical Risk</p> <p>In disaster-prone areas, climate-induced risks disrupt economic conditions by affecting suppliers, customers and investors, leading to unexpected downturns in business performance.</p>	<p>Transition Risk</p> <p>Transition risks arising from regulatory and legal changes necessitate strategic adjustments that can influence earnings and capital. Adaptable strategies must align with the evolving demands of the market and climate technology.</p>	<p>The Bank continues to strengthen climate risk governance by integrating sustainability Risk (Including Climate risk) into the Bank's Enterprise Risk Management Framework, portfolio monitoring, business continuity planning and sustainable finance decisions.</p>
<p>Technology Risk & Cyber Risk</p> <p>Climate risk may impact Liquidity risk through increased regulatory requirements and changes in customer behaviour, which may result in increased deposit outflows.</p>	<p>Physical Risk</p> <p>Extreme weather can disrupt banking operations by straining data centres and networks, leading to system outages, data loss, and cybersecurity risks, which may result in potential operational losses and reputational damage.</p>	<p>Transition Risk</p> <p>The rapid shift to eco-friendly technologies jeopardises outdated systems and software, potentially necessitating extensive upgrades to guarantee compliance and efficiency.</p>	<p>The Bank will continue to strengthen operational resilience, technology risk and cyber risk management by enhancing business continuity planning, disaster recovery capabilities, data protection controls, infrastructure resilience and cybersecurity monitoring. The Bank will also assess climate-related impacts on critical operations, data centres, digital channels and customer behaviour.</p>

Principal Risk	Climate Risk Impact		Our Response
<p>Reputational Risks²</p> <p>Climate risk may impact Liquidity risk through increased regulatory requirements and changes in customer behaviour, which may result in increased deposit outflows.</p>	<p>Physical Risk</p> <p>Mishandling climate-related disruptions, such as natural disasters, could threaten the bank's financial stability and reputation, stemming from inadequate responses and communication strategies.</p>	<p>Transition Risk</p> <p>Failure to transparently fulfil climate commitments could present a reputational risk to the bank, potentially impacting financial stability and highlighting the significance of accountability in environmental responsibilities.</p>	<p>We manage the reputational impact of climate risk through our broader reputational risk framework, supported by our Sustainability risk policies and metrics.</p> <p>Our Sustainability risk policies form part of our broader risk management framework and are essential mechanisms for managing risks, including delivering our net-zero ambition. Our thermal coal phase-out and energy policies aim to drive down greenhouse gas emissions while supporting a just transition.</p>

Challenges

The Bank's climate risk integration continues to face several capability and data-related constraints that are expected to remain relevant over the period ahead.

- Climate-related reporting requires the integration of multiple internal and external data sources that are often structured differently, increasing the risk of gaps, inconsistencies and reduced reliability.
- Limitations in the availability and quality of data on customer assets, locations and supply chains, together with evolving methodologies, constrain the Bank's ability to quantify physical risk exposures with the level of precision required for more advanced assessment and decisioning.
- Industry-wide gaps in customer emissions data and the limited availability of credible, decision-useful transition plans, alongside continuing methodological development, similarly restrict the Bank's ability to assess transition risk exposures consistently and at scale.
- Management of net zero alignment risk remains constrained by a combination of known and emerging uncertainties, including imperfect data, maturing methodologies and the ongoing need to develop tools, metrics and analytical capabilities that enable more robust measurement, monitoring and decision-making.

Time Horizon

The assessment considers short-term impacts up to one year, medium-term impacts from 3 to 5 years, and long-term impacts beyond 5 years.

Principal Risk Term	Time Horizon	Action
Short Term	0-3 Years	<ul style="list-style-type: none"> Our short-term time horizon aligns with our aim of scaling up annual sustainable finance income In line with the bank's operational net zero target, we set year-on-year improvement targets for our footprint markets. Climate Risk is considered part of our formal annual corporate strategy and financial planning process
Medium Term	3-5 Years	<ul style="list-style-type: none"> Our medium-term time horizon is closely aligned with our interim 2030 targets, which focus on reducing portfolio emissions across our 12 highest-emitting sectors. Additionally, we are committed to increasing the sustainability of our portfolio by achieving a 5% greening target by 2030. Our strategic and financial planning incorporates actionable roadmaps to support our progress toward net-zero goals. To ensure resilience and adaptability, we employ scenario analysis to evaluate how potential risks and opportunities may unfold under medium-term conditions.
Long Term	More Than 5 Years	<ul style="list-style-type: none"> Our long-term strategic outlook aligns with our goal of achieving net zero emissions by 2050. This commitment underscores our dedication to sustainable finance and climate resilience. In conducting climate scenario analysis, we employ a robust 30-year framework to assess physical and transition risks. Additionally, certain aspects of our physical risk analysis extend further, with projections reaching 2100, ensuring a comprehensive understanding of long-term climate impacts. Transition risk, driven by regulatory changes and our Customers' transition toward lower-emitting revenue streams, is critical to our client transition pathway assessments. This risk unfolds over an extended timeframe, often surpassing the maturity of our loan book and extending up to 2050, necessitating forward-looking strategies to manage its implications effectively.

Key Developments in 2025

In the year 2025, the Bank continued to strengthen its climate risk integration and management capability and embed climate considerations more systematically across governance, risk processes and measurement.

- Sustainability risk, including climate risk, was incorporated into the Bank's Enterprise Risk Management Framework, strengthening the basis for consistent identification, assessment, monitoring and reporting within the established risk taxonomy and controls environment.
- Progress was also made in developing the Bank's approach to managing net zero alignment risk within the wholesale portfolio, including updating the Bank's Credit Risk Policy, building internal capability to estimate climate-related impacts within lending activities and enhancing risk-informed portfolio steering over time.
- During 2025, the Bank enhanced its climate stress testing approach by incorporating climate risk scenarios to improve forward-looking assessment of potential impacts under different climate pathways. Internal climate scenario analysis was also strengthened through refinements to input data and modelling approaches, improving the robustness and decision-usefulness of outputs.
- In addition, the Bank advanced measurement of greenhouse gas emissions arising from its own operations, supporting improved baseline understanding, target-setting readiness and disclosure credibility.
- While meaningful progress was achieved

during 2025, the Bank recognises that climate risk capability building is iterative and ongoing. Further work remains to deepen metrics, tooling and analytical coverage required to measure and monitor exposure to climate-related risks more comprehensively and to continue strengthening integration into decision-making processes.

Governance & Structure

The Board retains overall supervisory responsibility for the Bank's sustainability strategy and provides oversight of executive management in relation to strategy development, execution and associated reporting. Day-to-day executive accountability for sustainability risk, including climate risk and sustainability strategy, is held by the Chief Risk Officer and the Director of Investor Relations, Sustainability and Corporate Communications, who provide senior leadership for the Bank's sustainability risk and Sustainability Strategy, respectively and ensure that sustainability considerations are integrated into governance, risk management and disclosure processes.

The Board, the Board Executive Committee and the Board Audit, Risk and Compliance Committee, together with the Executive Committee and Management Risk Committee, receive regular updates on the sustainability and Sustainability risk profile, including climate-related risks, and on progress in implementing the sustainability strategy.

The Sustainability Management Committee provides Bank-wide oversight and guidance on the medium- and longer-term sustainability strategy, including the sustainability policy framework, material commitments and external disclosures. The Committee is chaired by the Chief Financial Officer, supporting cross-functional coordination and ensuring

alignment between strategic ambition, financial planning and delivery execution. In addition, the Risk and Compliance Committee provides recommendations and advice on significant reputational matters with potential Bank-wide impact, including issues arising from sustainability-related positioning and stakeholder expectations. The Risk and Compliance Committee also provides oversight of environmental risk and greenwashing risk, supporting the integrity of sustainability-related claims and the robustness of associated controls.

This governance cadence supports ongoing challenge, escalation where required and disciplined oversight of delivery against strategic objectives and regulatory expectations.

Risk appetite

The Bank's climate risk appetite is integrated within the overall risk appetite statement and provides a structured basis for managing

climate-related risks while supporting delivery of the Bank's climate ambition in a disciplined and sustainable manner. The Board approves the risk appetite statement and remains subject to ongoing Board oversight to ensure continued alignment with strategy, regulatory expectations and the Bank's risk management framework.

Policies, processes and controls

The Bank is progressively embedding sustainability risk considerations within relevant policies, processes and controls across the Bank to support consistent identification, assessment, monitoring and escalation of sustainability risks. As climate risk management capability continues to mature, these policies, processes and controls will be reviewed and updated to reflect improved data, enhanced analytics, evolving regulatory expectations and emerging industry practices.



Embedding Our Climate Risk Approach

The details below provides further details of how we have embedded the management of climate risk across credit risk types.

Credit Risk

Our Approach

Wholesale Credit Portfolio

We have metrics in place to monitor the exposure of our wholesale corporate lending portfolio to six high transition risk sectors, as shown in the table below. As at 31 December 2025, the overall exposure to the six high transition risk sectors was 53.4% of the total gross carrying amount of wholesale loans and advances. These disclosures cover the whole of the value chain of the industry. The sector classifications are based on internal NMB definitions and can be judgmental in nature. We use publicly available data as well as internal data to determine the appropriate sector. The classification of our Customers into sectors is performed with inputs from subject matter experts. The sector classifications are subject to the remediation of ongoing data quality challenges and continuous improvement of our ongoing processes. The data will continue to be enhanced and refined in future years.

Our Relationship managers engage with our key wholesale customers, including those in higher transition risk sectors, to gather information and assess our wholesale customers' business model alignment to a net-zero transition and their exposure to physical and transition risks. We use the responses to risk-assess our key wholesale customers.

Our credit policies require that relationship managers comment on Environmental and Social risk factors in credit applications for new money requests and annual credit reviews.

Key challenges for further embedding climate risk into credit risk management relate to the availability of adequate physical risk data to assess impacts on our wholesale customers.

Wholesale loan exposure to high transition risk sectors at 31 December 2025.

Sector	Agriculture	Construction & Building	Manufacturing	Metals and Mining	Oil and Gas	Power and utilities
Exposure (TZS Billion)	372	104	464	102	423	127
% of Wholesale Loan	12.5%	3.5%	15.6%	3.4%	14.2%	4.2%

Credit Risk

Our Approach

Retail Credit Portfolio

Climate risk may increase retail credit risk by increasing credit losses on our retail mortgage portfolio, primarily due to physical risk. Our current climate assessment indicates that our retail mortgage portfolio remains resilient to climate risk, with impact severity muted at the portfolio level, given that our book is diversified across property locations, and insurance coverage is a key loan covenant. Within our mortgage portfolios, properties or areas with potentially heightened physical risk are identified and assessed locally, with exposure monitored using risk indicators. A reduction in property value, higher insurance costs and insurance availability are potential future negative financial impacts for properties with higher physical risk.

Retail mortgage book

The maturity profile of the mortgage book shows that the average remaining contractual term is 8.71 years. However, with some customers refinancing during this term, the average mortgage term can be reduced to between five and eight years. This means our strategic approach to climate risk considers both current and forward-looking risks, given that customers may choose to remain with us over the lifespan of the loan. Residential mortgages tenor (remaining mortgage term by balance (TZS Billion)) as at 31 December 2025.

Tenor	Remaining mortgage balance (TZS million)
<1 year	1,693
1 to 5 years	28,667
>5 years	70,886

Weighted average of remaining mortgage term (years) 8.71

- The table includes instances where individual properties have multiple associated accounts and mortgage balances. These are aggregated to the property level, and the most extended remaining term is taken as the tenor. Mortgage balances presented here are not directly reconcilable to other tables in the document due to differences in the basis of preparation.

There has been an increase in the market in the number of people seeking new mortgages of 10 years or more due to rising house prices, higher interest rates, and cost-of-living challenges. However, the average life of an NMB mortgage loan is approximately five to eight years due to refinancing. Despite this, our strategic approach to climate risk considers present-day and long-term risk, given customers may remain on our books for the whole loan term.



Assessing the resilience of our strategy using Scenario Analysis

To understand and anticipate climate-related risks and opportunities across varying time horizons, we employ scenario analysis to envisage how these elements might unfold under diverse circumstances. We are committed to enhancing our scenario analysis capabilities by transitioning towards bespoke internal models. This advancement involves refining our infrastructure and expertise to seamlessly integrate Climate Risk into our data, modelling, and analytical processes. Furthermore, we are equipping our workforce with the necessary skills to conduct climate stress testing, ensuring that our team is well-prepared to navigate the complexities of climate-related risks.

NMB conducts climate scenario analysis and stress tests to assess the impact of material climate risks on the Bank's lending portfolio. The findings from these exercises enhance the Bank's awareness of climate risk. As data quality and accuracy improve, this information will guide the Bank's strategy and risk appetite. In 2025, NMB carried out the portfolio-level top-down approach (internal assessment):

Leveraged climate risk scenarios designed by the Network for Greening the Financial System (NGFS) to assess the impacts of transition and physical risks related to NMB's corporate portfolio. The analysis involved translating various climate scenarios, sector-specific supply and demand elasticities, and market dynamics into financial drivers, including price, volume, unit cost, capital expenditures and asset value.

These drivers were then used to forecast company financial statements under various climate scenarios, assessing the impacts on customers' Probability of Default and Loss Given Default as of 2030 and 2040.

Climate scenario analysis supports the Bank's strategy by enabling assessment of potential exposures, vulnerabilities and resilience under a range of plausible climate pathways. It is a core tool used to inform portfolio evaluation and strategic decision-making in line with the Bank's climate ambition. The scenarios applied are designed to assess the potential implications for financial performance and capital resilience under diverse climate outcomes, providing sufficient breadth to explore the Bank's key sensitivities to both physical and transition risks.

The analysis also supports the Bank's approach to customer transition by incorporating, where available, client-level financial and credit risk indicators to help identify areas requiring deeper assessment and enhanced climate risk focus. From a risk management perspective, scenario analysis strengthens understanding of alternative transition and warming pathways, their potential plausibility and the mechanisms through which they may affect credit risk and revenue dynamics. In addition, the Bank has developed climate stress tests to meet regulatory requirements and continues to enhance scenario methodologies, data inputs and analytical models to build a more comprehensive view of climate-related headwinds, risks and opportunities, thereby supporting strategic planning, risk appetite calibration and ongoing risk management.

Use of Climate Scenario Output to Support assessment of Climate resilience

Climate scenario analysis is expected to become increasingly embedded within core banking processes, supporting client-facing activity, financial planning and risk management as the NMB Bank continue to navigate the transition to a lower-carbon economy. Scenario outputs are expected to strengthen the

Bank's understanding of how different climate pathways could affect customer performance, portfolio risk dynamics and the resilience of the Bank's balance sheet, enabling more informed decision-making across strategy, risk appetite and capital allocation.

From a financial and capital planning perspective, climate scenario analysis is expected to support the Internal Capital Adequacy Assessment Process (ICAAP) of NMB Bank by informing the assessment of the capital required to absorb climate-related risks and by strengthening the integration of climate impacts into internal stress testing. It is also expected to provide forward-looking insights on the potential scale and timing of financial impacts, supporting strategic planning and strengthening the linkage between climate risk drivers and balance sheet Performance. In addition, scenario analysis results are expected to inform the NMB's assessment of credit impairment and provisioning considerations, including expected credit losses (ECL) under IFRS 9, to support appropriate recognition and provisioning of climate-related credit risk within the balance sheet.

Scenario analysis is also expected to inform the development of portfolio steering frameworks, enabling more active management of sector portfolios in line with the NMB Bank's climate ambition, while maintaining prudent risk management and capturing commercially viable opportunities arising from transition and adaptation investment needs. This includes supporting the NMB's ability to manage financed emissions within portfolio-level appetite and to strengthen monitoring of sector-level transition alignment and physical risk sensitivity. More broadly, climate scenario analysis is expected to support assessment of the implications of the Bank's climate ambition for revenue and profitability, enhancing understanding of business model risk and strengthening organisational awareness of climate change risk, thereby informing ongoing refinement of climate risk appetite.

Our climate scenarios

In the year 2025, the Bank applied climate scenarios to assess potential impacts on the balance sheet and resilience profile across three time horizons: the short term up to 2028, the medium term from 2028 to 2032, and the long term from 2033 to 2050. The scenario set was selected to provide a balanced and decision-useful view of potential Impacts, enabling assessment of vulnerabilities to both physical and transition risks under materially different pathways.

The analysis considered three core scenarios.

- Current Policies scenario, climate action is assumed to remain broadly limited to policies already implemented, resulting in continued emissions growth and higher levels of global warming over time. This pathway is associated with elevated physical risk, including more frequent and severe climate-related events and the potential for longer-term structural impacts, such as higher sea levels, which can translate into operational disruption, collateral impairment and borrower cash flow stress.
- Net Zero 2050 scenario, ambitious and coordinated policy action, is assumed to be implemented early, supported by faster technology change and innovation, with global net zero achieved around mid-century. This pathway typically results in comparatively lower physical risk but higher transition risk, reflecting the pace of policy, technology and market adjustment required to deliver decarbonisation, with implications for sector performance, business model viability and the cost of capital.
- Delayed Transition scenario, action is assumed to be postponed until around 2030, followed by a rapid and more stringent policy response to achieve net

zero by 2050. This pathway tends to amplify disorderly transition dynamics and can also result in higher residual physical risk, given the delayed reduction in emissions, thereby testing resilience under both transition and physical stress channels.

These scenarios were selected to provide a holistic view that supplements the Bank's

strategic planning by illustrating differences in timing, severity and transmission mechanisms of climate-related impacts. The scenario design draws on recognised industry and scientific foundations, from the Network for Greening the Financial System (Phase IV), and is enriched to improve relevance and granularity for the Bank's portfolio and operating context.



Outputs and our methodology

Climate scenario analysis allows us to model how different potential climate pathways may impact the resilience of our customers and our portfolios. The Bank will continue to incorporate in the Models a range of climate-specific metrics that could potentially impact our customers, including expected production volumes, revenue, costs and capital expenditure. The Bank will assess how these metrics interplay with economic factors, such as carbon prices, which represent the cost effects of climate-related policies that aim to discourage carbon-emitting activities and encourage low-carbon solutions. The expected result of higher carbon prices is a reduction in emissions as high-emission activities become uneconomical.

Sector	Exposure (TZS Bn)	%	Physical Risk			Transition Risk		
			Orderly	Delayed	Current Policies	Orderly	Delayed	Current Policies
Agriculture	991	9%	Low	Medium	High	Low	Medium	High
Building & Construction	130	1%	Low	Medium	High	Low	Medium	High
Electricity	126	1%	Low	Medium	High	Low	Medium	High
Manufacturing	471	4%	Low	Medium	High	Low	Medium	High
Mining & Quarry	141	1%	Low	Medium	High	Low	Medium	High
Mortgage	101	1%	Low	Medium	High	Low	Medium	High
Transport	137	1%	Low	Medium	High	Low	Medium	High
Water	1	0%	Low	Medium	High	Low	Medium	High
Oil & Gas	171	2%	Low	Medium	High	Low	Medium	High
Total	2,269	21%						

Key: ■ Low Risk ■ Medium Risk ■ High Risk

Under the defined climate scenarios, transition risk impacts are predominantly driven by credit risk losses and are expected to create a drag on the Bank's profitability across all scenarios. In the Below 2°C Degrees scenario, we expect to see an increase in projected credit losses that materialise in the medium term if early action to transition to net zero is taken. Credit losses are projected to increase in the medium to long term if the transition to net zero is delayed, which was underlined within the Delayed Transition scenario, where climate action begins later and is therefore expected to be more rapid and disruptive for our customers, who will have less time to restructure their business models and reduce their carbon emissions.

The risks and opportunities will need to be carefully balanced, and by building a more climate-resilient balance sheet, we can reduce impairment risks and improve longer-term stability. Increased lending opportunities exist during an accelerated transition period, such as those expected in the Below 2°C Degrees, Delayed. Transition Risk and Severe Climate Stress scenarios, noting that these scenarios also experience the risk of heightened impairments in the latter stages of their time horizons.

Carbon Footprints

NMB recognises climate change as a material strategic, operational and financial reporting matter. Carbon footprint reporting forms part of broader climate-related disclosure and supports transparency on environmental performance, operational efficiency and transition preparedness. In 2025, greenhouse gas emissions were measured across controlled operations using the Greenhouse Gas Protocol Corporate Standard for operational emissions, and a financed emissions assessment was conducted in line with the PCAF standards for financed emissions Calculations.

Reporting Boundary and Methodology

The 2025 carbon footprint covers emissions arising from operational activities under the reporting boundary adopted by NMB Bank Plc. The inventory includes emissions from:

- **Scope 1:** direct fuel combustion from generators, owned or controlled motor vehicles, and fugitive emissions from refrigerants, where applicable;
- **Scope 2:** purchased electricity consumed across branches, offices, service centres and data-processing facilities; and
- **Scope 3:** selected indirect emissions considered material to operations, including business travel, employee commuting, paper consumption, waste management, outsourced logistics and, where measured, financed emissions associated with lending and investment activities.

Emission calculations were based on activity data collected from internal records and converted to carbon dioxide equivalent (tCOe) using recognised emission factors. Consistent with the GHG Protocol, Scope 1 and Scope 2 emissions were measured within organisational



and operational boundaries, while Scope 3 measurement was applied to relevant value-chain categories.

2025 Carbon Footprint Performance

The Bank has quantified emissions for Scope 1 and Scope 2, together with selected Scope 3 operational categories, namely Category 1 (Purchased Goods and Services), Category 2 (Capital Goods), Category 3 (Fuel- and Energy-Related Activities), Category 5 (Waste Generated In Operations), Category 6 (Business Travel-Air) and Category 7 (Employee Commuting). Measurement of these categories was completed ahead of the NBAA timelines applicable to the respective categories. Scope 3 Category 15 financed emissions remain a priority area due to the expected significance of financed activities within the overall emissions profile. In the absence of complete client-level emissions data, estimation will be undertaken using proxy-based methodologies supported by portfolio data, sector assumptions and other relevant inputs.

In 2025, the Bank recorded total operational greenhouse gas emissions of 22,075 tCOe, compared with 23,822 tCOe recorded in 2024, representing a reduction of 1,747 tCOe, equivalent to 7.3%.

	Unit	2025	2024
Annual Operating Revenue	TZS Million	1,825,543	1,637,148
Full-Time Employees	Number	4,088	3,868
Scope 1 (Direct Emissions)	tCO ₂ e	3,719	5,638
Stationary Fuel Combustion	tCO ₂ e	1,549	1,788
Non-Stationary Fuel Combustion	tCO ₂ e	2,170	3,850
Scope 2 (Indirect Emissions)	tCO ₂ e	7,371	7,580
Purchased Electricity (Location-Based)			
Purchased Electricity (Market-Based)	tCO ₂ e	7,371	7,580
Total Scope 1 and Scope 2	tCO ₂ e	11,090	13,218
Scope 3 (Supply Chain)	tCO ₂ e	10,985	10,604
Category 1: Purchased Goods	tCO ₂ e	2,620	2,394
Category 2: Capital Goods	tCO ₂ e	3,005	2,781
Category 3: Fuel and Energy Upstream	tCO ₂ e	1,293	1,757
Category 5: Waste Generated In Operations	tCO ₂ e	14	2
Category 6: Business Travel	tCO ₂ e	756	681
Category 7: Employee Commuting	tCO ₂ e	3,297	2,989
Total Operational Direct & Indirect Emissions	tCO ₂ e	22,075	23,822
Scope 3 Category 15: Investments	tCO ₂ e	1,444,081	1,121,519
Financed emissions	tCO ₂ e	1,444,081	1,121,519
Facilitated emissions	tCO ₂ e	-	-
Total GHG Emissions	tCO ₂ e	1,466,156	1,145,341
GHG emissions - Intensity:			
Total Scope 1 and 2 emissions /intensity	tCO ₂ e/million	0.006	0.008
Operating emissions (excluding Category 15) /intensity	tCO ₂ e/FTE	5.400	6.159

Scope 1 GHG Emissions

Scope 1 emissions declined from 5,638 tCO₂e in 2024 to 3,719 tCO₂e in 2025, representing a reduction of 1,919 tCO₂e or 34.0%. This movement arose from both Scope 1 components. Emissions from stationary fuel combustion declined from 1,788 tCO₂e to 1,549 tCO₂e, a reduction of 239 tCO₂e or 13.4%. Emissions from non-stationary fuel combustion declined from 3,850 tCO₂e to 2,170 tCO₂e, a reduction of 1,680 tCO₂e or 43.6%. Scope 1 emissions accounted for 16.9% of total operating emissions in 2025, compared with 23.7% in 2024, indicating a material reduction in the relative contribution of direct fuel combustion to the overall emissions profile.

Scope 2 GHG Emissions

Scope 2 emissions from purchased electricity declined from 7,580 tCO₂e in 2024 to 7,371 tCO₂e in 2025, representing a reduction of 209 tCO₂e or 2.8%. Although the year-on-year movement was modest, purchased electricity remained the largest single quantified emission source in 2025 and accounted for 33.4% of total operating emissions. Scope 2 also represented 66.5% of total operational emissions, indicating that electricity consumption across branches, offices and operational facilities remained the most significant source within the operational footprint.

Scope 3 GHG Emissions

Quantified Scope 3 supply chain emissions increased from 10,604 tCO₂e in 2024 to 10,985 tCO₂e in 2025, representing an increase of 380 tCO₂e or 3.6%. The increase arose from higher emissions in purchased goods, capital goods, business travel and employee commuting. Scope 3 emissions represented 49.8% of total reported emissions in 2025; procurement activity, capital expenditure and workforce mobility remained significant drivers of indirect emissions.

Financed Emissions

Financed and facilitated emissions are measured on a one- to two-year lag basis, reflecting the availability of client and third-party emissions data. In 2025, NMB quantified financed emissions for 60% of the wholesale banking portfolio, representing the portion assessed to account for the majority of portfolio-related emissions. The assessment was based on wholesale loan exposures as at 31 December 2024 and was undertaken using the Partnership for Carbon Accounting Financials (PCAF) methodology. Emissions are reported in tCO₂e. Annual on-balance-sheet financed emissions were calculated using drawn balances as at 31 December for wholesale credit and lending exposures, including business loans and project finance, as the basis for measuring finance provided to customers. Loans that were short-term by design and typically had a duration of less than 12 months were excluded in order to limit volatility in reported emissions.

Data Methodology Limitations

Bank's estimates of financed emissions and the methodological choices employed are shaped by the availability of data across the sectors and or portfolio analysis. NMB rely on the standards set by the Partnership for Carbon Accounting Financials (PCAF), which define and develop greenhouse gas (GHG) accounting frameworks for financial institutions. Specifically, PCAF's Global GHG Accounting and Reporting Standards for Financed Emissions and Facilitated Emissions provide comprehensive methodological guidance for measuring and disclosing emissions associated with financing activities. The following are limitations on the applicability of methodologies

- Data quality scores vary across sectors and over time within our analysis. While we expect improvements in data quality as companies adapt to new disclosure standards that meet increasing regulatory and stakeholder demands, there may be fluctuations within sectors from year to year, and/or differences in data quality scores between sectors due to changes in data availability.
- The majority of our customers do not yet report the greenhouse gas emissions included in our analysis. In this case, where customer-reported data is unavailable, we estimate emissions using proxies derived from company production and revenue data. While NMB sought to minimise reliance on non-company-specific data, industry averages are applied where company-specific data is unavailable. As reporting improves, these estimates will be replaced with actual reported figures.
- The methodologies and data sources used to assess financed emissions are still evolving. Changes in industry guidance, market practices, and regulatory requirements are expected over time. As such, the Bank will continue to adapt by leveraging the most appropriate data

sources and current methodologies available.

- NMB remain aware that the attribution factor used in the financed emissions calculation is sensitive to changes in drawn amounts or market fluctuations, and we plan to be transparent about the drivers of change to portfolio financed emissions where possible.
- The attribution factor used in calculating financed emissions is sensitive to changes in drawn amounts or market fluctuations. NMB will continue to be transparent about the drivers of change to portfolio-financed emissions where possible. The classification of our Customers into sectors is performed with inputs from subject matter experts and will also continue to evolve with improvements to data and the sector classification approach. Bank's internal data on customer groups used to source financial exposure and emissions data is based on credit and relationship management attributes and is not always aligned with the data needed to analyse emissions across sector value chains. As the sub-sector and, therefore, the value chain classification are based on judgment, these may be revised as better data become available. As a consequence, classification changes can lead to sectoral shifts year-on-year.
- Emissions are calculated at the counterparty group level rather than at the subsidiary level, primarily due to the availability of emissions data; however, this may lead to an underestimation of emissions compared to calculations at the counterparty level.
- The operating environment for climate analysis and portfolio alignment is still maturing. NMB Bank is actively working to enhance our data management processes to better align with evolving standards and practices.

Sustainable Operations

229

kWp

Renewable Energy Installed Capacity

26

Robotic Process Automations

99.6%

Branches using energy-efficient lighting systems

Our approach to sustainable operations is founded on strong governance, responsible conduct, operational resilience, and disciplined stewardship of people, information, and natural resources. During the year, we continued to strengthen the policies, systems, and controls that support trusted service delivery, safeguard customers and stakeholders, develop our workforce, and reduce the environmental footprint of our operations.

Data Privacy & Cybersecurity

Protecting customer information and maintaining resilient digital infrastructure are fundamental to our licence to operate. Our data privacy and cybersecurity framework is governed through formal oversight structures, supported by enterprise-wide policies, risk assessments, access controls, monitoring protocols, incident response procedures, and employee awareness programmes. We apply privacy-by-design and security-by-design principles across products, processes, and third-party relationships, and we regularly review our control environment in light of evolving threats, technology developments, and regulatory expectations.



Indicator	2025	2024
Number of reportable data security breaches	0	0
Percentage of breaches involving personal data	0%	0%
Number of customers affected by data-related incidents	0	0
Substantiated complaints concerning customer privacy breaches	0	0
Employees completing mandatory data privacy training	100%	100%
Employees completing mandatory cybersecurity awareness training	100%	100%

Talent Management & Development

Our people strategy is intended to build a capable, ethical, and future-ready workforce. We invest in technical capability, leadership development, performance management, career progression, succession planning, and inclusive workplace practices. During the year, we continued to strengthen learning pathways, professional development opportunities, and leadership accountability for people outcomes. We also maintained focus on diversity, equitable opportunity, and workforce engagement, recognising that talent resilience is integral to sustainable execution and long-term value creation. Refer to page 284 to 288 for the detailed Employee Report

Financial Crime, Anti-Bribery & Corruption

The Bank maintains a zero-tolerance approach to bribery, corruption, fraud, money laundering, sanctions breaches, and related misconduct. This is supported by customer due diligence, sanctions screening, transaction monitoring, integrity due diligence, gifts and hospitality controls, whistleblowing arrangements, and mandatory compliance training. During the year, the Bank continued to strengthen the culture of integrity through monitoring, awareness, control testing, and governance oversight.

Indicator	2025	2024
Employees completing mandatory anti-bribery and corruption training	100%	100%
Confirmed incidents of corruption	0	0
Confirmed incidents of bribery	0	0
Employees disciplined for corruption- or bribery-related breaches	0	0
Contracts terminated or not renewed due to corruption or bribery concerns	0	0



Resource Efficiency

The Bank continued to pursue more efficient use of energy, paper, water, and other operational resources across offices, branches, and support functions. Priority actions during the year included branch and office energy optimisation, replacement of inefficient equipment, greater digitisation of customer and internal processes, and improved waste segregation and recycling practices to reduce the environmental footprint of operations while supporting cost discipline and process efficiency.

Indicator	2025	2024
Total electricity consumption (MWh)	21,924	22,558
Renewable Energy Installed Capacity (kWp)	229.08	N/A
Energy intensity (MWh/FTE)	5.36	5.83
Vehicles using Renewable Energy	10	8
Scope 1 emissions (tCO ₂ e)	3,719	5,638
Scope 2 emissions (tCO ₂ e)	7,371	7,580
Total paper consumption (tonnes)	10.81	0.19
Paper reduction achieved through digitisation (tonnes)	1.75	N/A
Robotic Process Automations	26	27
Water consumption (m ³)	28,640	30,180
Total waste generated (tonnes)	15.10	3.43
Waste recycled	71.8%	100.0%
Branches using energy-efficient lighting systems	99.6%	84.2%

The Bank continued to improve the efficiency of its operational footprint during 2025. Total electricity consumption declined to 21,924 MWh, while energy intensity improved to 5.36 MWh/FTE, reflecting ongoing energy optimisation measures across the network. Scope 1 emissions decreased to 3,719 tCO₂e, and Scope 2 emissions also reduced to 7,371 tCO₂e, indicating progress in operational carbon management. Renewable energy deployment advanced, with installed capacity reaching 229.08 kWp, while the number of vehicles using renewable energy increased to 10.

Water consumption is estimated at 28,640 m for 2025, compared with 30,180 m in 2024, a reduction of 5.1%. The share of branches using energy-efficient lighting systems increased significantly to 99.6%, strengthening the Bank's branch efficiency programme. Waste recycling stood at 71.8% for the year.



Corporate Governance



#

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Dear Shareholders

NMB continues to high standards of corporate governance as a foundation for long-term value creation, robust risk management and stakeholder trust. The Board regards governance as essential to the Bank's long-term success, promoting strategic decision-making that balances short-term, medium-term, and long-term priorities while safeguarding the interests of shareholders and other stakeholders.

In 2025, the Bank continued to strengthen its governance framework in response to evolving strategic and regulatory requirements. During the year, key governance initiatives included amendments to the Memorandum and Articles of Association, the introduction of Executive Directors to the Board, the review of the Board Charter and Board Committee Charters, enhancements to Board remuneration, and the approval of a new governance structure aligned with the Bank's 2030 Medium-Term Plan. These actions reinforced oversight, accountability and alignment between governance arrangements and the Bank's future strategic direction.

During the year, the Board was strengthened through the appointment of Dr Sophia Kongela, Joyce Nkini-Iwisi, Ruth Zaipuna, and Juma Kimori. On behalf of the Board, I warmly welcome our new colleagues and commend the calibre of leadership, integrity, and experience they bring to NMB Bank. Their appointments reflect our continued focus on strong corporate governance, a diverse set of skills, and proven track records in executive leadership, finance, and oversight. We are confident that their contributions will further enhance the Board's effectiveness and support the Bank's long-term strategic direction, resilience, and shareholder value creation.

NMB operates within a well-defined governance framework that enables the Board to oversee strategic direction, financial goals, resource allocation and risk appetite, while delegating day-to-day management of the business to Executive Management led by the Managing Director and Chief Executive Officer. The Board is supported by four principal committees: the Board Executive Committee, the Board Audit, Risk and Compliance Committee, the Board Human Resources, Ethics and Remuneration Committee, and the Board Credit Committee.

The Bank's governance philosophy remains anchored on its core values of integrity, compliance, customer focus, teamwork and innovation. Through this framework, the Bank seeks to uphold high standards of ethical conduct, strengthen transparency and accountability, foster a risk-aware culture, and ensure compliance with applicable laws, regulations and governance standards.

On behalf of the Board and Management, I wish to express our sincere appreciation to Mr. Clement Mwinuka for his dedicated service and contribution during his tenure as a Board member. His insights, commitment, and engagement supported the Board's deliberations and the Bank's governance objectives. We thank him for his service to NMB Bank and wish him well in his future endeavours. The Board continued to proactively monitor the regulatory environment during the year and to refine governance arrangements to reflect the Bank's scale, complexity and strategic priorities. Continual improvement in governance principles and practices remains a key focus, supporting institutional resilience and preserving long-term value for all stakeholders.

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



Our Board of Directors

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.



David Carol Nchimbi - 51
Chairman
ACPA
Appointed on 6th December 2024,



Juma Kisaame - 62
Non-Executive
Banker, CDIoDT
Appointed on 5th June 2020
Re-appointed on 2nd June 2023



Hendrik Reisinger - 61
Non-Executive
Economist/Banker
Appointed on 15th June 2019
Re-appointed on 3rd June 2025



Prof Sylvia Temu - 67
Non-Executive
PhD, CPA(T)
Appointed on 6th December 2024



Dr. Sophia Kongela - 50
Non-Executive
MBAFin, PhD
Appointed on 24th February 2025



Joyce Nkini-Iwisi - 40
Independent-Non-Executive
MBA, International Business
Appointed on 5th June 2025



Benson Mahenya - 57
Independent-Non-Executive
CPA (T), CDIoDT
Appointed on 15th June 2021
Re-appointed on 7th June 2024



Ramadhani Mwikalo - 72
Independent-Non-Executive
IT Expert, CDIoDT
Appointed on 3rd June 2022
Re-appointed on 5th June 2025



Giriraj Jadeja - 66
Non-Executive
Investment Banking
Appointed on 7th June 2024



Clement Mwinuka - 62
Independent-Non-Executive
CPA (T), CDIoDT
Appointed on 3rd June 2022
Retired from the Board 5th June 2025



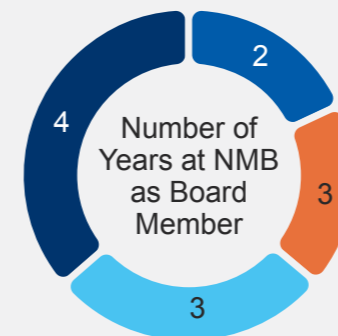
Ruth Zaipuna - 52
Managing Director &
Chief Executive Officer
ACPA (T) MBA, CDIoDT
Appointed on 11th August 2025



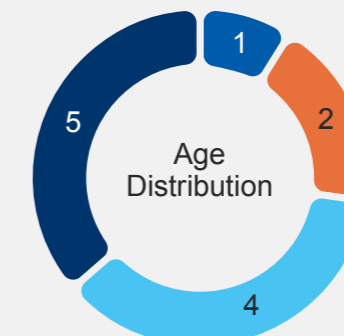
Juma Kimori - 47
Executive Director-Finance &
Chief Finance Officer
ACPA (T) MBA, CDIoDT
Appointed on 11th August 2025

2026 Board's Focus Areas

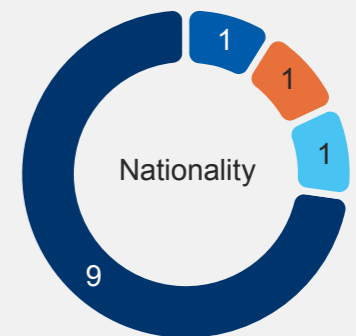
- Reviewing and approving Governance policies
- Overseeing performance and risk
- Overseeing the execution of the Bank's Transformation journey
- Overseeing the comprehensive execution of ESG-related matters.



• >1 year • 1-2 years • 3-4 years • 5+ years



• 40-49 • 50-59 • 60-69 • 70+



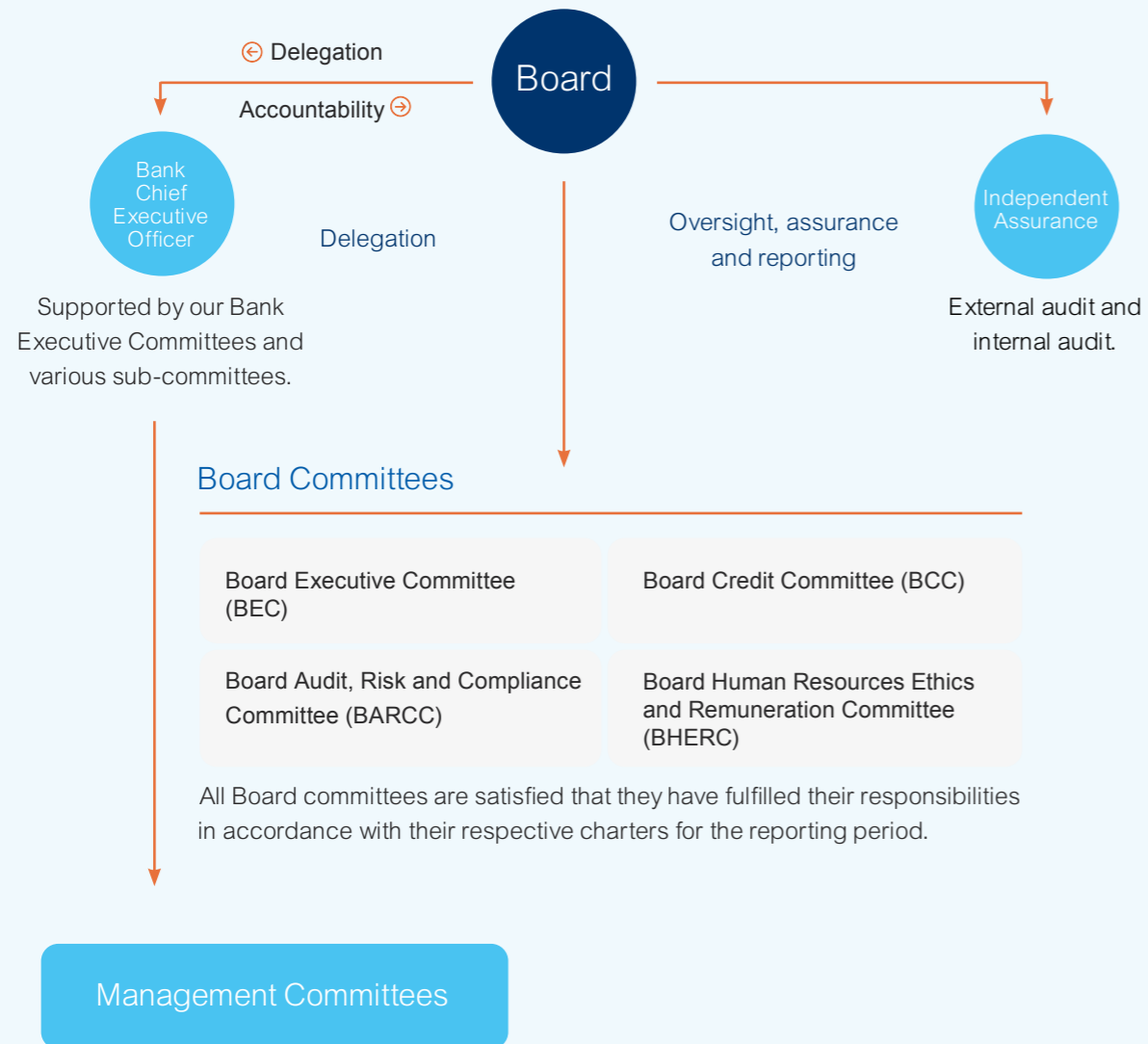
• Tanzanian • Ugandan • Dutch • American

Governance Structure

✓ 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.



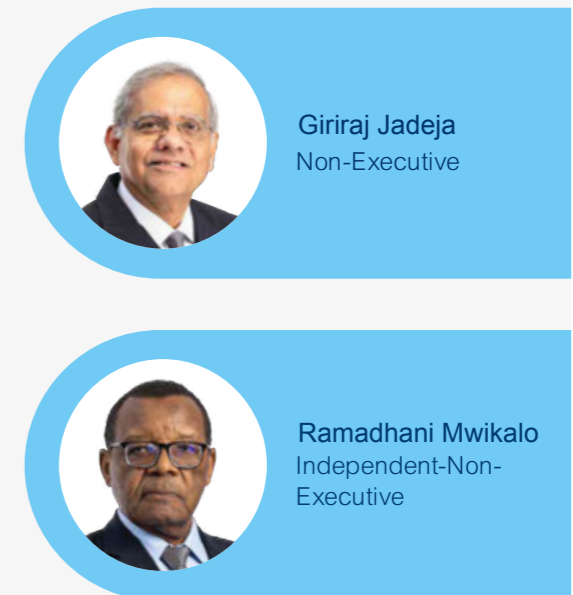
BEC Board Executive Committee



Responsibilities

Committee Remit

- Provide strategic and governance oversight on strategy planning and implementation processes.
- Review and advise the management on planned initiatives, projects and investments, in line with the Bank's medium and long-term growth aspirations.
- Serve as a sounding board for management on emerging issues, challenges, and initiatives.
- Recommend the strategy and business plan of the Bank for Board approval.
- Monitor progress of the bank's Medium-Term Plan and related strategic objectives and initiatives.
- Recommend any strategic investment to the Board and evaluate the investment performance in comparison with anticipated returns.
- 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 and Committee composition.
- Oversee Board development, mentoring, and the annual board member evaluations.



BHERC

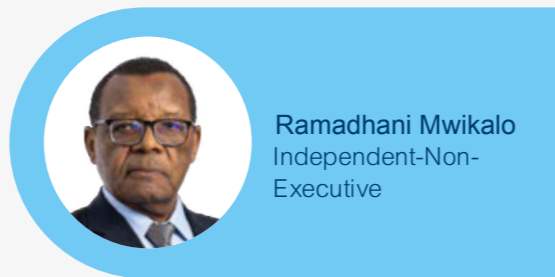
Board Human Resources, Ethics & Remuneration Committee



Responsibilities

Committee Remit

- Overseeing the overall human resources strategy for the bank
- Oversees the annual talent review process for senior management and the development of succession plans for senior officers to foster an appropriate balance of skills, experience, and expertise and ensure continued successful management of the bank.
- Ensuring that diversity remains a key component of the bank's human resources strategy.
- Oversee the establishment of programs for the induction and ongoing leadership and capability development of senior management (and potential senior management, as identified through the talent management and succession planning processes).
- Oversee the bank's recruitment, retention and termination policies and procedures for all senior officer positions
- Responsible for overseeing the bank's code of conduct for directors by overseeing the procedure for reviewing the conduct of board members in case of potential breaches of the code of conduct.



BCC

Board Credit Committee



Responsibilities

Committee Remit

- Monitor the performance and quality of the credit portfolio.
- Oversee the administration, effectiveness, and compliance with the Bank's credit policies and regulatory requirements.
- Review and assess the adequacy of the allowances for loan losses, provisioning, and write-offs.
- Decide on the annual credit plan, exposures to domestic/foreign banks, dealers, country risk on cross-border exposures, and single or group exposures.
- Consider and approve loans and advances as indicated in the bank's credit policy.
- Recommend to the full Board all credit applications that require full Board approval per the credit policy.
- Consider and approve annual reviews of all facilities and renewal of those transactions recommended by the Management Credit Committee.



BARCC

Board Audit, Risk & Compliance Committee




Benson Mahenya
Independent
Non-Executive
Committee Chair


Responsibilities

Committee Remit

- Provide independent oversight of the Bank's financial reporting, disclosures, annual report, accounting policies, IFRS compliance, audit adjustments, going concern assumptions, and related legal and regulatory requirements.
- Oversee the adequacy and effectiveness of the Bank's internal control framework, including financial, operational, risk, compliance, asset safeguarding, policy, delegation, and IT controls.
- Oversee the external audit process and Internal Audit Function, including audit plans, scope, independence, performance, findings, resources, skills, and quality assurance reviews.
- Provide oversight of compliance, regulatory matters, ethics, fraud risk, legal matters, code of conduct, and conflicts of interest involving senior management.
- Oversee risks related to personal data processing, including significant data privacy breaches.
- Oversee the Bank's risk management framework covering market, credit, operational, liquidity, compliance, fraud, strategic, IT, and ESG-related risks.
- Review the adequacy of liquidity risk identification, measurement, monitoring, reporting, and control processes.
- Periodically assess ESG strategies, policies, procedures, and related risk management frameworks.



Dr. Sophia Kongela
Non-Executive



Joyce Nkini-Iwisi
Independent-Non-Executive



Clement Mwinuka
Independent-Non-Executive
(Retired June 2025)

Categories of Directors & Balance of Skills



Evaluation & 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

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. →

Key Areas in the 2025 review included

- Board composition and structure
- Board operations and meetings
- Relationship with internal and external stakeholders
- Conflict of Interest (objectivity and independence)
- Strategic Leadership
- Performance Management
- Risk Management

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 2025, the Board engaged KPMG Advisory Limited, an independent external evaluator, to conduct the Board performance and evaluation with the Company secretary overseeing the process. The evaluation process took the form of a series of questions that allowed the Board to review its effectiveness in 2025, 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.

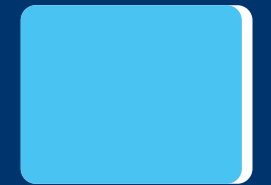
Key Findings

The Board demonstrated excellent performance in the 2025 annual evaluation, attaining an average of 3.8 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.

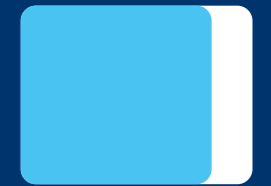
The Executive Management team remains empowered to execute the Bank's strategy, with the Board exercising appropriate oversight to ensure alignment with strategic goals and risk appetite.

Board Operations Score

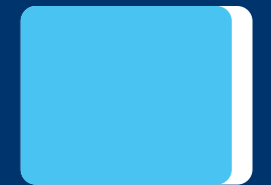
96%
2025



89%
2024



92%
2023



OUR EXECUTIVE TEAM

Driving the Strategy of the Bank

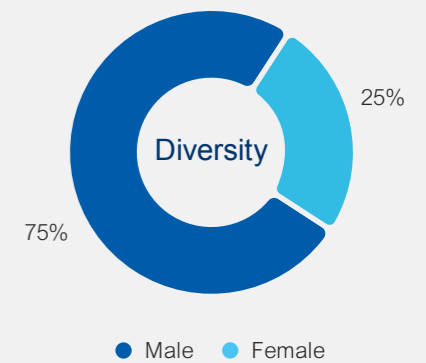
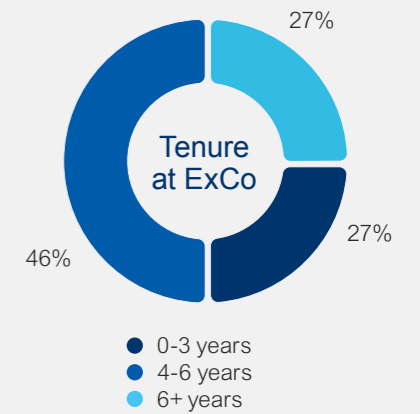
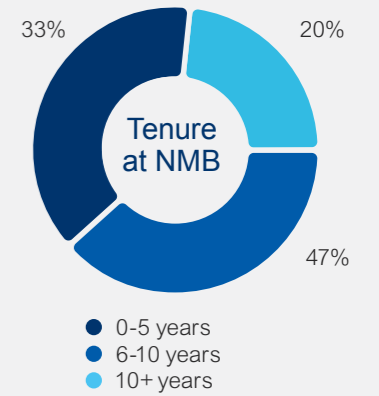
The Board also delegates authority for the operational management of the Bank's business to the Chief Executive Officer for further delegation in respect of matters that are necessary for the effective day-to-day running and management of the business. These delegations aim at creating a desired balance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

2026 Focus Areas

- Execution of key strategic initiatives in line with the new bank's MTP.
- Making sound investment choices in critical strategic areas such as Inorganic growth.
- 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.



- Ruth Zaipuna** - 52
Managing Director & Chief Executive Officer
ACPA (T), MBA, CDIoDT
Appointed on 18th August 2020
- Juma Kimori** - 47
Executive Director Finance & Chief Financial Officer
ACPA (T), MBA, CDIoDT
Appointed on 12th March 2021
- Filbert Mponzi** - 50
Chief Retail Banking
CPA (T), MBA, CDIoDT
Appointed on 1st June 2019
- Alfred Shao** - 49
Chief Wholesale Banking
ACCA, MBA, CDIoDT
Appointed on 17th February 2020
- Aziz Chacha** - 44
Treasurer
MBA, ACI, CDIoDT
Appointed on 27th August 2011
- Emmanuel Akonaay** - 44
Chief Human Resources Officer
MBA, Certified Reward and HR Practitioner, CDIoDT
Appointed on 6th August 2020
- Kwame Makundi** - 44
Chief Technology and Digital Transformation
MBA, CDIoDT
Appointed on 1st November 2021
- Nenyuata Mejooli** - 52
Chief Shared Services
MBA, CDIoDT
Appointed on 1st June 2019
- Doreen Joseph** - 43
Chief Risk Officer
MBA, CRM, CDIoDT
Appointed on 12th September 2022
- Ezekiel Herman** - 45
Chief Compliance Officer
CPA (T), CDIoDT
Appointed on 3rd October 2022
- Benedicto Baragomwa** - 42
Chief Internal Auditor
ACPA, MSc, CISA, CDIoDT
Appointed on 15th November 2021
- Nishad Jinah** - 48
Chief Credit Officer
CPA (T)
Appointed on 12th March 2025
- Francis Mittah** - 45
Director; Strategy and Growth
CPA (T), BSc. Banking & Finance
Appointed on 15th September 2025
- Innocent Yonazi** - 38
Director; IR, Sustainability & Corporate Communications
CBCP, MSc, LL.M, CMSA (CFI)
Appointed on 15th September 2025
- Consolatha Moshia** - 42
Ag. Company Secretary
LLB (Hons), LL.M



Risk Governance



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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 the bottom-up process. On a day-to-day basis, the Bank's Risk Management Committees



Doreen Joseph
Chief Risk Officer

are responsible for the implementation of the Bank's risk management and internal control policies and procedures. In line with our risk culture, every staff owns' the risks originating in their respective business processes. For each material risk identified at any level of the business, the risk is managed in accordance with our policies and procedures. In regard to such risks, process owners 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 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 risk management processes.

The Enterprise Management Framework

The Enterprise Risk 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 BARCC as received from management and then adopted by the Bank. 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 activities.
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 Board of Directors, the Executive Management and all employees of the bank.
5. The ERMF is complemented by policies, manuals, procedures and standards that are primarily aligned to individual Principal Risks.

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 assessment 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.
- **Combined Assurance:** Performing a coordinated governance and risk oversight mechanism where management, risk functions, compliance teams, and audit providers work to gether to provide comprehensive coverage of the bank's risks and controls.

Risk Governance

Ultimate responsibility for setting our risk appetite and for the effective risk management 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 principal 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.

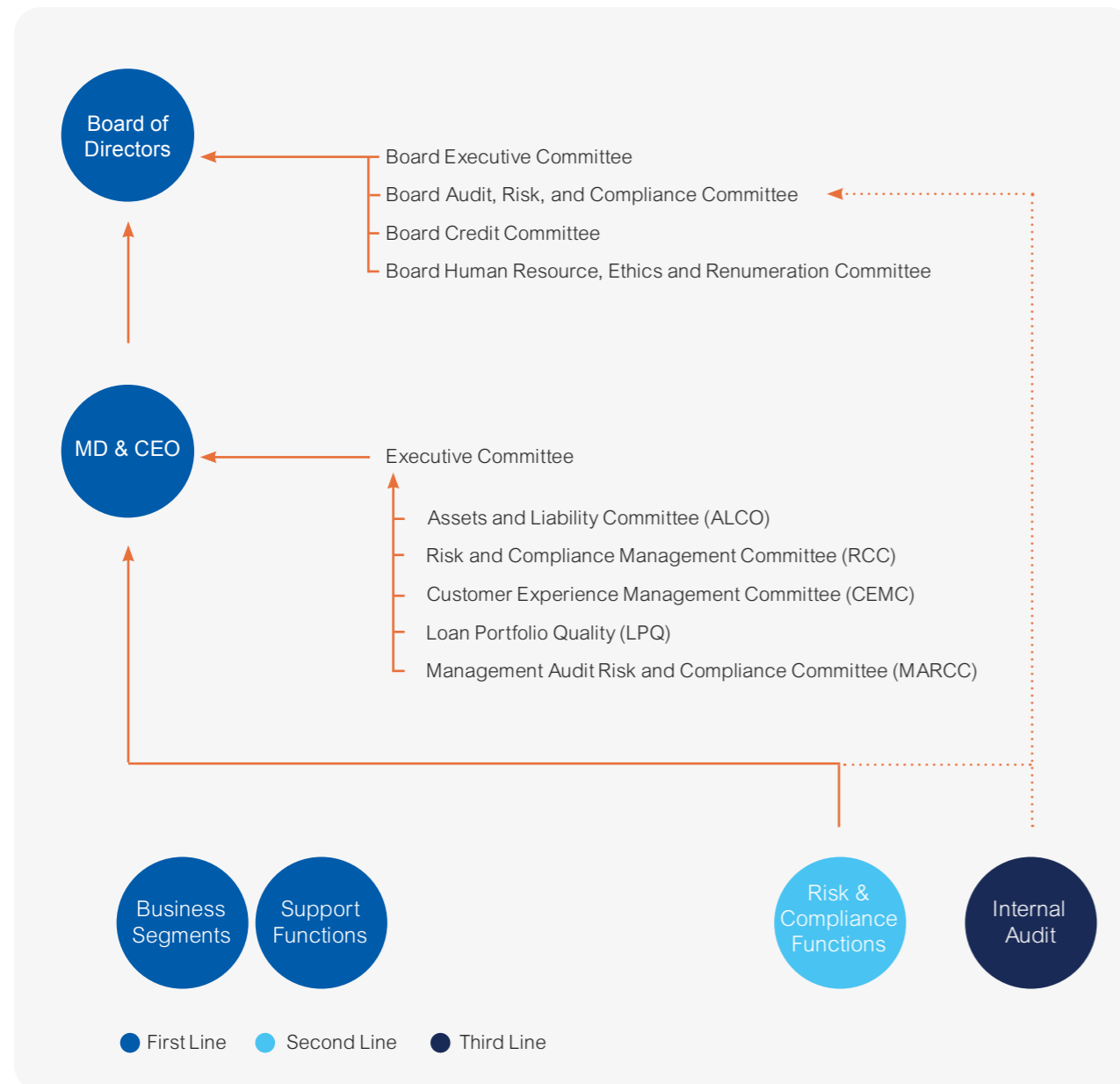
The BARCC receives regular reports on risk management, including our portfolio trends, policies and standards, stress testing, liquidity, and capital adequacy, and is authorized to enquire or seek any information relating to an activity within its charter.

The Board

The Board has ultimate responsibility for effectively managing risk and approving the 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 risk management frameworks and policies consistent with the risk-appetite parameters, including the establishment of risk limits in the various areas of activity and main risk areas.
- Providing clear guidance to senior management with regard to risk management and ensuring that senior management takes the necessary actions in order to manage the associated risks.



- 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.

Risk Committees

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

At the Board level, there are four Board-level committees that oversee the application of the ERMF. There are the Board Executive Committee, Board Audit Risk and Compliance Committee, Board Credit Committee, and the Board Human Resources, Ethics and Remuneration Committee, which oversees, among other things, compensation practices focusing on aligning remuneration 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 Ethics and Remuneration Committee (BHERC):** The BHERC 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 oversees the risk management activities across the bank. To facilitate its risk oversight function the BARCC is supported by various Executive Management Committees.

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 & 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 & 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

Our Principal Risks

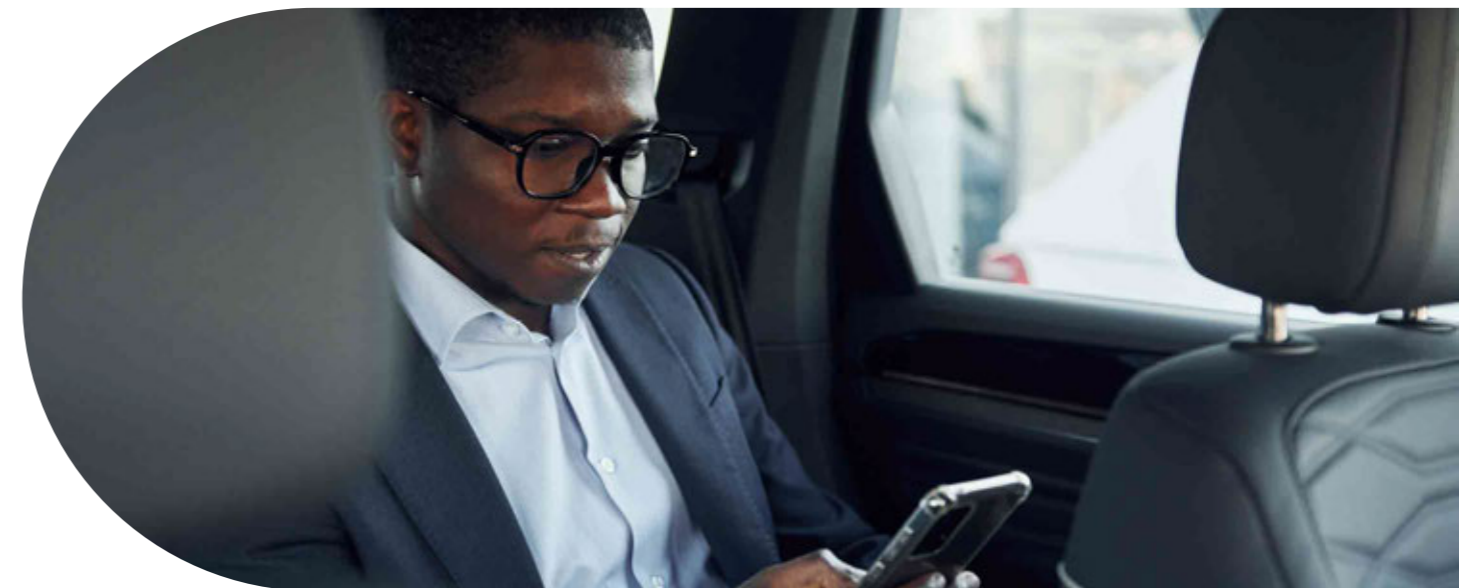
The ERMF identifies eleven principal risks and sets out associated responsibilities and expectations around risk management. The principal risks are credit, market, funding, technology, operational, compliance, cyber, reputational, sustainability, legal and strategic risks.

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.

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.



Principal Risk	Definition	Approach	Oversight
Credit Risk	Loss from customers failing to repay obligations.	Customer analysis, lending policies, credit limits, rating models, portfolio monitoring, and stress testing.	CCO, CRO BARCC, BCC, RCC
Market Risk	Loss from market movements such as interest rates, FX, prices, and volatility.	Market risk policies, Treasury controls, liquidity management, VaR, stress testing, and control reviews.	Treasurer, CRO BARCC, ALCO, RCC
Sustainability Risk	Risk that ESG factors may negatively impact the bank's business, performance and operations.	Sustainability and climate policies, emissions tracking, climate risk management, 2030 targets, ICAAP/ILAAP, and stress testing.	CRO BEC, BARCC, RCC
Technological Risk	Risk from technology failures, cyber threats, IT operations, or third parties.	Technology risk policies, cybersecurity controls, vendor risk management, and IT oversight.	CRO BEC, BARCC, RCC, DGC
Operational Risk	Loss from failed processes, people, systems, or external events.	Risk assessments, compliance monitoring, key risk indicators, and early warning controls.	CRO BARCC, RCC
Strategic Risk	Loss from poor strategy, weak execution, market changes, or new competitors.	Internal controls, monitoring systems, policies, and senior management oversight.	CRO, Director; Strategy & Growth BEC, BARCC, RCC
Compliance Risk	Risk of penalties from failing to follow laws, regulations, or standards.	Regulatory monitoring, internal controls, audits, and staff training.	CCO BARCC, RCC
Liquidity Risk	Risk of insufficient liquid funds to meet obligations.	Diversified funding, liquidity buffers, and stress testing.	Treasurer, CRO ALCO, BARCC, RCC
Capital Risk	Risk of inadequate capital to support operations and absorb losses.	Capital planning, capital optimisation, stress testing, and regulatory compliance.	CFO, CRO, ALCO BARCC, RCC
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.	CRO 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.	CTDT, CRO BEC, BARCC, RCC
Legal Risk	Risk arising from failure to comply with statutory or regulatory obligations.	Contractual Risk Management, Dispute Resolution and Training & Culture.	CRO BARCC, MLC, Director of Legal and Company Secretary

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 Risk	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.



Report of Those Charged with Governance and Audited Financial Statements



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CORPORATE INFORMATION

DIRECTORS

Name	Remarks
David C. Nchimbi	Non-Executive Director & Chairman
Benson Mahenya	Independent Non-Executive Director
Hendrik Reisinger	Non-Executive Director
Juma Kisaame	Non-Executive Director
Ramadhani Mwikalo	Independent Non-Executive Director
Giriraj Jadeja	Non-Executive Director
Prof. Sylvia Temu	Non-Executive Director
Joyce Nkini Iwisi	Independent Non-Executive Director
Dr. Sophia Kongela	Non-Executive Director
Ruth Zaipuna	Managing Director & CEO
Juma Kimori	Executive Director, Finance & CFO

BOARD EXECUTIVE COMMITTEE

Name	Remarks
Juma Kisaame	Chairperson
Ramadhani Mwikalo	Member
Giriraj Jadeja	Member

BOARD AUDIT, RISK AND COMPLIANCE COMMITTEE

Name	Remarks
Benson Mahenya	Chairperson
Dr. Sophia Kongela	Member
Joyce Nkini Iwisi	Member

BOARD HUMAN RESOURCES, ETHICS AND REMUNERATION COMMITTEE

Name	Remarks
Prof. Sylvia Temu	Chairperson
Ramadhani Mwikalo	Member
Hendrik Reisinger	Member

BOARD CREDIT COMMITTEE

Name	Remarks
Hendrik Reisinger	Chairperson
Prof. Sylvia Temu	Member
Juma Kisaame	Member
Giriraj Jadeja	Member

AG. COMPANY SECRETARY Consolatha Moshia

NMB BANK PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

CORPORATE INFORMATION (CONTINUED)

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(CONTINUED)**

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Phoenix Legal Services
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Mtwara

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2nd Floor, The Luminary CNR
Dar es Salaam

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

1. INTRODUCTION

Those charged with governance, the Board of Directors (the “Directors”), have the pleasure to submit their report and the audited financial statements for the year ended 31 December 2025, 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 AND LISTING

NMB Bank Plc is a fully fledged commercial bank established in 1997 and incorporated in the United Republic of Tanzania as a public company limited by shares under the Companies Act, 2002, 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 and its regulations.

The Bank has been listed on the Dar es Salaam Stock Exchange (DSE) since 2008, trades under the ticker symbol NMB, and has its ordinary shares identified by International Securities Identification Number (ISIN) TZ1996100222.

3. CORPORATE CULTURE

The Bank’s corporate culture is deeply rooted in its Vision, Mission, and Core Values, which collectively guide the conduct of its Board of Directors, Management, and employees.

Vision

To be the preferred Financial Services Partner.

Mission

To be the Bank of Choice, delivering an innovative and transformative customer experience that promotes financial inclusion and well-being.

Core Values

The Bank’s Core Values define the principles and standards of behaviour expected from all stakeholders within the Bank:

- (i) Integrity: The Bank upholds integrity as its foremost value. All employees and Board Members are expected to act with honesty, transparency, and accountability. Confidentiality of customer information is strictly maintained, and any observed irregularities are escalated through established whistle-blowing channels.

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

3. CORPORATE CULTURE (CONTINUED)

Core Values (Continued)

- (ii) Compliance: Adherence to internal policies, regulatory requirements, and all applicable laws of the country. Directors and Employees are expected to demonstrate a high level of professional conduct, uphold the Code of Ethics, and ensure that all controls are effectively implemented.
- (iii) Customer Focus: Consistently delivering value to both internal and external customers, providing timely support, and ensuring customer satisfaction.
- (iv) Teamwork: To a culture of unity and inclusiveness, where team achievements are recognized and celebrated.
- (v) Innovation: Embedding Innovation across all levels of the Bank through embracing diverse perspectives to foster creativity and continuous improvement.

4. OPERATING ENVIRONMENT

Global Economic Overview

Global GDP growth is expected to decelerate from 3.3% in 2024 to 3.2% in 2025 and further to 3.1% in 2026. Advanced economies are projected to grow by around 1.6%, while emerging markets and developing economies are expected to expand slightly above 4%, remaining below pre-pandemic levels. Inflation is anticipated to continue its downward trajectory globally, albeit with variations across countries: remaining above target in the United States, with risks skewed to the upside and subdued elsewhere (World Economic Outlook, IMF 2025). However, downside risks persist due to prolonged uncertainty, fiscal vulnerabilities, protectionism, and labour supply shocks, which threaten to impede growth potential.

Advanced Economies

The IMF's October 2025 World Economic Outlook reports that advanced economies are entering a low-growth phase, constrained by trade-policy shifts, higher barriers, and increased uncertainty. Projected GDP growth is 1.6% in 2025 and 1.7% in 2026, with downward revisions for several economies amid changing trade dynamics. Disinflation persists, with inflation forecast at 2.5% in 2025 and 2.2% in 2026. Inflation varies across countries, and monetary policy remains uneven: the U.S. is expected to ease gradually to 3.50%–3.75% by end-2025, while the euro area rate remains at 2%.

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

4. OPERATING ENVIRONMENT (CONTINUED)

Global Economic Overview (Continued)

Emerging Markets and Developing Economies

According to the IMF World Economic Outlook (2025), emerging and developing economies (EMDEs) remain resilient amid persistent global headwinds, with growth projected to slow from 4.3% in 2024 to 4.2% in 2025 and 4.0% in 2026. Low-income countries face larger downgrades than their middle-income peers. EMDEs have benefited from easier financial conditions, a weaker US dollar, and strengthened policy frameworks. Inflation is expected to decline from 6.7% in 2024 to 4.4% in 2025 and 3.7% in 2026, primarily due to falling oil prices.

Africa Region

Africa's growth remains positive, driven by domestic consumption, infrastructure, services, and macroeconomic management. In 2025, the economy grew by about 3.8%, up from 3.5% in 2024, surpassing the global average despite global uncertainties, moderating inflation, and reforms (Africa Pulse - World Bank, 2025). Inflation fell between 4.5% and 10% (AFDB, 2025), boosting private consumption and investment. Fiscal deficits narrowed, as many countries continued to spend more on debt servicing. Continued challenges include debt costs, FX liquidity issues, climate, and geopolitical shocks. Sustained growth depends on reforms to deepen markets, expand revenue, and attract private investment.

Sub-Saharan Africa

Sub-Saharan Africa's economy is projected to sustain real GDP growth of 4.1% in 2025 and 4.4% in 2026. Inflation is expected to decelerate strongly but remain elevated at 13.1% in 2025 and 10.9% in 2026, while the region's current account deficit is projected at about 1.7% to 1.8% of GDP.

Global Inflation

Global inflation is expected to decline to 4.2% in 2025 and 3.7% in 2026 as supply conditions normalize, although upward revisions remain for large economies. Disinflation remains uneven across countries due to varying labor market conditions, energy exposure, price controls, and exchange rate pass-through. Core inflation in some advanced economies remains above target, prompting caution about easing, while emerging markets focus on anchoring inflation expectations and maintaining currency stability. Inflation dynamics continue to drive policy rates, yield curves, and credit markets.

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

4. OPERATING ENVIRONMENT (CONTINUED)

Global Economic Overview (Continued)

Commodity Prices

Commodity markets in 2025 remained highly responsive to the interplay between moderating global demand, supply-side discipline, and persistent geopolitical risk. Energy prices broadly eased relative to 2024, driven by easing supply chain disruptions. Non-energy commodities were impacted by weather patterns, logistics constraints, and evolving industrial demand, particularly where infrastructure and manufacturing activity remained supportive. For commodity-importing economies, this mix provided selective relief from inflation and external imbalances; for exporters, it underscores the need for conservative fiscal and liquidity buffers, given the still-elevated price volatility. Gold prices strengthened substantially in 2025, supported by heightened geopolitical risk, sustained safe-haven flows, and continued central bank purchases amid uncertainty.

Exchange Rates

In 2025, foreign exchange markets were influenced by shifting interest rate differentials, tariff-related adjustments, and rebalancing of global capital flows, resulting in a broad weakening of the US dollar on a trade-weighted basis. The US dollar depreciated by 11.4% against the euro, 6.4% against the pound sterling, while remaining broadly unchanged against the Japanese yen (-0.6%) and 3.4% weaker against the Chinese renminbi. The euro and pound both gained materially on the back of more stable inflation trajectories. At the same time, the Chinese renminbi weakened on a real effective basis, enhancing export competitiveness. Overall, the softer dollar backdrop helped ease global financial conditions, reduced imported inflationary pressures, and provided emerging markets with limited policy flexibility to manage external accounts and reserve adequacy.

Geopolitics

Geopolitical risk remains a material factor shaping the global outlook, primarily through its impact on trade policy, commodity supply chains, and investor confidence. Ongoing conflicts and strategic competition continue to amplify uncertainty, contribute to energy price volatility, and accelerate trade fragmentation.

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

4. OPERATING ENVIRONMENT (CONTINUED)

Tanzania Focus

The Tanzanian economy sustained a resilient, increasingly supportive operating environment in 2025, underpinned by stronger real activity, broadly contained inflation, improved external buffers, and accommodative monetary policies. On a year-on-year basis, real output momentum strengthened, with external demand and services receipts outperforming import growth, supporting a narrowing of the current account deficit. Liquidity conditions improved materially as broad money and private-sector credit expanded faster than in 2024, while market interest rates generally eased, signalling better policy transmission and a more supportive pricing environment for investment and working-capital cycles.

Gross Domestic Product

Tanzania's economy remains resilient despite ongoing global challenges. According to the Bank of Tanzania, real GDP grew by 5.9% in 2025, slightly higher than the 5.5% recorded in 2024 and broadly in line with the 6% projected growth by the Bank of Tanzania and the International Monetary Fund (IMF), resulting in the size of the Tanzanian economy expanding to approximately TZS 165.9 trillion. The growth momentum was supported by stable macroeconomic management, sustained public and private investment, and continued structural transformation across key productive sectors. Despite headwinds emanating from global geopolitical tensions, tighter global financial conditions, and commodity price volatility, domestic economic activity remained robust, reflecting strong underlying fundamentals and resilient internal demand dynamics.

In 2025, growth was diverse across sectors, notably agriculture, mining and quarrying, construction, manufacturing (14%), and transport and logistics (8%). Agriculture, contributing 20% to GDP, underpinned economic stability, aided by good weather and policy support. Mining saw strong double-digit growth from increased production and global demand, earning 13%. Construction grew 7% due to infrastructure and urban projects, supporting employment and economic linkages, and contributed 14% to GDP.

The services sector continued to drive economic expansion, particularly in financial services, information and communication, tourism-related activities, and trade. Financial and insurance activities posted a strong performance, recording 15% growth as credit to the private sector improved alongside ongoing digitalisation and financial inclusion initiatives. Growth in telecommunications and digital services further accelerated productivity gains and enabled broader economic participation, supporting the country's transition toward a more services-driven growth model.

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

4. OPERATING ENVIRONMENT (CONTINUED)

Tanzania Focus (Continued)

Inflation

Price pressures remained contained, with headline inflation averaging at 3.33% in 2025, up from 3.06% in 2024, firming within a desirable range. Core inflation, excluding food, energy, fuel, and utilities, eased to 2.21% from 3.4% in 2024, while food inflation rose sharply to 6.78% from 0.28%, mainly driving the headline increase. Energy, fuel, and utilities inflation moderated to 4.31% from 9.25% in 2024. The inflation outlook remains moderate, with upside risks such as rising demand, geopolitical tensions, and weather shocks, but stable exchange rates and lower global commodity prices could ease pressure.

External Sector Performance

The current account deficit narrowed to USD 1,677.3 million, down from USD 2,219.8 million in 2024, primarily driven by higher export receipts, particularly from tourism and gold, and slower growth in imports, particularly in refined white products. This improvement is expected to continue in the medium term, driven by government initiatives, including export promotion and import substitution. The continued rise in gold prices and the slowdown in crude oil prices also contribute to improving the trade balance. Foreign reserves amounted to USD 5,307.7 million at the end of November 2025, sufficient to cover 5 months of projected imports of goods and services, aligning with the national benchmark of at least 4 months.

Exports of Goods and Services

Total exports of goods and services increased to USD 17,599.2 million in 2025, up 10.2% year over year, driven by strong performance in both traditional goods exports and services receipts. Export growth was primarily driven by higher gold exports, which recorded a year growth of 37%, improved performance of manufactured goods exports by 16%, and a continued recovery in tourism-related services. The improved export performance strengthened Tanzania's external earnings base and partially offset external vulnerabilities associated with global market volatility.

Imports of Goods and Services

Imports of goods and services increased at a slower pace relative to exports, rising to USD 17,826.1 million in 2025 from USD 16,990.7 million in 2024, equivalent to a 4.9% and 19% of GDP (2024: 21% of GDP), the 6.8% decline in Refined white products importation (which accounted for 13% of total imports) in line with the easing of global oil prices provided some relief to the external balance and helping to moderate overall import growth despite strong domestic demand. The relatively low growth rate of imports compared to exports contributed to improved trade dynamics and reduced pressure on foreign exchange liquidity.

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

4. OPERATING ENVIRONMENT (CONTINUED)

Tanzania Focus (Continued)

Current Account Balance

As a result of stronger exports and slower import growth, the current account deficit narrowed to USD 2,015.5 million in 2025, compared to USD 2,379.8 million in 2024, representing an improvement of approximately USD 364.3 million, or a 15.3% reduction year-on-year. The trade deficit contracted by 70% to USD 300.2 million from USD 1,002.3 million, supported by rising exports, especially gold and Transportation service receipts. External buffers strengthened further, with foreign exchange reserves increasing to USD 6.33 billion at end-December 2025 from USD 5.55 billion at end-December 2024, reflecting a 14.1% increase, resulting in import cover improving to about 4.9 months from 4.4 months in 2024. The Tanzanian Shilling experienced only modest depreciation of around 1.3% year-on-year, indicating broadly orderly foreign exchange market conditions.

Monetary Policies

Central Bank Policy Rate

In 2025, the Bank of Tanzania's monetary policy stance was calibrated to keep inflation anchored within the 3%-5% target while sustaining momentum toward a GDP growth rate of approximately 6%. The Bank of Tanzania maintained the Central Bank Rate at 6.00% through the first half of the year, signalling policy continuity as domestic activity strengthened and inflation expectations remained within the desired range. In the third quarter, the Monetary Policy Committee reduced the policy rate by 25 basis points to 5.75% and maintained this level through year-end, underscoring an accommodative stance.

Money Supply and Credit Growth

Money supply continued to expand steadily, consistent with the monetary policy stance and the pace of economic growth. During the year, money supply (M3) growth remained robust, rising 26% YoY to TZS 61,524 billion, up from TZS 48,905 billion in 2024. This marks one of the highest growth rates observed over the past two years, primarily driven by accommodative monetary policies, an expansion in private-sector credit, and growth in local-currency deposits.

Furthermore, growth in credit to the private sector-maintained momentum, growing at 24% compared with 13% in 2024. In absolute terms, outstanding credit to the private sector stood at TZS 44,585 billion, accounting for approximately 72% of the money supply and 21% of GDP.

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

4. OPERATING ENVIRONMENT (CONTINUED)

Tanzania Focus (Continued)

Monetary Policies Continued)

Interest Rates

In 2025, the average overall lending rate declined to 15.25% from 15.47% in 2024, a 1.4% year-on-year reduction. Meanwhile, average deposit interest rates increased slightly to 8.4% from 7.9% in the corresponding period of 2024. Negotiated lending rates remained almost unchanged at 13%, while negotiated deposit rates increased to 11.1% from 9.8%, resulting in a margin squeeze across the banking sector. Yields on Treasury bills trended upward during the first half of 2025 and decreased in the second half of 2025, in line with improving liquidity in the economy.

Foreign Currency Markets

Foreign exchange liquidity remained adequate throughout the year, supported by strong performance in cash-crop exports, tourism, and rising global gold prices. Supplemented by reduced foreign exchange demand. Interbank Foreign Exchange Market (IFEM) volume increased 103% to USD 1,185 million, compared to USD 583 million in 2024.

Capital Markets

In 2025, Tanzania's capital markets maintained positive momentum, with the equity market delivering high returns: the DSE All Share Index (DSEI) closed at 2,711.21, up 26.7% from 2,139.73 on 2024, while the Tanzania Share Index (TSI) ended at 5,596.54, up 21.2% from 4,618.78 over the same period, due to increase of market participants risk appetite.

Market performance was notably financials-led, with the Banks, Finance & Investments Index at 10,468 by late December 2025 versus 5,784 at end-2024 (c. +81%), while cyclicals lagged (Industrial & Allied and Commercial Services remaining below end-2024 levels), underscoring rotation into higher-quality, cash-generative counters.

From a broader capital-market perspective, product depth and market infrastructure continued to strengthen: 28 listed companies (22 domestic, six cross-listed), alongside 21 collective investment schemes, 2 ETFs, listed ethical products including Sukuk, and thematic issuance such as green and social bonds; overall value of investments rose 23.60% to TZS 55,384.29 billion as at 30 September 2025, with Government bonds remaining the anchor asset class (51.54% of total value), and market capitalisation representing 38.51%.

Furthermore, the Dar es Salaam Stock Exchange (DSE) amended its trading rules effective 2nd June 2025 to improve market liquidity, transparency, and investor protection. Key changes include new definitions for block trade and closing price, updated price caps, and revised trading hours.

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

4. OPERATING ENVIRONMENT (CONTINUED)

Tanzania Focus (Continued)

Regulatory Environment

In 2025, the Bank of Tanzania, along with other regulatory authorities, enacted new regulations and revised existing ones, including, but not limited to, the Guidelines on Sustainability, Climate disclosures, Foreign Currency Transactions, and Regulations governing non-interest banking activities.

- Identification of Domestic Systemically Important Banks (D-SIBs). In December 2025, BOT designated NMB Bank Plc as a D-SIB, triggering enhanced oversight. Requirements include quarterly stress tests, annual validation of the recovery plan, and continuous submission of systemic-risk data.
- Guidelines on Climate-Related Financial Risks Management and Disclosures, 2025. The Bank of Tanzania introduced supervisory expectations for banks to embed climate-related financial risks and opportunities into governance, strategy, and enterprise-wide risk management, supported by proportionate disclosures.
- Guidelines on Reporting of Sustainability-Related Risks and Opportunities for Banks and Financial Institutions, 2025. These guidelines require banks to maintain structured internal processes to identify, assess, and monitor sustainability-related risks and opportunities and to disclose how these matters affect strategy, risk management, and financial outcomes over relevant time horizons.
- Regulations on the Use of Foreign Currency, 2025. The regulations restrict quoting, pricing, and payment for domestic transactions denominated in foreign currency (subject to specified exceptions), reinforcing the use of the Tanzanian Shilling and strengthening compliance expectations across customer onboarding, transaction execution, and monitoring.
- Banking and Financial Institutions (Non-Interest Banking Business) Regulations, 2025. Tanzania's non-interest (Islamic) banking framework sets regulatory requirements for licensing, governance arrangements (including Shari'ah oversight), and operational and disclosure standards for non-interest banking business.
- AML and UBO Verification Compliance Requirements, effective November 2025, BOT reiterated the requirement for full UBO verification by 30 June 2026. Banks with compliance below 50% must submit action plans, with strict sanctions expected after the deadline.
- Capital Markets and Securities (Corporate and Subnational Sustainability Bonds) Regulations, CMSA issued sustainability-bond regulations establishing eligibility, issuance conditions, and disclosure/reporting requirements to support credible sustainable-finance instruments in Tanzania's capital markets.

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

4. OPERATING ENVIRONMENT (CONTINUED)

Tanzania Focus (Continued)

Tanzania Macroeconomics Outlook

Real GDP growth is projected to range between 6.0% and 6.5% in FY2025/26, with medium-term growth expected to average above 8.0%, underpinned by increased investment in the extractive sector, agro-industrial development, and expanded regional trade. However, several risks could moderate this growth trajectory, including adverse weather conditions affecting agricultural output, constrained domestic financing, and reduced inflows of external aid.

Inflation is projected to remain within the BOT's medium-term target of 3%-5% over the medium term. This outlook is supported by stable food prices, a relatively steady exchange rate, and subdued global commodity prices. Nonetheless, potential upward inflation pressures could emerge from rising domestic demand, geopolitical tensions, and supply shocks of produce due to adverse weather patterns. Conversely, a stronger shilling, improved agricultural production, and slower global economic growth could exert downward pressure on inflation.

Major Markets and Competitive Positioning within those Markets

Market footprint, systemic relevance and strategic positioning

The Bank's competitive positioning is anchored on three core differentiators:

- (i) a scaled distribution and service model that enables access across the key economic corridors,
- (ii) a resilient funding business supported by a high proportion of granular deposits, and
- (iii) disciplined risk governance that prioritises sustainable, risk-adjusted growth.

As of 31 December 2025, the Bank served 9.9 million customer accounts, representing the most extensive customer base in Tanzania, and maintained a 23% market share of sector assets, positioning NMB as the second-largest bank in Tanzania by assets. Through this scale advantage, enhance NMB's ability to support priority sectors, meet evolving customer needs, and compete effectively across pricing and product propositions while operating within disciplined risk-appetite parameters.

Reflecting the Bank's systemic role in financial intermediation and payments, NMB is designated as a Domestic Systemically Important Bank (D-SIB) by the Bank of Tanzania. This scale and systemic relevance enable the Bank to participate in priority sectors while safeguarding balance sheet quality and delivering consistent stakeholder outcomes.

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

4. OPERATING ENVIRONMENT (CONTINUED)

Tanzania Focus (Continued)

Major Markets and Competitive Positioning within those Markets (Continued)

The Bank's competitive positioning is further strengthened by its standing in the capital markets, which enhances strategic flexibility, transparency, and stakeholder confidence. NMB is the largest listed entity in Tanzania and the second largest listed bank in East Africa by market capitalisation. As of 31 December 2025, the Bank's market capitalisation stood at TZS 4.2 trillion (approximately USD 1.7 billion), reinforcing the Bank's leadership in corporate visibility, liquidity profile, and access to long-term capital market funding options, subject to prevailing approvals and market conditions.

Distribution Leadership and Customer Access as a Competitive Moat

NMB Bank's market positioning is supported by a scaled omnichannel distribution platform that delivers reach, service continuity, and convenience, strengthens customer acquisition and retention, supports sustainable deposit mobilisation, increases transaction throughput, and enhances service responsiveness across segments. See section 19 and table 38.

Market Positioning

Consumer Banking

In the retail market, NMB offers customer centricity, convenience, and trusted execution, supported by an omni-channel model spanning branches, agents, ATMs, and digital platforms. Competitive advantage is strengthened through end-to-end customer journey optimisation, bundled propositions and lifecycle-based offerings that drive acquisition, deepening and retention. The Bank's focus remains on defending and growing primary banking relationships, expanding payroll and mass-affluent segments, and quality lending while maintaining prudent affordability and arrears controls.

Business Banking

Within the Business Banking segment, NMB's positioning centres on relationship-led banking underpinned by sector-aligned solutions, cash management capabilities, and advisory support tailored to the operating realities of MSMEs. The Bank offers structured value propositions covering working capital, asset finance, trade facilitation, payments, and merchant solutions, supported by simplified onboarding and faster turnaround times. Competitive advantage is further enhanced through partnerships and ecosystem plays that embed NMB within value chains, thereby strengthening transaction flows, improving credit decisioning, and enabling scalable growth in priority clusters.

NMB BANK PLC**THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025****4. OPERATING ENVIRONMENT (CONTINUED)****Tanzania Focus (Continued)**

Market Positioning (Continued)

Wholesale Banking

NMB provides sector specialisation, execution reliability, and risk-structured solutions across cash management, trade finance, structured lending, and transactional banking. The Bank supports complex customer needs through an integrated coverage model that combines corporate banking with treasury. Governance focus remains on selective growth in high-quality segments, disciplined concentration management, and ensuring that pricing and structuring appropriately reflect underlying risk and capital deployment.

Treasury and Markets

NMB's Treasury and Markets services optimise the Bank's balance sheet and deliver client solutions in foreign currency, money markets and fixed income, driven by robust ALM governance, active liquidity management and market intelligence, enabling the Bank to support clients' risk management needs while maintaining strong regulatory ratios. The strategic priority remains to deepen client flows, strengthen fee and trading income within approved risk limits, and enhance treasury-driven support to customers through structured solutions.

Digital and Payments:

The sector's competitive intensity continues to shift towards platform-led banking, where customer experience, uptime, security, and product velocity define market leadership. NMB continues to accelerate digital adoption, expanding payment acceptance and driving higher transaction volumes through digital platforms and enhanced propositions. The strategic focus is to protect and extend the Bank's digital capabilities by investing in resilient infrastructure, strengthening cyber and fraud controls, and scaling merchants, acquiring and ecosystem partnerships that improve customer stickiness and contribute to strong non-funded income growth.

Competitive Dynamics

Tanzania's banking sector remains highly competitive, with financial institutions focusing on deposit growth, digital innovation, and value-chain integration to drive credit expansion and remain relevant.

NMB BANK PLC**THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025****4. OPERATING ENVIRONMENT (CONTINUED)****Tanzania Focus (Continued)****Competitive Dynamics (Continued)**

Tanzania Banking Sector Performance

Tanzania's banking sector delivered a strong performance in 2025, operating within a broadly supportive business environment that enabled continued balance sheet expansion, robust revenue generation, and improved profitability. As of 31 December 2025, the sector reported profit before tax of TZS 3.5 trillion, a 15% year-on-year increase. Asset quality improved, with the non-performing loan ratio marginally rising to 3.3%, signalling continued portfolio quality performance supported by continued economic activity and sustained resolution of legacy delinquencies. Operating efficiency strengthened further, with the cost-to-income ratio improving to 47% (2024: 48%), reflecting disciplined cost management and scale benefits as revenues expanded.

Balance Sheet

The sector's balance sheet continued to expand in 2025, with total domestic assets increasing to TZS 75,510 billion in 2025, up 26% year on year (2024: TZS 58,930 billion). This expansion was driven primarily by sustained growth in net loans and advances to TZS 44,585 billion (2024: TZS 36,097 billion), alongside increases in liquid assets and investment securities to TZS 17,128 billion (2024: TZS 14,323 billion).

Customer deposits expanded to TZS 50,417 billion in 2025, up 26% year on year (2024: TZS 40,053 billion). The funding mix remained stable and well diversified, with low-cost current and savings accounts (CASA), supporting prudent cost-of-funds management and balance-sheet scalability. The sector's loan-to-deposit ratio remained within a comfortable range, reflecting continued capacity to intermediate savings into credit growth while maintaining funding headroom.

Profitability

In 2025, the sector achieved a step change in earnings performance, with total revenue growing by 12.8% year-on-year to TZS 9,120 billion (2024: TZS 8,080 billion). This growth was driven by a 10.6% increase in net interest income to TZS 6,020 billion (2024: TZS 5,445 billion), supported by a higher-yielding asset mix and effective balance sheet repricing, alongside a 17.2% uplift in non-funded income to TZS 3,100 billion (2024: TZS 2,635 billion), driven by significant transaction volumes and expanded digital and trade propositions.

Continued cost discipline drove further efficiency gains, with the cost-to-income ratio improving by 100 basis points to 47 (2024: 48%). Profitability improved, with profit before tax rising by 15.1% to TZS 3,500 billion (2024: TZS 3,040 billion) and profit after tax increasing by 14.5% to TZS 2,520 billion (2024: TZS 2,200 billion).

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

4. OPERATING ENVIRONMENT (CONTINUED)

Tanzania Focus (Continued)

Competitive Dynamics (Continued)

Asset Quality

In 2025, the sector's asset quality profile strengthened further, reflecting tighter origination discipline, more proactive portfolio monitoring, and improved recoveries, supported by a relatively stable operating environment. The non-performing loan (NPL) ratio improved to 3.28%, while NPL coverage (provisions-to-NPLs) increased to 68.0% from 64.0%, reinforcing balance-sheet resilience. The cost of risk declined by 10 basis points to 0.67% (2024: 0.77%), underscoring strengthened credit risk management and enhanced recoveries

Liquidity

The sector's Liquidity Coverage Ratio was maintained at 165% (2024: 158%) and the Net Stable Funding Ratio at 128% (2024: 122%), both above regulatory thresholds, while liquid assets to total deposits stood at 32.0% (2024: 30.5%).

Capital Adequacy

The sector maintained strong loss-absorption capacity, with the total regulatory capital adequacy ratio improving to 18.4% (2024: 17.6%) and the Common Equity Tier 1 ratio at 15.2% (2024: 14.6%), both remaining above applicable regulatory minimum requirement throughout the year. Retained earnings, disciplined risk-weighted asset growth, and robust capital planning supported capital strength.

Technological Change

Technological changes remained a defining feature of industry competition, shaping customer expectations, operating models, and risk landscapes. NMB Bank treated technology as a strategic enabler of balance sheet growth, revenue diversification, service delivery, and enhanced productivity. Investments were directed towards improving platform availability, scalability, and straight-through processing, ensuring that service delivery remains reliable, secure, and compliant as transaction volumes rise.

Key Technology Trends Impacting Future Development in Banking

- (i) Generative Artificial Intelligence (AI) and advanced automation: Banks are increasingly prioritizing generative AI and advanced automation to grow productivity, strengthen fraud and financial crime controls, and improve decisioning across the value chain, while simultaneously regulators and standard setters continue to emphasize governance, explainability, and resilience as prerequisites for safe deployment.

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

4. OPERATING ENVIRONMENT (CONTINUED)

Tanzania Focus (Continued)

Competitive Dynamics (Continued)

Technological Change (Continued)

Key Technology Trends Impacting Future Development in Banking (Continued)

- (ii) Cloud Computing: the banking industry is accelerating towards cloud-enabled scalability and faster innovation cycles, alongside a materially higher governance bar for outsourcing, concentration risk, and operational resilience, with supervisory frameworks increasingly focused on critical third-party dependencies.
- (iii) API-led integration and open banking: Banking competition is increasingly shaped by API capabilities that enable partnerships, embedded finance, and data-driven services, with open finance models expanding the addressable market for customer acquisition, proposition innovation, and transaction-led revenue.
- (iv) Tokenization, stable coins and the future rails of finance: There is a growing experimentation with tokenization and tokenized settlement assets in the Banking industry, which could materially improve efficiency and expand product design and cross-border payments over time, albeit with new operational and regulatory complexities.
- (v) Payments modernization and richer data standards (ISO 20022): The industry is moving decisively towards richer payment data and interoperability, with ISO 20022 now established as a foundational standard and key milestones around the end of cross-border coexistence in late 2025 shaping operational readiness requirements this elevates payments modernization into a strategic growth lever, enabling better straight-through processing, improved compliance screening, enhanced reconciliation and stronger customer propositions in trade, cash management and cross-border remittances.
- (vi) Cybersecurity: As digitization deepens, cyber and fraud risks remain among the most material threats to confidence and continuity, and global regulatory practice is increasingly formalizing resilience expectations for both financial institutions and critical technology providers.

Market Forces

Competitive and macro-financial forces continued to reshape Tanzania's banking industry in 2025, with pricing, deposit mobilization, and digital execution emerging as the primary determinants of market share and earnings quality. Against this backdrop, NMB Bank maintained a clear focus on strategy execution to capture growth opportunities arising from resilient customer activity, evolving customer expectations, and regulatory standards.

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

4. OPERATING ENVIRONMENT (CONTINUED)

Tanzania Focus (Continued)

Market Forces (Continued)

Key Market Forces impacting Value Creation

- (i) Funding competition and margin management: The operating environment remained characterized by high competition for deposits, as banks sought funds to finance credit growth while maintaining robust liquidity buffers. This has elevated the importance of business-led deposit mobilisation, pricing discipline, and product differentiation. NMB continues to focus on optimising the funding mix, protecting margins, maintaining stable funding costs, and ensuring growth remains scalable and within established liquidity risk limits.
- (ii) Credit demand and pricing pressure: Private sector credit demand remained resilient, but pricing pressure increased, requiring stronger structuring and sharper selectivity. NMB Bank continued to emphasize risk-adjusted returns, balancing growth ambitions with asset-quality preservation, concentration limits, and disciplined underwriting standards to ensure sustainable earnings. That capital is deployed to the highest-quality opportunities.
- (iii) Regulatory expectations and governance intensity: Regulatory focus remained elevated across consumer protection, AML/CFT, operational resilience, and financial stability. These expectations shaped industry behaviour and increased investment in compliance. NMB continues to enhance governance processes, strengthening controls, and ensuring continuous alignment with evolving regulatory requirements and reporting standards.
- (iv) Shift to transaction-led and payments-led economics: The sector continued to pivot towards transaction-led banking, with payments, merchant services, and ecosystem partnerships increasingly shaping competitive outcomes. The Bank continues to focus on scaling the use of digital platforms, expanding Agency banking, QR and POS networks, and improving customer journeys to drive sustainable non-funded income and deepen primary customer relationships.

SWOC Analysis

In 2025, NMB undertook a structured review of the Bank's internal capabilities and the external operating landscape to ensure that strategic focus remains aligned with stakeholder value creation, regulatory expectations, and our approved risk appetite. The resulting SWOC assessment provides a balanced view of the Bank's competitive strengths, capability gaps, near-term growth opportunities, and key challenges that may influence execution, resilience, and performance sustainability.

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

4. OPERATING ENVIRONMENT (CONTINUED)

Tanzania Focus (Continued)

SWOC Analysis (Continued)

Table 1: SWOC Analysis of NMB Bank PLC

Item	Description
Strengths	The Bank boasts a robust brand presence, establishing itself as the leading financial institution. With a substantial asset size, NMB holds a systematic market position in Tanzania, being the most valued bank both in Tanzania and Regionally. A commitment to digitalization and innovation positions us at the forefront, delivering outstanding customer experience and driving growth. See Tables 8 and 9.
	A broad customer base, extensive network, operational excellence, the quality of our people, and strong governance foundations are integral to NMB's competitive edge. Our unwavering commitment to customer-centric practices distinguishes us in the market, and coupled with the largest network of branches and agents, we maintain an extensive footprint.
	NMB's ESG strength is in its integrated governance, leading sustainable finance tools, deep financial inclusion, and strong social/environmental programs, supported by high governance, transparency, and international ESG recognition. In 2025, NMB won the Best Bank for Sustainability in Africa. See Section 19.
Weakness	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.
	Customer preferences change quickly, making some services less relevant and requiring faster execution and targeted investment. Certain income streams are more vulnerable to shifts in preferences, market, and regulations, necessitating ongoing digital transformation to diversify revenue, boost productivity, and safeguard operating leverage.
Opportunities	Amid a vibrant population, opportunities exist to engage the youth, women, informal businesses, and SMEs. Tapping into agriculture value chains and serving the largely excluded rural population from formal financial services presents significant growth avenues for the Bank.
	Beyond core banking, the Bank can expand into other areas, improve cross-selling and customer lifetime value, and pursue cross-border growth, alliances, and selective M&A to scale, diversify earnings, and boost regional relevance, with disciplined capital allocation and governance.
Challenges	NMB has capitalized on new market opportunities such as Minada livestock auction financing, rural and agri-value chain markets, MSMEs, women and youth segments, digital ecosystems, embedded finance, and sustainable finance, all forming core growth engines under its Agenda 2030 strategy.
	Rapid growth in digital payments, merchant acquiring, and ecosystem partnerships offers opportunities to scale transaction revenues, strengthen primary relationships, and promote financial inclusion. It also supports growth in key sectors and value chains, enhanced by better data and analytics for improved risk management and customer insights propositions.
	Intensifying competition for deposits, customers, and talent; increased cyber, fraud, compliance, and regulatory risks; and macro, market volatility affecting affordability, credit, and funding.

NMB BANK PLC
**THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**
5. CORPORATE OBJECTIVES AND STRATEGIES
Strategic Objectives

NMB Bank Plc's strategy is anchored in disciplined value creation for shareholders, customers, colleagues, regulators, and communities, with a clear line of sight from purpose to execution priorities, performance metrics, and capital deployment.

- Deepen customer-led growth by upgrading main customer journeys, strengthening service reliability, improving customer experience and improving advocacy through consistent frontline execution, focusing on customer outcomes and driving financial inclusion.
- Drive productivity and cost discipline through process simplification, automation, and stronger performance management, releasing capacity for growth investments.
- Scale priority revenue engines by accelerating non-funded income, strengthening SME and retail penetration, and expanding sector-led propositions that align with Tanzania's economic priorities.
- Expand distribution and ecosystem reach via partnerships, embedded finance, and corridor-focused capabilities to strengthen presence locally and selectively across the region.
- Strengthen resilience and responsible banking through robust risk and control disciplines, cyber resilience, compliance readiness, and sustainability integration.
- Accelerate digital and data advantages by analytics and decisioning to enable faster time-to-market, personalization, and scalable operating leverage, consistent with best practice.

Strategic Framework

Banks Strategic Framework Mapping: Objective and Strategic Goals

Table 2: Bank's Objectives and Strategic Goals

	Banks Objective	Strategic Goals
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.	<ul style="list-style-type: none"> - 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.	<ul style="list-style-type: none"> - 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.

NMB BANK PLC
**THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**
5. CORPORATE OBJECTIVES AND STRATEGIES (CONTINUED)
Strategic Framework (Continued)

Banks Strategic Framework Mapping: Objective and Strategic Goals (Continued)

Table 2: Bank's Objectives and Strategic Goals (Continued)

	Banks Objective	Strategic Goals
Social	Emphasize social responsibility and inclusivity	<ul style="list-style-type: none"> - Responsible Community Investments: Contribute to communities through CSI. - Drive Financial Inclusion: Expand access to financial services. - Support the Agri and SME sectors as the engine of National Economic growth. - Maintain the Employer of Choice Status: Cultivate a positive work environment. - Maintaining overall ESG performance and position.
Environmental	Commitment to environmental stewardship and sustainability	<ul style="list-style-type: none"> - Drive Environmental Stewardship - Leveraging sustainable instruments to support a range of environmentally impactful projects. - Reduce carbon footprint.

Source: NMB Strategy

Bank Medium Term Strategy 2021-2025

In 2025, the Bank entered the final year of its five-year Medium-Term Plan (MTP) 2021 to 2025, structured around three pillars (*Winning Propositions, Operational Efficiency, and Innovating for the Future*), six strategic thrusts, and four enabling capabilities. Performance against the plan remained strong, with delivery outcomes exceeding target metrics, demonstrating effective strategy execution and governance discipline. Building on this foundation, the Bank has developed the next Medium-Term Plan (MTP) 2026 to 2030, which took effect in January 2026, providing a refreshed strategic roadmap to sustain growth, resilience, and long-term stakeholder value creation.

Winning Propositions

Winning Propositions is the growth engine designed to scale customer relevance and translate business strength into robust balance sheet expansion and diversified earnings. Execution priorities are anchored on strengthening deposit mobilization, expanding the customer base, improving customer outcomes and livelihoods, and protecting asset quality through early warning and credit risk monitoring. The pillar is delivered through four coordinated thrusts:

Drive Loyalty with Mass

NMB Bank builds customer loyalty by offering tailored financial and non-financial services to key sub-segments, including SMEs, MSEs, and SWL. By understanding their needs, NMB creates targeted products and solutions to boost deposits and customer reach. Growth in customer numbers indicates success, improved livelihoods, and commitment to financial inclusion.

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. CORPORATE OBJECTIVES AND STRATEGIES (CONTINUED)

Bank Medium Term Strategy 2021-2025 (Continued)

Winning Propositions (Continued)

Win in Core Middle

The Bank aims to strengthen its market share in the core middle-market sub-segment by focusing on partnerships with employers and on digitizing customer journeys. The Bank will identify key employers and tailor partnership programs to their specific needs. Digitization will streamline processes, improve turnaround times, and enhance customer experience.

Win in SME (Focus on Agri)

To leverage growth opportunities in the SME sector, particularly in agribusiness, the Bank plans to launch customized products and services designed for these markets to facilitate business expansion. Additionally, we will digitize the entire credit process.

Deepen Penetration within Wholesale

Wholesale portfolio growth strengthened due to deeper client relationships and a skilled workforce. Capacity-building, client engagement, and improved Internet Banking sustained momentum. To boost relevance and market share among large corporates, the strategy emphasizes relationship-led coverage and expanding transaction solutions, using disciplined commercial routines to improve pipeline visibility, opportunity management, and accountability.

Operational Efficiency

The focus is on simplifying the operating model, optimizing processes, and roles to turn growth into operating leverage and better customer experience. The three priorities are: boosting branch productivity via transaction migration and process improvements; enhancing organizational productivity through performance management and staff effectiveness; and strengthening end-to-end credit risk management through improved underwriting, early warning, and collections to protect portfolio quality.

Boost Branch Productivity

Migrate transactions from Branch halls to alternative channels, branch optimisation, consolidate roles, and optimise branch processes to improve efficiency and reduce costs.

Organizational Productivity

Strengthening productivity through targeted process automation, including RPA, improved staff performance management and end-to-end process enhancement, reducing manual handoffs, improving turnaround times, and reinforcing scalability, complemented by more vigorous control testing and consistent adherence to regulatory requirements to secure sustainable efficiency gains.

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. CORPORATE OBJECTIVES AND STRATEGIES (CONTINUED)

Bank Medium Term Strategy 2021-2025 (Continued)

Operational Efficiency (Continued)

End-to-End Credit Risk Management

NMB aims to strengthen portfolio quality and risk-adjusted growth by tightening the full credit lifecycle, from origination to recovery, within the approved Risk Appetite Statement. Priority actions include expanding automated underwriting to improve decision consistency and turnaround times, strengthening early warning systems to enable proactive intervention, and implementing differentiated collections to improve recoveries, alongside a focused review of risk appetite to align limits, sector concentration, and pricing discipline with the Bank's growth agenda.

Innovating for the Future

This is a core pillar of the MTP 2021-2025, focusing on future-proofing the business by strengthening digital capability, uplifting customer experience, and modernizing technology platforms to support scalable growth. The Bank recognizes that long-term competitiveness is increasingly defined by execution speed, service reliability, data-led decisioning, and secure, always-available channels. The pillar prioritizes three thrusts:

Delight Customers

Embed a customer-first operating model to boost loyalty, retention, and revenue by improving customer journey. The Bank continued to empower the frontline with capability building, standardized service playbooks, and real-time insights to enhance resolution and service consistency. It will optimize online and offline journeys through mapping, redesign, and better channel integration to reduce friction, shorten cycles, and deliver a seamless, differentiated customer experience.

Strengthening Data and Analytics to Drive Sales and Efficiency

Focus on scaling digital and analytics to boost customer activity, improve sales, and increase productivity. Launch micro-savings and micro-lending, digitize key customer journeys such as account opening and loan applications to improve convenience and usage, and use advanced analytics to deliver personalized offers and stronger sales leads. Implement back-office automation to free RM time for customer growth, enhance corporate solutions through digitized cross-border payments, FX, and trade, and expand transaction ecosystems via strategic integrations.

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. CORPORATE OBJECTIVES AND STRATEGIES (CONTINUED)

Bank Medium Term Strategy 2021-2025 (Continued)

Innovating for the Future (Continued)

Enhance IT

NMB Bank builds a resilient, scalable tech infrastructure to support customer and growth needs. It upgrades the Core Banking System (CBS) for better stability and processing, deploys an enterprise API Gateway for standardized, secure partner connectivity, and adopts containerization to shorten release cycles, boost automation, and improve service resilience. Data centre monetization will optimize infrastructure use and ensure business continuity amid rising demand. These investments are expected to enhance system availability, reduce downtime, enhance cybersecurity, speed deployments, and strengthen infrastructure, keeping technology a core growth driver.

6. BANK'S OPERATING MODEL

The Bank's operating model enables us to manage resources and relationships responsibly to deliver the best outcomes for stakeholders. The Bank's business is anchored in a corporate philosophy centered on customer focus and agility to change, while encouraging robust economic transformation.

The Bank develops and distributes a wide range of financial solutions, products, and services tailored to our market segments through secure, accessible channels, 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 essential to fulfilling its core purpose. Our business model shows how we strategically deploy financial, human, intellectual, and social capital to create and sustain long-term value.

Products and Services Offered

The Bank is the most innovative and preferred partner for financial solutions and services, supported by unique, up-to-date offerings, including agency banking, mobile banking, and Internet banking. The core solutions and services provided by the Bank include consumer banking, payment solutions, corporate banking, treasury services, business banking, agribusiness, bancassurance services, custody services, and advisory services

Differentiators

- (i) **Client Focused Approach:** The Bank puts our clients at the heart of everything. Core values drive the bank to deeply understand and meet our clients' needs, ensuring financial solutions are always aligned with their personal goals and aspirations. Through continuous engagement and feedback, The Bank consistently improve offerings to stay ahead of evolving customer demands.

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THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

6. BANK'S OPERATING MODEL (CONTINUED)

Products and Services Offered (Continued)

Differentiators (Continued)

- (ii) **Operational Efficiency and Prudence in Resource Management:** The Bank takes pride in managing resources efficiently while maintaining a strong focus on operational efficiency through optimising resources and enhancing service quality to ensure that customers benefit from competitive, high-quality services without compromising on excellence.
- (iii) **Distinct Value Propositions:** Local presence and unique insight into customers' needs, combined with technology and digital innovation, enable the bank to deliver highly tailored financial propositions that allow the bank to create value that is both relevant and transformative.
- (iv) **Robust Risk Management:** Mitigating risks is fundamental to the bank's operations. The Bank deploys comprehensive risk management frameworks and technologies to safeguard customers' interests and secure its long-term stability.
- (v) **High Performance and Engaging Human Capital:** Workforce is the driving force behind the bank's success. The Bank foster a culture of performance excellence by investing in our people's continuous growth, development, and well-being, ensuring teams consistently deliver the highest standards of service and innovation.
- (vi) **Social Responsibilities:** NMB is devoted to being a socially responsible bank. 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.

Revenue Generation

NMB Bank generates revenue from a diversified portfolio of income streams across retail, Wholesale, and treasury segments. Interest income is primarily generated from loans and advances to customers across consumer, SME, corporate, agribusiness, and public sector portfolios, as well as from investments in debt securities and interbank placements.

Non-funded income is derived from the provision of financial services, including account maintenance, payments and settlements, digital and electronic banking channels, cards, mobile and internet banking, trade finance, foreign exchange trading, cash management, Agency Banking, and bancassurance related services, and is recognized in accordance with IFRS 15 based on the satisfaction of identified performance obligations at a point in time or over the contractual service period. Treasury and market activities contribute through foreign currency trading, net trading income, and investment returns, while transaction volumes and customer activity levels across physical and digital channels underpin fee-based revenues.

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

6. BANK'S OPERATING MODEL (CONTINUED)

Bank Approach to Innovation

Innovation is driven through continuous investment in digital capabilities, data and analytics, process automation, and strategic partnerships, underpinned by robust governance and Business Ethics. Our Innovation culture encourages forward thinking, calculated experimentation, and cross-functional collaboration to ensure innovation is institutionalized, enabling the Bank to proactively respond to evolving customer expectations, competitive dynamics, and regulatory developments while safeguarding the Bank's sustainability.

Delivery Channels

NMB Bank adopts a disciplined yet agile approach to innovation, prioritizing initiatives that products and services through a diversified, integrated, and customer-centric channel distribution model designed to optimize reach, convenience, and service consistency across all customer segments. This model combines the nationwide physical footprint of branches and business centres with an expanding suite of alternative channels, including mobile banking, internet banking, agency banking, ATMs, POS terminals, and strategic payment and ecosystem integrations. Alternative channels continue to play an important role in driving transaction migration, enhancing turnaround times and self-service banking experience, and enabling scalable growth, while physical channels remain critical for advisory services, relationship management, and complex customer needs. See Section 19 and Table 38.

7. RESOURCES MANAGEMENT

The Bank has sufficient resources to fulfil its mandates. To reach its strategic objectives, the Bank utilizes its human, financial, intellectual, social, relationship, and natural resources effectively and efficiently.

Financial Capital

The Bank maintains a strong financial position, underpinned by a robust capital base of TZS 3.1 trillion in shareholders' funds, total assets of TZS 17.6 trillion, and a stable deposit base of TZS 12.5 trillion. The Bank continues to generate sufficient revenue to cover all operational expenditures and meet stakeholder commitments without requiring additional capital injections from shareholders. This sustainable profitability has enabled the Bank to strengthen its capital buffers while consistently delivering competitive returns through dividend payments. From a strategic governance standpoint, the Bank remains focused on enhancing financial performance through prudent resource allocation, disciplined execution of priority initiatives, and alignment of all programs with available financial resources.

NMB BANK PLC
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7. RESOURCES MANAGEMENT (CONTINUED)

Human Capital

The Bank employs a total of 5,294 skilled and purpose-driven professionals whose qualifications and long-term commitment underpin sustainable value creation. Guided by sound corporate governance principles, the Board and Executive Management foster a culture of integrity, inclusion, and accountability, ensuring a work environment that supports both individual and institutional growth. As part of the Bank's sustainable operation ambitions, the Bank continues to invest in talent development and inclusive employee engagement programmes that advance wellbeing, strengthen internal capacity, and reinforce long-term Bank resilience. See section 26 and table 41.

Intellectual Capital

The Bank's intellectual capital, comprising proprietary systems, institutional knowledge, innovative processes, and organizational culture, represents a critical enabler of long-term growth. Through continuous investment in digital capabilities, data analytics, and process automation, NMB Bank has cultivated a culture of innovation and learning that empowers employees to develop in-house solutions tailored to strategic needs. Furthermore, the Bank's strong brand reputation, robust governance structures, and knowledge management practices further enhance its intellectual capital, ensuring sustained institutional resilience and stakeholder trust in an evolving financial services landscape while improving operational efficiency and supporting the delivery of a differentiated Customer experience.

Brand and Reputation

The NMB brand is supported by marketing and branding efforts, investor relations, well-trained personnel, and customer advocacy. The Bank is geared toward creating positive customer experiences at every touchpoint. The Bank periodically reviews brand health, identifies top brand drivers and stress points, and outlines specific remedial actions. To this end, NMB has invested in a range of products and solutions and operates a contact centre that handles a high volume of customer engagements. Furthermore, the Bank ensures its reputation remains solid, driven by rigorous, professional stakeholder engagement, regulatory compliance, and a strategic communications approach. The Bank maintained a positive tone of 99% throughout the year.

Innovation

Products and services need to reflect the ever-evolving customer needs to remain relevant. Throughout the year, our innovation teams continued to develop solutions to enhance customer propositions through ongoing innovation and platform development. Ongoing innovation has resulted in a better customer experience, improved system efficiency, and unlocked the potential of data for future product development.

NMB BANK PLC**THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025****7. RESOURCES MANAGEMENT (CONTINUED)****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 use means greater potential risks to technology solutions and clients across various platforms. To protect against potential threats, we enhanced our cybersecurity environment to safeguard our information and technology assets. We regularly test our systems for cyber risks and security to safeguard our clients' information.

Manufactured Capital

Manufactured capital constitutes the Bank's nationwide network of branches, ATMs, and an extensive suite of digital and alternative delivery channels that collectively underpin reliable, secure, and convenient service delivery. Continuous investment in modern equipment and facility upgrades ensure the comfort and safety of customers and employees. At the same time, proprietary technology enhances operational efficiency and supports the Bank's strategic objective of expanding access to financial services.

Bank Service Channels

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

- (i) NMB Mkononi: NMB Mkononi is a mobile banking proposition that enables customers to easily access various banking services, including money transfer and payment services, bills and utility payments through USSD and a mobile application. In 2025, NMB Mkononi users increased by 20%, reaching 6 million (2024: 4.7 million).
- (ii) 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 to areas where they are unavailable or not easily accessible. With 73,592 (2024: 50,698) agents as of the end of December 2025, customers can access banking services, including deposits, withdrawals, and bill payments, beyond official banking hours. With agents covering a larger geographic area, customers enjoy greater convenience because services are closer to their most accessible location.
- (iii) 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 2025, Internet Banking users increased by 71% to 72,171 (2024: 42,234).
- (iv) Branch Network, Bank on Wheels and ATM: Our footprint across the country consists of 248 branches (2024: 240), 7 banks on wheels, and 735 ATMs (2024: 714), which support service delivery to our customers nationwide. Services available to customers at our ATMs include cash withdrawals and deposits, balance inquiries, and cardless cash withdrawals.

NMB BANK PLC**THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025****7. RESOURCES MANAGEMENT (CONTINUED)****Bank Service Channels (Continued)**

- (v) 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 comply with PCI standards to safeguard our customers' transactions. We have partnered with various merchants to offer card discounts to our customers, supporting cash displacement. As of 2025, NMB has 4,712 merchant POS further drive cash displacement and e-commerce adoption.

Social-Relationship Resources

Social capital and dividends reflect the Bank's values, communities, stakeholders, and well-being. To promote socio-economic development, the Bank runs social impact initiatives via its CSI arm. These programs focus on Education, Health, Natural Disaster Recovery, and Financial Skills-building. The NMB Foundation was created to deepen community impact. It leverages strategic partnerships with local and international stakeholders, including development groups and the private sector, to advance social and economic progress in Tanzania. The Bank maintains strong, positive relationships with regulators and key stakeholders, strengthened through enhanced engagement to support its mission.

Technology Infrastructure

The Bank invests optimally in ICT to improve the overall customer experience. Various robust digital platforms enable us to deliver enhanced customer experiences. As a result of our continued investment in digital channels, we remain a top-tier financial institution in the country, providing innovative solutions, improving access to banking services, and ensuring system availability and reliability. NMB Bank is upgrading the Core Banking System (CBS) and Internet Banking, and investing in new systems to ensure continued stability, efficiency, and enhanced customer satisfaction. We are keen to remain a pacesetter in the progressive modernization of our infrastructure and manufacturing capital, improving efficiency, enhancing our multi-channel customer engagement, and creating a scalable, resilient infrastructure. Our investments in these areas will deliver a more efficient, scalable, and flexible infrastructure to support our strategic ambitions.

Natural Resources

While the Bank's core operations do not directly depend on the extraction or transformation of natural resources, natural capital remains fundamental to the broader ecosystem within which the Bank operates and creates value. The Bank is committed to minimizing its carbon footprint and promoting sustainability across its value chain 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.

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FOR THE YEAR ENDED 31 DECEMBER 2025

7. RESOURCE MANAGEMENT (CONTINUED)

Factors that affect Resource Availability and Allocation

In conducting day-to-day activities, several factors influence how the Bank deploys its resources to deliver on its strategy and avail market-leading solutions that create sustainable value for all stakeholders. These factors guide management's prioritization of capital, capabilities and investments, considering resource availability, quality and affordability, as well as the evolving operating environment, the Bank's risk profile and its long-term strategic objectives.

Table 3: Factors that affect resource availability and allocation

Resource	Factors influencing the availability of resources	Factors influencing the quality of resources	Factors influencing the affordability of resources	NMB Response
Financial	<ul style="list-style-type: none"> Competitive pressures in deposit mobilization Regulatory capital and liquidity requirements Macroeconomic and interest rate volatility Foreign exchange market conditions 	<ul style="list-style-type: none"> Capital adequacy and liquidity buffers Funding tenor and diversification Asset quality and risk profile 	<ul style="list-style-type: none"> Cost of funds Market pricing and credit spreads Hedging and liquidity management costs 	<ul style="list-style-type: none"> Maintain a strong and resilient balance sheet supported by prudent capital and liquidity management Optimize funding mix to balance growth, profitability, and risk Strengthening asset quality Allocate capital to priority areas
Human	<ul style="list-style-type: none"> Availability of specialized banking, technology, and analytics skills Talent mobility and demographic dynamics Leadership succession requirements 	<ul style="list-style-type: none"> Competence, experience, and ethical standards Leadership depth and organizational culture Employee engagement and wellbeing 	<ul style="list-style-type: none"> Staff costs Investment in learning, development, and wellbeing 	<ul style="list-style-type: none"> Build a future-ready workforce through continuous upskilling and reskilling Strengthening leadership pipelines and succession planning Enhance performance, engagement, and retention
Intellectual	<ul style="list-style-type: none"> Pace of technological change Cybersecurity, data privacy, and fraud risks Dependence on third-party technology providers 	<ul style="list-style-type: none"> System resilience, scalability, and interoperability Data quality and analytics maturity Brand strength and market trust 	<ul style="list-style-type: none"> Technology investment and integration costs Ongoing system enhancement and security expenditure 	<ul style="list-style-type: none"> Accelerate digital innovation and automation across key customer journeys Strengthening cyber resilience and data governance frameworks Leverage strategic partnerships to enhance speed-to-market and cost efficiency

NMB BANK PLC
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FOR THE YEAR ENDED 31 DECEMBER 2025

7. RESOURCE MANAGEMENT (CONTINUED)

Table 3: Factors that affect resource availability and allocation (Continued)

Resource	Factors influencing the availability of resources	Factors influencing the quality of resources	Factors influencing the affordability of resources	NMB Response
Manufactured	<ul style="list-style-type: none"> Reliability of physical and digital infrastructure Rapid technology obsolescence Network expansion requirements 	<ul style="list-style-type: none"> System uptime, capacity, and service reliability Scalability of delivery channels 	<ul style="list-style-type: none"> Maintenance, upgrade, and expansion costs 	<ul style="list-style-type: none"> Modernise and optimise service delivery infrastructure Expand digital, agency, and alternative channels to improve access Enhance operational resilience and business continuity capabilities
Social & Relationship	<ul style="list-style-type: none"> Stakeholder expectations and trust dynamics Regulatory, reputational, and conduct risk Evolving customer behaviour 	<ul style="list-style-type: none"> Quality and consistency of customer experience Strength of partnerships and brand reputation 	<ul style="list-style-type: none"> Cost of engagement, compliance, and social investments 	<ul style="list-style-type: none"> Deepen customer relationships through service excellence and transparency Strengthen partnerships to drive innovation, inclusion, and shared value Deliver social impact initiatives aligned with sustainability and ESG priorities
Natural	<ul style="list-style-type: none"> Climate-related physical and transition risks Environmental regulation and stakeholder expectations 	<ul style="list-style-type: none"> Energy efficiency, and emissions profile Responsible resource utilization 	<ul style="list-style-type: none"> Cost of energy, water, and sustainability initiatives 	<ul style="list-style-type: none"> Improve energy and resource efficiency across operations Integrate climate considerations into operational planning Support the transition towards low-carbon and climate-resilient operations



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8. STAKEHOLDER RELATIONSHIP

Table 4: Stakeholders Engagement Summary 2025

Stakeholders And How We Engage	Stakeholders Expectations	How We Meet Stakeholders' Expectations	Our Efforts In 2025
Customers			
<ul style="list-style-type: none"> Face-to-face interactions Interactions at our branch network. Social media and website channels. Call centre interactions. Customer satisfaction surveys. 	<ul style="list-style-type: none"> 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 Competent employees After-service care. Minimal service disruptions. 	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Add more features in the NMB App Continued introducing sophisticated products and solutions. Channels: 248 branches, 735 ATM, 73,592 wakala. Signed collaboration agreements with government, trade, and commercial organisations to help facilitate the expansion plans of our corporate clients. Enhanced our Data Protection Policy to improve the safeguarding of customers' information.
Community			
<ul style="list-style-type: none"> University scholarships (Nuru Yangu Scholarship). Participate in the Government's employment creation initiatives. Supporting financial inclusion initiatives. 	<ul style="list-style-type: none"> Good corporate citizen Support for communities and access to financing for societal needs. Responsible financing. Contributing to job creation. Partnership to address social and environmental issues. 	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Sustainability Framework and E&S Policy. Continued financing of sustainable projects, Jamii Bond. Budgeted 1% on CSI activities of net profit. See section 27 and Table 39.

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8. STAKEHOLDER RELATIONSHIP

Table 4: Stakeholders Engagement Summary 2025 (Continued)

Stakeholders And How We Engage	Stakeholders Expectations	How We Meet Stakeholders' Expectations	Our Efforts In 2025
Employees			
<ul style="list-style-type: none"> Periodic engagement activities include the SIKIKA platform, meetings, partnerships, team-building, and townhalls. HR support, Policies, Performance reviews and surveys, Employee welfare and incentivization. 	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Ensuring fair HR policies and processes Ensuring transparent and objective performance appraisals, 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. 	<ul style="list-style-type: none"> Increased basic salary by 5% - 10%. Increased the minimum pay for our fixed-term staff. Internal appointments (88%) Review of staff loan interest rates Increase the training budget by 4% for the career development of our colleagues across the network. Automation: claims, loans, allowance, and transfers.
Regulatory Authorities and Government			
<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Complied with all regulatory guidelines. Complied with the TFRS1 standards. Adoption of new liquidity and capital requirements. Contributed to economic development. Continuous engagement with regulatory bodies such as BOT, CMSA, etc.



8. STAKEHOLDER RELATIONSHIP

Table 4: Stakeholders Engagement Summary 2025 (Continued)

Stakeholders And How We Engage	Stakeholders Expectations	How We Meet Stakeholders' Expectations	Our Efforts In 2025
Investment Community			
<ul style="list-style-type: none"> Quarterly financial results publications. Annual reports. Annual general meeting. Quarterly Investors' breakfast. Presentations, conferences, meetings, and roadshows. Periodical meetings with Credit rating agencies. 	<ul style="list-style-type: none"> 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-capitalised. Strong and resilient balance sheet. Responsible banking practices. 	<ul style="list-style-type: none"> Ensuring timely disclosure and reporting Implementing a 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. 	<ul style="list-style-type: none"> 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 428 per share for the 2024 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 2nd sustainability report. Conducted relevant ESG trainings for Board members, the leadership of the Bank and the entire network.

Suppliers

<ul style="list-style-type: none"> Regular vendor meetings. Purchase contracts. Request for proposal and quotation. 	<ul style="list-style-type: none"> Fair and transparent bidding and selection process. Timely settlement. Strong Governance and ethical conduct. Timely communication and settlement of disputes. 	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The Bank conducted a detailed review of the Procurement Policy and related Operating Procedures. To align the policy with the Bank's evolving needs To align the Procurement Policy with best practices
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NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

9. CURRENT PERFORMANCE AND FUTURE DEVELOPMENT PLAN

Review of MTP Performance

In 2025, NMB Bank marked a significant milestone in implementation of the 2021–2025 Medium-Term Plan (MTP), during which the Bank made tangible progress across all strategic pillars. Our disciplined execution, strong governance, and commitment to deliver sustainable, long-term value have established the Bank as a resilient, forward-looking, and inclusive financial institution.

Winning Propositions

Under this strategic priority, the Bank focused on driving growth across its core customer segments:

- **Mass Market and Core Middle Segment:** We added over 1.3 million new customer accounts annually, bringing the total to over 9.91 million accounts by the end of 2025, up from 8.6 million in 2024 and from 4.5 million in 2020, representing a 15% YoY and 17% 5-Year CAGR. Our agency Banking network (NMB Wakala) grew from 8,410 outlets in 2020 to 73,529 in 2025, adding 65,119 agency banking agents in a year and expanding by 503% in five years, surpassing our MTP target of 70,000 agents.
- **SME and Agriculture Segments:** The SME loan book grew from TZS 579 billion in 2020 to TZS 985 billion in 2025 (2024: TZS 771 billion), a 28% YoY growth and 5-CAGR of 11%, while the agriculture portfolio rose sharply from TZS 229 billion to TZS 1.4 trillion in 2025 (2024: TZS 941 billion), reflecting a 44% 5-CAGR and 49% YoY.
- **Wholesale Banking:** Total wholesale deposits grew from TZS 1.5 trillion in 2020 and TZS 3.2 trillion in 2024 to TZS 4.7 trillion in 2025, a 5-year CAGR of 26% and a growth of 47% YoY. Wholesale loans and advances grew from TZS 650 billion in 2020 to TZS 2.9 trillion in 2025, growth of 35% CAGR. Off-balance sheet exposures expanded from TZS 0.5 trillion in 2020 and TZS 2.5 trillion in 2024 to TZS 4.3 trillion in 2025, growing at 54% 5-Year CAGR and a 72% year-on-year growth. Furthermore, the Single Borrower Limit increased to TZS 627 billion in 2026, more than double the 2020 limit of TZS 257 billion and a 5.7% YoY increase, strengthening our capacity to serve large corporate and public-sector clients.

Operational Efficiency

Continued focus on performance management, role optimization, and cost containment improved our staff cost efficiency.

- *Branch Optimisation and Staff Productivity:*

Through staff role redefinition, automation, and enhanced monitoring, we improved branch output while maintaining a lean physical footprint (248 branches in 2025 vs. 226 in 2020). Revenue per full-time employee (FTE) increased from TZS 209 million in 2020 to TZS 448 million in 2025, marking a 114% increase in workforce productivity.

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9. CURRENT PERFORMANCE AND FUTURE DEVELOPMENT PLAN (CONTINUED)
Review of MTP Performance (Continued)

Operational Efficiency (Continued)

- *Cost Efficiency*

The Bank improved its cost-to-income ratio to 38% in 2025, compared to 51% in 2020, driven by higher operating income and cost discipline. Operating costs grew moderately at a 10% CAGR, aided by efficiency gains, automation, digital transformation, and AI adoption, which streamlined processes.

- *Credit Risk Management*

The NPL ratio improved significantly to 2.5% in 2025, down from 5% in 2020 and 2.9% in 2024. We continue to enhance our risk management frameworks through proactive early-warning systems, differentiated collections, and sector-specific risk appetites.

Innovating for the Future

Under the “Innovating for the Future” strategic pillar, we accelerated our investment in technology, digital products, digital and alternative channels, and data-driven decision-making to deliver more agile, efficient, and inclusive financial services.

- *Digital Channel Performance and Adoption*

Between 2021 and 2025, NMB Bank made significant strides in digitizing its service delivery. In 2025, 98% of all customer transactions by volume were conducted outside traditional branches, up from 93% in 2023, reflecting continued success in channel migration. Mobile Banking (NMB Mkononi) subscribers increased from 4.3 million (2024) to 6 million, supporting a higher share of self-service transactions.

- *Data and Analytics (DnA)*

NMB continues to invest in data analytics platforms and business intelligence tools to enable the development of segmentation models, sales performance dashboards, and early risk-detection frameworks. Enhanced data use has supported targeted marketing campaigns, credit risk modelling, and customer churn reduction strategies.

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9. CURRENT PERFORMANCE AND FUTURE DEVELOPMENT PLAN (CONTINUED)
Review of MTP Performance (Continued)

Innovating for the Future (Continued)

- *Technology Modernization*

In 2025, the Bank advanced its digital infrastructure with several major technology upgrades to enhance service agility and prepare for the future. These included upgrading the Core Banking System, enhancing Internet Banking platforms, implementing Procure-to-Pay (P2P), revamping NMB mobile app and Agency banking platform, and Master Data Management (MDM) systems to boost operational control and data accuracy. Additionally, Robotic Process Automation (RPA) was adopted in key back-office functions to speed up processes and minimize manual errors. A centralized API Gateway was also introduced, facilitating integrations with third-party ecosystems and positioning the Bank for embedded finance and Open Banking prospects.

- *Innovation Culture and Future Readiness*

In parallel with infrastructure and channel innovation, we deepened our internal innovation culture through Structured innovation sprints and hackathons, fostering cross-functional collaboration on emerging use cases and expanding digital product development teams across UI/UX design, digital lending, and cybersecurity.

Table 5: Medium Term Plan 2021-2025 Performance Highlights

	Initial MTP	Rebased MTP	Actual	Variance against Rebased MTP
	2025	2025	2025	
<i>Balance Sheet (TZs Bn)</i>				
Loans	7,496	8,476	10,430	23%
Total Asset	12,433	15,693	17,616	12%
Customer Deposit	9,988	10,879	12,518	15%
Shareholders Fund	1,816	2,979	3,102	4%
LDR (Excluding Borrowing)	75%	78%	86%	800bps
ROE	17%	25%	27%	200bps
<i>P&L (Tzs Bn)</i>				
Net Interest Income	718	1,193	1,191	-0.2%
Non-Funded Income	478	614	634.5	3.3%
Operating Cost	602	690	677	2%
Profit Before Tax	440	994	1,067	7%
Non-Funded Income Ratio	40%	34%	35%	300bps
Cost to Income Ratio	50%	38%	38%	0bps

Source: NMB Finance Department

NMB BANK PLC**THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025****9. CURRENT PERFORMANCE AND FUTURE DEVELOPMENT PLAN (CONTINUED)****Financial Performance and Position for the Year**

Overall, the execution of the Bank's key strategic initiatives remains well aligned with agreed-upon budgetary commitments. As a result of disciplined strategy execution, the Bank closed the year 2025 with strong performance, underscoring both the quality of our strategy and the discipline of execution. In 2025, the Bank witnessed broad-based balance sheet growth and sustained P&L momentum.

Income Statement

The Bank has continued to deliver strong financial performance, as reflected in its 2025 financial results. This positive momentum is driven by steady revenue growth, backed by strong credit growth and increased customer activity, 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 1,825 billion in 2025, up 13.3% YoY. Revenue performance is attributed to solid growth in net interest income (NII), which closed at TZS 1,191 billion in 2025, up 13% YoY, and continued strong performance in non-funded Income (NFI), which increased 10% YoY to TZS 634 billion in 2025.

NII's performance primarily reflects continued strong growth in interest income, up 13% YoY, driven by lending growth. Interest Income growth was partly offset by 16% YoY growth in Interest expenses, resulting in a year-end total of TZS 357 billion.

Non-Funded Income (NFI)

NFI continued to trend upward, with a 10% YoY increase, mainly driven by traction in income diversification initiatives and increased customer activity. Performance was driven by solid growth across key lines, including FX income (down 4% YoY), Mkononi (down 5% YoY), and Agency Banking (up 16% YoY).

Operational Efficiency & Cost Optimization

The Bank continued to record substantial efficiency gains, closing the year with a cost-to-income ratio of 38% (2024: 38%), well within the regulatory benchmark of less than 55%. The Bank's operating expenses were recorded at TZS 677 billion (10% YoY increase). The Bank continues to prioritize overall cost optimization and emphasizes its significance.

NMB BANK PLC**THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025****9. CURRENT PERFORMANCE AND FUTURE DEVELOPMENT PLAN (CONTINUED)****Financial Performance and Position for the Year (Continued)***Bank Profitability*

The Bank recorded a profit before tax (PBT) of TZS 1,067 billion in 2025, up 15% YoY. Profit after tax (PAT) closed at TZS 760 billion, up 17% YoY. The Bank's positive financial performance is attributable to solid business momentum, sales growth, efficiency gains, and continued prudent risk management of the loan portfolio. This solid performance demonstrates the positive progress we have made in executing our MTP strategic initiatives. The Bank maintains an optimistic outlook, aligning with its strategic ambitions for the year.

Statement of Financial Position

The Bank recorded an increase in total assets to TZS 17,616 billion, up 28% from TZS 13,736 billion in 2024. This asset growth was primarily driven by a TZS 2,013 billion (24% YoY) increase in net loans and advances, fueled by increased demand in both the Retail and Wholesale loan segments. Additionally, balances with other Banks increased by TZS 835 billion (92% up YoY), while cash and balances with the Bank of Tanzania increased by TZS 330 billion (23% up YoY). The strategic management of these assets highlights the Bank's focus on optimizing liquidity and maximizing returns from the asset portfolio. Asset growth was effectively funded by an increase in customer deposits. The audited financial statements and Notes for 2025 are set out on pages 298-437.

Assets

Balance sheet growth remained strong, supported by Tanzania's resilient economic fundamentals and the continued expansion of private-sector credit. Total assets increased by 28% to TZS 17.6 trillion, up from TZS 13.7 trillion in 2024, showing sustained momentum across core banking activities. The growth was predominantly driven by a 23% increase in loans and advances to customers, as the Bank continued to deploy capital into strategic segments while maintaining prudent credit underwriting standards and robust oversight of loan portfolio quality. Balance Sheet expansion was effectively funded by a 31% uplift in customer deposits, underpinned by strong customer confidence, enhanced deposit mobilisation capabilities, and a diversified funding mix, thereby reinforcing liquidity buffers and strengthening the Bank's capacity to support real-economy financing.

NMB BANK PLC**THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025****9. CURRENT PERFORMANCE AND FUTURE DEVELOPMENT PLAN (CONTINUED)****Financial Performance and Position for the Year (Continued)****Statement of Financial Position (Continued)***Cash Flow*

During the year, the Bank generated TZS 1,922 billion (2024: TZS 1,007 billion) from its operating activities. This was mainly due to growth in customer deposits (31%) and offset by growth in customer loans and advances (23%). The primary source of cash outflow was financing, amounting to TZS 309 billion (2024 outflow: TZS 179 billion). Furthermore, primary cash use was mainly for investing TZS 952 billion in government securities at amortised cost (2024: TZS 538 billion) and paying a dividend of TZS 214 billion (2024: TZS 181 billion). The Bank's cash projections indicate that future cash flows will primarily be generated from deposits. The Bank will continue implementing various strategies to mobilise customer deposits by targeting individual depositors, offering competitive rates on fixed deposits, and improving cash collection solutions for corporate customers, Government institutions, non-Government organizations, and other agencies. Refer to Notes 40 and 41 for more details.

Dividend

As of 31 December 2025, the Bank complied with BOT requirements for dividend payments, specifically recording a cost-to-income ratio of 38% and a non-performing loans ratio of 2.5%, both within regulatory maximum limits of 55% and 5%, respectively. A formal dividend payment proposal, considering capital requirements, will be presented at the May 2026 Board meeting, before the AGM in June 2026. The Annual General Meeting (AGM) held in June 2025 approved the Board's dividend proposal of TZS 429 per share from the total dividend of TZS 214.4 billion, which was a dividend cover ratio of three (3) times based on the audited profit after tax for the financial year 2024, in line with the Bank's dividend policy. See Note 20.

Borrowing

The Bank maintains strong relationships with various Development Finance Institutions (DFIs), which, 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 2025, the Bank's outstanding borrowings amounted to TZS 1,299 billion (2024: TZS 1,370 billion). The Bank complied with all lenders' covenants as of 31 December 2025 (2024: Compliant). Refer to Note 36 for details of borrowings.

NMB BANK PLC**THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025****9. CURRENT PERFORMANCE AND FUTURE DEVELOPMENT PLAN (CONTINUED)****Financial Performance and Position for the Year (Continued)***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 liquidity, the Bank has diversified funding sources beyond its core deposit base, manages assets with liquidity in mind, and monitors future cash flows and liquidity daily. The Bank has developed internal control processes and contingency plans to manage liquidity risk.

Bank maintains a portfolio of short-term liquid assets, comprising mainly short-term 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 across a range of scenarios, including both standard and more severe market conditions. All liquidity policies are subject to review and approval by the Board.

In 2025, the Bank's Loans to Deposits Ratio (LDR) closed at 77% (including borrowings) and 86% (excluding borrowings), an improvement from 80% (including borrowings) and 91.4%, respectively, from the previous year. Furthermore, the Bank's Liquid Asset Ratio (LAR) dropped to 26.2% in 2025, up from 33.6% in 2024, and remained well above the regulatory minimum of 20.0%. The Bank continues to monitor trends in these ratios to ensure they remain at healthy levels and sustain momentum in loan and advance growth.

*Short- and Long-term Funding Plans**Short-term Funding Plans*

NMB Bank's short-term funding strategy focuses on meeting immediate operational requirements, managing cash flow effectively, and safeguarding day-to-day liquidity. Key levers include:

- 1) Customer Deposits Deepening: Grow stable retail and SME deposits through transactional primacy, ecosystem-led inflows, and targeted acquisition.
- 2) Committed liquidity lines: maintain diversified short-tenor facilities and interbank capacity for contingency liquidity and tactical opportunities.
- 3) Money market optimization: actively manage short-term liquidity buffers and maturity gaps within internal limits and regulatory thresholds.

NMB BANK PLC
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FOR THE YEAR ENDED 31 DECEMBER 2025

9. CURRENT PERFORMANCE AND FUTURE DEVELOPMENT PLAN (CONTINUED)

Financial Performance and Position for the Year (Continued)

Long-term Funding Plans

The Bank's long-term funding strategy is geared towards financing investments that drive sustainable growth, profitability, and operational resilience over the long term. Key pillars include:

- 1) Term funding diversification: pursue longer-tenor facilities from development finance institutions and strategic counterparties to support priority sectors and resilience programmes.
- 2) Capital markets readiness: maintain issuance optionality for senior debt and thematic instruments when market conditions are conducive, improving tenor diversification and funding stability.
- 3) Strategic partnerships: structure co-funded programmes that accelerate delivery, access specialist expertise, and improve return on investment.

Key Performance Indicators

Those charged with Governance actively supervise and sanction the execution of the Bank's Key Performance Indicators (KPIs) aligned with strategic goals. This occurs quarterly through the management's performance report. This report outlines KPI achievements, potential challenges arising from internal and external environments, and any support required to attain the established objectives. 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 Executives, engaging in discussions to ensure effective implementation.
- Senior Executives disseminate KPIs to department heads, facilitating the creation of departmentally 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 against strategic goals.

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FOR THE YEAR ENDED 31 DECEMBER 2025

9. CURRENT PERFORMANCE AND FUTURE DEVELOPMENT PLAN (CONTINUED)

Key Performance Indicators (Continued)

Table 6: Financial and Non-Financial KPIs as of December 31, 2025, are detailed below.

KPI	Formula	2025 Actual	2025 Target	2024 Actual	Purpose
Return on Equity (ROE)	(Net Profit / Total Equity) ×100	27%	26%	25.2%	Assess the Bank's ability to generate profit from shareholders' funds.
Return on Assets (ROA)	(Profit Before Tax / Total Assets) ×100	4.7%	5%	4.7%	Assess the Bank's effectiveness in using assets to generate profit.
Cost to Income Ratio (CIR)	Operating Expenses / (Total Income) ×100	38%	37%	38.3%	Measures how much the Bank spends from its income.
Loans to Deposits Ratio	(Gross Loans / Total Customer Deposits) ×100	86%	89%	91.4%	Assess the bank's liquidity by comparing total loans to total deposits.
Growth in Customer Deposits	(Increase in Customer Deposits / Opening Balance of Customer Deposits) ×100	31%	14%	13.0%	Measure the year-on-year increase in customer deposits.
Non-Performing Ratio	(Non-Performing Loans / Gross Loans and Advances) ×100	2.5%	2.6%	2.9%	Assess the quality of the loan portfolio.
Loans and Advances growth	(Closing Loans & Advances / Opening Loans & Advances) ×100	23%	16%	10.3%	Measures the year-on-year increase in Loans and advances
Total Assets Growth	(Assets at Year-end/ opening Asset Balance) ×100	28%	11%	12.7%	Assess the year-on-year growth of total assets.
Core Capital Ratio	Core Capital / Total Risk-Weighted Assets ×100	24.7%	26.3%	27.2%	Assess the Bank's core capital position in relation to risk-weighted assets.
Total Capital Ratio	Total Capital / Total Risk-Weighted Assets ×100	24.8%	26.3%	27.2%	Assess the supplementary capital position in relation to risk-weighted assets.

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**THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**
9. CURRENT PERFORMANCE AND FUTURE DEVELOPMENT PLAN (CONTINUED)
Key Performance Indicators (Continued)

Table 6: Financial and Non-Financial KPIs as of December 31, 2025, are detailed below. (Continued)

KPI	Formula	2025	2025	2024	Purpose
		Actual	Target	Actual	
Earnings per Share	Profit attributable to equity shareholders / Number of ordinary shares in issue (TZS)	1,519	1,464	1,296	Indicate earnings generated per share invested in the Bank
Net Interest Margin	Net Interest Income / Average Earning Assets ×100%	8.3%	9%	9.2%	Measure the difference between the interest income generated and the interest paid out.
Cost of Funds	Interest Expense / Interest-Bearing Liabilities ×100%	2.7%	2.7%	2.8%	Indicate the Bank's cost to mobilise funds.
Cost of Risk Ratio	Loan Impairment Charge / Gross Loans ×100%	0.8%	0.9%	1.0%	Assess the amount set aside to cover potential losses from non-performing loans.
Deposit Mix	Composition of Low-Cost Deposits / Total Deposits	84%	85%	85.4%	Analyses the distribution of deposits to strategic funding sources.
NMB Wakala	Number of registered NMB wakala	73,592	70,000	50,698	Growth of agency banking initiatives.

Source: NMB Bank Plc Strategy; Finance Department; and Audited Financial Statements for the year ended 31 December 2025 and 2024.

2025 Budget and Performance

The Budget and Strategy Guidelines govern the overall budget process and prescribe the objectives, timing, processes, and methodologies for formulating the Bank's 2025 budget. The key objectives for the 2025 budget included providing business and financial commitments within strategic pillars and optimizing the use of the bank's resources and productivity.

Budget Approval Process

The Bank adopts a collaborative approach to budgeting, consolidating bottom-up and top-down processes. The process starts with discussions on revenue, NPL, impairment, and cost budget at the departmental level. Once a draft is finalized at functional levels, the budget and strategy document undergo a three-layered approval process.

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FOR THE YEAR ENDED 31 DECEMBER 2025**
9. CURRENT PERFORMANCE AND FUTURE DEVELOPMENT PLAN (CONTINUED)
2025 Budget and Performance (Continued)
Budgetary Performance at Glance

Performance relative to the 2025 budget showed 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 Group's performance against the budget was as follows:

Table 7: The Group's performance against the budget

	Actual	Budget	Variance	Purpose
Revenue (TZS Billion)	1,826	1,814	0.64%	The Group surpassed the revenue target by TZS 12 billion, delivering TZS 1.8 trillion in total revenue, against the budgeted TZS 1.8 trillion.
Profit after Tax (TZS Billion)	760	732	3.8%	Record PAT of TZS 760 driven mainly by strong revenue momentum, with a total income up 12% YoY, coupled with prudent cost management and improved portfolio quality.
Total Assets (TZS Billion)	17,616	16,172	8.9%	Growth is attributed to broad-based balance sheet expansion, driven by loans and advances increasing 23% YoY and deposits growing 31% YoY.
Customer Deposits (TZS Billion)	12,518	11,683	7.2%	Driven by a 39% increase in term deposits, 26% in personal account deposits, and 34% in current account deposits due to various deposit mobilisation campaigns.
Net Loan & Advances (TZS Billion)	10,430	10,352	0.8%	Growth is attributed to a 42% increase in Wholesale loans and a 16% rise in retail loans.
Off-Balance Sheet (TZS Billion)	4,273	4,038	5.8%	Off-balance sheet growth of 73% YoY driven by growth in Guarantees from increased sales across the network.

Source: NMB Bank Plc Strategy; Finance Department; and Audited Financial Statements for the year ended 31 December 2025.

NMB BANK PLC**THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025****9. CURRENT PERFORMANCE AND FUTURE DEVELOPMENT PLAN (CONTINUED)****NMB Stock Performance**

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 on the Dar Es Salaam Stock Exchange. NMB Bank Plc. share registration is ISIN: TZ1996100222.

- During 2025, a total of 8.8 million shares (2024: 6.3 million) were traded during the year for a total cash amount of TZS 62.7 billion, making NMB among the top contributors to total market activities, contributing 14.0%. As of 31 December 2025, the price per share was TZS 8,410, a 57% increase (2024: TZS 5,350).
- NMB is Tanzania's most valued listed bank, the second-most valued bank in East Africa, and the fourth company overall by market capitalization as of December 2025 regionally.

Table 8: NMB Bank Plc Stock Snapshot

NMB Bank Plc Stock Snapshot	2025	2024	2023	2022
Share Price (TZS)				
<i>Highest</i>	8,580	5,550	4,880	3,140
<i>Lowest</i>	5,350	4,300	3,000	2,000
<i>Average</i>	6,921	5,101	4,085	2,769
Closing price	8,410	5,350	4,500	3,020
Volume traded ('000)	8,771	6,279	6,405	11,342
Market Capitalization in Billions*	4,210	2,650	2,250	1,510
Ratios				
Price-to-earnings ratio**	5.8x	4.0x	3.8x	3.3x
Price-to-Book Value** (number of times)	1.5x	1.0x	1.0x	0.8x

Source: Dar es Salaam Stock Exchange

NMB Bank Plc shares its four-year share performance. * Based on the closing price

NMB BANK PLC**THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025****9. CURRENT PERFORMANCE AND FUTURE DEVELOPMENT PLAN (CONTINUED)****Awards, Certification, Recognition, and Accolades**

Our performance has received both domestic and international acclamations. In 2025, NMB Bank received 22 awards and recognition for excellent performance.

Table 9: NMB's Awards.

No.	Award	Grantor
1	Largest Most Complaint taxpayer	Tanzania Revenue Authority (TRA)
2	Outstanding Tax Contributor	Tanzania Revenue Authority (TRA)
3	Overall national largest and Most Complaint Taxpayer	Tanzania Revenue Authority (TRA)
4	Tanzania Top Employer (Certificate)	Top Employer
5	Safest Bank	Global Banking & Finance
6	Best Corporate Social Responsibility Initiative in Tanzania	Global Banking & Finance
7	Best Banking CEO in Tanzania	Global Banking & Finance
8	Africa's Best for Sustainability	Euromoney Awards 2025
9	Tanzania's Best for Sustainability award	Euromoney Awards 2025
10	Tanzania Best Private Bank	Euromoney Awards 2025
11	Best Bank	Global Finance
12	Best Retail Bank	World Economic Magazine
13	Best Bank for SMEs	World Economic Magazine
14	Best Innovation in Retail Banking Tanzania	International Banker
15	Best Commercial Bank Tanzania	International Banker
16	The Best Energy Finance Corporation	Tanzania Energy Awards
17	Safest Bank	Global Finance
18	Best Bank for Financial Inclusion	Global Brands Magazine
19	Best Bank for Sustainable Finance	Global Brands Magazine
20	Best Mobile Banking App in Tanzania	Global Brands Magazine
21	Most Innovative Bank in Tanzania	Global Brands Magazine
22	Best Bank in Tanzania	The Banker-Financial Times

Source: External Publications

NMB BANK PLC**THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025****9. CURRENT PERFORMANCE AND FUTURE DEVELOPMENT PLAN (CONTINUED)****Future Development Plans: Bank Medium Term Strategy 2026-2030**

In 2026, NMB Bank Plc unveiled its new Medium-Term Plan (MTP) for the period 2026–2030, branded “Agenda 2030.” The strategy builds on the strong execution of the preceding 2021–2025 MTP, during which NMB achieved several industry-first milestones, including becoming the first bank in Tanzania to surpass TZS 1 trillion in profit before tax. Agenda 2030 is designed to leverage NMB’s position to accelerate growth, deepen financial inclusion, and expand contributions to national development. The plan prioritises scaling the Bank’s footprint in high-potential regional markets, while sustaining support to key economic sectors, particularly agriculture, SMEs, and the broader productive economy.

Power Retail through Tailored, Segment-Specific Growth Engines

NMB will deepen its retail leadership by deploying highly targeted propositions across customer segments, including the Mass, Mass Affluent, Youth, MSME, and specialized groups. The strategy is focused on enhancing customer lifetime value, accelerating account acquisition, and reinforcing primary banking relationships through data-driven personalization and improved digital engagement.

Build a Fully Integrated SME Banking Ecosystem.

The bank will transition from traditional lending to a comprehensive SME ecosystem model that integrates financing, payments, advisory services, insurance, supply-chain linkages, and digital productivity tools. This positions NMB as the central platform facilitating SME formalization, expansion, and resilience, serving as a key driver of economic growth in Tanzania.

Expand Wholesale Banking Wallet Share through End-to-End Value-Chain Solutions

NMB aims to expand its corporate and institutional franchise by offering sector-specific, full-value-chain solutions across trade finance, cash management, treasury, syndication, advisory services, structured lending, and off-balance-sheet products. The focus is on increasing client penetration, capturing a larger share of financial flows, and strengthening long-term institutional partnerships.

Expand Beyond Today’s Core to Unlock New Growth Horizons

To future-proof the business, NMB will explore new regional opportunities, digital propositions, platform collaborations, and adjacent non-bank financial services. This pillar seeks to diversify earnings, accelerate innovation, and ensure the bank capitalizes on opportunities within emerging, high-growth ecosystems both within and outside Tanzania.

NMB BANK PLC**THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025****10. MAIN TRENDS AND FACTORS LIKELY TO AFFECT FUTURE DEVELOPMENT PLANS****Investment Expenditure and Planned Future Expenditure***Current Investment Expenditure and Strategic Intent*

In the year 2025, the Bank maintained an elevated investment profile to support the delivery of the medium-term plan, strengthen operational resilience, modernize platforms, and enhance control maturity in areas increasingly viewed as license-to-operate requirements. Total Capital commitment in 2025 amounted to TZS 181 billion, up from TZS 148 billion in 2024. This investment was directed towards strategic priorities expected to remain central to future development plans, namely customer and channel modernization, technology resilience and cybersecurity uplift, data and analytics capability build, regulatory and disclosure readiness, and sustainable growth enablement through climate capability integration and product development.

Planned Investment Expenditure over the Period Ahead

Capital commitment expenditures as of 280 billion in the next 5 years, with the medium-term investment programme expected to continue growing, delivered through sequenced releases to protect service continuity and manage change-related risk. The capital expenditure is expected to be prioritized for system scalability, digital service reliability, cyber and operational resilience, data governance and automation, and targeted distribution and proposition investments aligned to priority growth corridors.

Assumptions Informing Bank Future Investment Decisions

In making decisions regarding planned future investments, the Board considers multiple assumptions that inform the sequencing of investments, calibration of risk appetite, portfolio priorities, and the ongoing enhancement of the operating model. The Bank expects a stable macroeconomic environment with inflation in the mid-single digits and interest rates sensitive to liquidity and pricing. Credit demand remains supported by households, SMEs, and priority sectors, while deposit competition stays high as institutions compete for customers and transactions.

Over the medium to long term, regulatory changes will grow, focusing more on conduct, customer experience, operational resilience, third-party oversight, AML and sanctions compliance, data integrity, and sustainability disclosures. Digital adoption will accelerate, shifting towards digital channels, with customer expectations rising for service speed, transparency, and dispute resolution. Cyber threats will become more sophisticated and frequent, and climate impacts will increasingly affect borrower resilience, collateral, and operations, especially in climate-sensitive sectors.

10. MAIN TRENDS AND FACTORS LIKELY TO AFFECT FUTURE DEVELOPMENT PLANS (CONTINUED)

External Environment the Bank is likely to face in the Short, Medium, and Long-term.

Short-term Environment and Near-term Execution Implications

Over the next 12 months, the Bank expects faster decision cycles across the customer journey, pricing sensitivity, and service expectations, driven by increased digital choice and greater transparency in alternatives. The Bank also anticipates heightened supervisory engagement in areas that combine customer outcomes and operational resilience, including service continuity, complaints handling, fraud controls, third-party governance and data integrity. These conditions are expected to increase the premium on execution discipline, incident readiness and reliable delivery of high-volume services, while requiring careful prioritisation of investment releases to avoid operational disruption. Furthermore, geopolitics risk intensifies, as the conflict in the Gulf region presents risks to credit market stability, including liquidity crunch, repayment issues and supply chain vulnerabilities.

Medium-term Environment and Delivery Risks to the Medium-term Plan

Over the following two to three years, those charged with governance expect a continued shift towards platform-based competition, ecosystem distribution models and embedded finance propositions, increasing the strategic importance of transactional primacy, partner orchestration and data-led personalisation. Regulatory expectations are expected to move further towards demonstrable outcomes, traceable controls and higher-quality disclosures, raising the importance of governance maturity and assurance capabilities. The Bank expects payment economics to remain under pressure as volume scale becomes a more dominant driver of returns, while funding competition is expected to remain active, requiring stronger pricing governance and balance-sheet optimisation.

Long-term Environment and Structural Shifts Affecting the Bank's Future Positioning

Beyond three years, the Bank anticipates that operational resilience, cyber maturity, data governance and credible sustainability integration will continue to move from differentiators to baseline expectations. The Bank also expects climate-related risks and nature-linked impacts to become more visible within credit and collateral dynamics, requiring deeper sector-level differentiation and stronger client engagement capabilities. Over the long term, the Bank expects competitive advantage to be increasingly defined by platform scalability, disciplined risk governance, trust and brand credibility, and the ability to execute change safely at pace.

NMB BANK PLC
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FOR THE YEAR ENDED 31 DECEMBER 2025

10. MAIN TRENDS AND FACTORS LIKELY TO AFFECT FUTURE DEVELOPMENT PLANS (CONTINUED)

Analysis of the Main Trends and Factors Likely to Impact Future Development Plans

Table 10: Trend and main factors likely to affect future development plans

Trend	External environment over time	Anticipated effects	Our Response
(i) Ecosystem Banking	Over the short term, financial services are expected to be consumed increasingly through ecosystems, including merchant platforms and embedded finance propositions that prioritize integration and convenience. Over the medium to long term, competitive advantage is expected to shift further towards customer primacy, data depth and the ability to orchestrate partners.	Intensify switching risk in transactional products and increase competitive pressure on high-volume revenue pools, while raising the strategic importance of partnership strategy, integration capability, and service reliability.	The Bank will continue to ensure system modernization, strengthened partner governance and improved service analytics through investment in scalable digital platforms, integration readiness and improved end-to-end customer journeys that support transaction primacy.
(ii) Payments Scale	Over the short to medium term, the Bank expects continued growth in cashless economy and low-friction payment instruments, including QR and instant payment rails, alongside rapid expansion of merchant acceptance propositions. Over the medium term, payments are expected to become increasingly embedded within broader commerce journeys, reducing tolerance for downtime and reconciliation delays.	Compress unit economics in payments and increase the importance of volume, scale, operational automation, and tight fraud controls; increase reputational sensitivity to chargebacks, fraud events, and service disruptions.	NMB Bank will continue to prioritize payments, platform resilience, merchant enablement tools and monitoring capabilities to support scalable growth with controlled unit costs.
(iii) Funding Pressure	Over the short to medium term, deposit competition is expected to remain elevated, supported by digital acquisition models and faster customer switching. Over the long term, sustainable funding advantages are expected to be increasingly linked to transactional primacy and customer trust rather than rate-led acquisition.	Increased deposit segmentation, disciplined pricing, and more granular profitability analytics to protect margins while maintaining growth capacity and liquidity resilience.	Bank will continue to ensure disciplined asset and liability management, improved funds pricing governance, deeper product profitability analytics and strengthened deposit proposition management. The Bank expects to maintain liquidity buffers comfortably above internal and regulatory thresholds while supporting growth corridors and investment priorities.

10. MAIN TRENDS AND FACTORS LIKELY TO AFFECT FUTURE DEVELOPMENT PLANS (CONTINUED)

Analysis of the Main Trends and Factors Likely to Impact Future Development Plans (Continued)

Table 10: Trend and main factors likely to affect future development plans (continued)

Trend	
(iv) Regulatory Supervision	<p>External environment over time</p> <p>Over the short term, regulatory expectations are expected to remain elevated on customer experience, AML and sanctions compliance, operational resilience and the integrity of regulatory submissions. Over the medium to long term, greater emphasis is expected on traceable controls, data lineage, and demonstrable assurance over key disclosures, including sustainability-related disclosures.</p> <p>Anticipated Effects</p> <p>Increase the cost of compliance, elevate the consequences of control gaps and increase the need for stronger data governance, control testing, and integrated reporting disciplines.</p> <p>Our Response</p> <p>The bank will continue to invest in compliance tools, reporting integrity, and assurance capabilities to enhance automation for monitoring, support control testing, improve the frequency of governance reporting, and bolster data governance and quality controls, enabling the bank to meet increasing expectations without incurring excessive operational burdens.</p>
(v) Cyber and Operational resilience becoming baseline expectations	<p>External environment over time</p> <p>Over the short term, cyber threats are expected to increase in sophistication and frequency, including social engineering, credential compromise and third-party vulnerabilities. Over the medium to long term, expectations for consistently high service availability, rapid detection and response, and proven recovery readiness are expected to tighten.</p> <p>Anticipated effects</p> <p>Increase required investment in preventative controls, monitoring and recovery capabilities, while raising the importance of secure-by-design delivery and third-party cyber assurance.</p> <p>Our Response</p> <p>NMB Bank will continue to enhance its identity and access management, security monitoring, secure software delivery, incident response playbooks, recovery testing, system resilience, critical service continuity, and third-party assurance to ensure service availability remains within the upper nineties over the medium term.</p>
(vi) Data Governance	<p>External environment over time</p> <p>Over the short term, increased use of data and analytics is expected across credit decisioning, fraud detection, pricing and customer engagement. Over the medium to long term, regulators and stakeholders are expected to demand stronger governance over models, explainability, fairness, privacy and accountability.</p> <p>Anticipated Effects</p> <p>Increase exposure to model and data risk while creating strategic opportunities through productivity gains, improved risk selection, and enhanced customer relevance.</p> <p>Our Response</p> <p>NMB Bank will continue to improve and strengthen data governance, improve data quality and lineage, enhance model validation and monitoring disciplines, and ensure clearer accountability for analytics use through continuous investment in data platforms, governance tooling and control frameworks needed for safe scaling.</p>

10. MAIN TRENDS AND FACTORS LIKELY TO AFFECT FUTURE DEVELOPMENT PLANS (CONTINUED)

Analysis of the Main Trends and Factors Likely to Impact Future Development Plans (Continued)

Table 10: Trend and main factors likely to affect future development plans (continued)

Trend	
(vii) Climate Integration	<p>External environment over time</p> <p>Over the short term, climate-related effects are expected to become more visible in selected sectors and locations. Over the medium-to long-term, climate risk integration and credible sustainability-related disclosures are expected to become more standardised expectations for commercial banks. In contrast, sustainable finance is expected to move further into mainstream product strategy.</p> <p>Anticipated effects</p> <p>Increase in the importance of sector-level differentiation, client engagement on resilience and transition, stronger screening and scenario capability, and robust governance over sustainability claims and metrics.</p> <p>Our Response</p> <p>Bank will continue to improve sector heat mapping, strengthen screening and scenario analysis capabilities, improve data governance, and enhance portfolio monitoring, alongside sustainable finance product development aligned with risk appetite. See section 19.</p>
(viii) Talent Scarcity	<p>External environment over time</p> <p>Over the short term, scarcity is expected to persist in specialist roles, particularly in AI, cybersecurity, data engineering, analytics, cloud, sustainability, and product management. Over the medium to long term, workforce productivity expectations are expected to rise as automation increases and operating models shift towards multi-skilled teams and stronger execution cadences.</p> <p>Anticipated effects</p> <p>Increase retention pressure for critical roles, elevate training and capability-building needs, and raise key-person risk where succession depth is limited.</p> <p>Our Response</p> <p>NMB Bank will focus on improving recruitment, developing capabilities, planning for succession, and managing performance more effectively, including ongoing training and tools to enhance execution to reduce reliance on rare roles, partnerships with academic bodies and Management Trainee and internship programmes.</p>

10. MAIN TRENDS AND FACTORS LIKELY TO AFFECT FUTURE DEVELOPMENT PLANS (CONTINUED)

Analysis of the Main Trends and Factors Likely to Impact Future Development Plans (Continued)

Table 10: Trend and main factors likely to affect future development plans (continued)

Trend	External environment over time	Over the short term, volatility is expected in inflation, interest rates, and foreign exchange dynamics due to geopolitics, which will influence affordability and working capital cycles. Over the medium to long term, sectoral positive performance is expected to continue despite volatility in commodity prices, supply chain shifts, and policy changes.
(ix) Macro-economic volatility and geopolitical fragmentation	Anticipated effects Our Response	Increased dispersion in credit performance across sectors, heightened concentration sensitivity, and increased the importance of early-warning disciplines and proactive portfolio management. Bank will continue to strengthen portfolio monitoring, improve early warning indicators, robust stress testing and proactive client engagement. Capital and liquidity resilience are expected to be preserved through disciplined balance-sheet management, supporting strategic optionality across a range of plausible outcomes.
(x) AI Adoption, Machine Learning, and Robotics Process Automation	External environment over time Anticipated effects Our Response	Over the period ahead, the Bank expects rapid AI, machine learning and robotics process automation across banking, with rising expectations for faster service, lower cost-to-serve and stronger auditability of automated outcomes. Improve customer experience, productivity and risk detection, while increasing exposure to model risk, data quality issues, weak exception handling and control gaps if automation is not governed and monitored effectively. Bank will continue strengthening governance, data foundations, validation and monitoring, and will scale automation in priority processes with disciplined change control, resilient workflows and clear accountability.

Source: NMB Strategy & Investor Relations Analysis

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

11. RISK MANAGEMENT & INTERNAL CONTROLS

The Board retains the ultimate responsibility for the Bank's risk management and internal control systems. It is the responsibility of the Board, through delegation to senior management under the supervision of the Managing Director and 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 strict adherence to prescribed 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 financial year ended 31 December 2025 and reasonably confirms that they met the accepted criteria.

Risk Management Principles

The Enterprise Risk Management Framework (ERMF) establishes the strategic approach to risk management by defining standards, objectives, and responsibilities across all areas of NMB Bank's Operations. The ERMF is approved by the Board and adopted by the Bank with modifications as needed. The framework supports Executive Committee 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 risk management function and the identification, management, and reporting of risks.
3. Risk Appetite Statement: 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 MD & CEO and other Members of Executive Committee.
5. The ERMF is complemented by frameworks, policies, and procedure manuals that are primarily aligned to individual Principal Risk types.

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

11. RISK MANAGEMENT & INTERNAL CONTROLS (CONTINUED)

Risk Management Principles (Continued)

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 Philosophy and Appetite

NMB emphasizes practical 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. The Board and Management rely on proactive risk management to make informed decisions and address uncertainties. The framework recognizes the role of human and cultural factors and emphasizes 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.

Risk Appetite

NMB Bank's risk appetite defines the level and types of risk the Bank is willing to take, while informing financial planning and guiding strategic decision-making. NMB's risk appetite defines the aggregate level of risk that the bank is comfortable taking to achieve its strategic objectives.

Enterprise-wide Application

Bank risk appetite is expressed holistically through various risk management mechanisms and activities, both quantitatively and qualitatively. The Bank Risk function conducted a review in 2025, which led to enhancements to the Risk Appetite Framework to help ensure it remains aligned with industry's best practices, regulatory expectations, and the Bank's strategic goals. NMB Bank Risk Appetite Framework continues to evolve and expand its scope as part of our periodic review process.

The Board regularly reviews and approves the Bank's risk appetite to ensure it remains fit for purposes. The Bank's risk appetite is considered, developed, and enhanced through the following principles:

- Alignment with our strategy, purpose, values, external risk environment, reputational and customer needs.
- Compliance with applicable laws, regulations and regulatory priorities.

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

11. RISK MANAGEMENT & INTERNAL CONTROLS (CONTINUED)

Risk Philosophy and Appetite (Continued)

Enterprise-wide Application (Continued)

- Forward-looking insights into future risk exposure.
- Sufficiency of available capital, liquidity and balance sheet leverage to absorb the risks.
- The capacity and capabilities of people to manage the risk landscape.
- Functionality, capacity and resilience of available systems to manage the risk landscape.
- Effectiveness of the applicable control environment to mitigate risk; and
- Internally and externally disclosed commitments.

The Bank formally articulates risk appetite through its Risk Appetite Statement (RAS). Setting out the risk appetite helps ensure the Bank agrees on a suitable level of risk for its strategy. In this way, risk appetite informs the NMB financial planning process and helps senior management to allocate capital to business activities, services and products.

Performance against the RAS is reported to the Board Audit, Risk and Compliance Committee alongside key risk indicators to support targeted insight and discussion of breaches of risk appetite and any associated mitigating actions. This reporting allows risks to be promptly identified, assessed, monitored and mitigated, driving a strong risk culture.

Approach to Managing Risk

As part of the Risk Governance Framework, NMB Bank applies 'Three Lines of Defence' model, which assigns clear accountability and responsibilities for risk management throughout the Bank. This model supports effective collaboration, ensures robust internal controls, and maintains the necessary independence in risk oversight.

Operational functions and business functions constitute the primary line of defence. They are responsible for managing the risks associated with their daily activities. These units are accountable for identifying, assessing, and controlling risks in accordance with the Bank's risk appetite, implementing internal controls, and ensuring that risk considerations are integrated into all business decisions and operations.

The Risk and Compliance Functions constitute the second line of defence. They provide independent oversight of the first line. Their responsibilities include developing risk management models, monitoring risk exposures, and reporting on risk performance. These functions offer expert advice, challenge business decisions where necessary, and help ensure that risk-taking remains within the Board-approved Risk Appetite Statement. The Chief Risk Officer (CRO) and Chief Compliance Officer (CCOM) are accountable for enterprise-wide risk oversight within their respective mandates, including conduct-related risks identification and assessments, and for providing strategic guidance to the first line.

NMB BANK PLC**THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025****11. RISK MANAGEMENT & INTERNAL CONTROLS (CONTINUED)****Approach to Managing Risk (Continued)**

The Risk and Compliance Functions constitute the second line of defence. They provide independent oversight of the first line. Their responsibilities include developing risk management models, monitoring risk exposures, and reporting on risk performance. These functions offer expert advice, challenge business decisions where necessary, and help ensure that risk-taking remains within the Board-approved Risk Appetite Statement. The Chief Risk Officer (CRO) and Chief Compliance Officer (CCOM) are accountable for enterprise-wide risk oversight within their respective mandates, including conduct-related risks, and for providing strategic guidance to the first line.

The Internal Audit Function implements the third line of defence. The Internal Audit Department provides independent and objective assurance on the adequacy and effectiveness of the Bank's risk management, internal control, and governance systems. It reports directly to the Board Audit and Risk Committees, offering insight into whether the Bank's framework operates as intended and remains fit for purposes.

Role of the Board in Risk Management

The Board of Directors retains ultimate accountability for defining the Bank's risk appetite and ensuring that all risks are appropriately identified, assessed, managed, and monitored within approved parameters.

Full Board retains the overall responsibility for risk oversight; the BARCC has been delegated specific authority to oversee the effectiveness of the Bank's risk governance. The BARCC provides independent assurance and strategic guidance to the Board on the Bank's overall risk appetite, tolerance, and risk strategy, with due regard to the Bank's long-term sustainability, exposure profile, and risk management capabilities. The BARCC also works closely with Executive Management to ensure risk strategies are tailored to different sectors, regions, and client segments.

In fulfilling its mandate, the BARCC convenes to evaluate the effectiveness of the Bank's risk management and internal control frameworks, assess risk exposures, and review mitigation actions. Findings and recommendations from these evaluations are reported to the Board, including any proposed amendments to the Risk Governance Framework for formal approval.

Further Risk Oversight responsibilities of the BARCC include but not limited to:

- Reviewing the results and methodology of the Bank's stress testing exercises.
- Ensuring the Bank maintains comprehensive operational risk management frameworks to identify, assess, control, and mitigate operational risk.
- Overseeing the alignment of the Bank's risk-taking activities with its risk governance principles and risk appetite.
- Ensuring timely and transparent disclosures to the Bank of Tanzania (BoT) of any material deviations from the approved risk appetite, policies, or procedures, and of any significant operational risk events that are not adequately addressed.

NMB BANK PLC**THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025****11. RISK MANAGEMENT & INTERNAL CONTROLS (CONTINUED)****Role of the Board in Risk Management (Continued)**

The BARCC is supported in its oversight responsibilities by various Management Committees, including the Management Risk and Compliance Committee (RCC), the Management Audit Risk and Compliance Committee (MARCC) and the Assets and Liabilities Committee (ALCO).

In 2025, the BARCC received regular assurances from Executive Management regarding compliance with Bank of Tanzania regulatory expectations and emerging risk developments. It further ensured that all such developments were appropriately addressed and reported to the Board accordingly.

The Board and Executive Management jointly recognize the importance of a strong risk-aware culture aligned with the Bank's purpose, values, and strategic priorities. This culture is implemented through a governance environment that empowers employees to raise concerns, challenge unethical conduct, and contribute to risk-informed decision-making. This has been supported by the implementation of key governance policies, including the Code of Conduct, Employee Grievance Policy, and Whistleblowing Policy.

Senior Management Role in Managing Risks

The senior management team facilitates the development of the framework and ensures compliance with applicable policies, laws, and regulations. The focus is on establishing adequate internal controls and maintaining a dynamic approach to identifying and addressing emerging risks.

Uncertainties in the Operating Environment

In our operating environment, unforeseen circumstances create uncertainty, posing a risk of adverse economic outcomes. NMB employs a robust risk management process, supported by deployed tools, to proactively address these uncertainties. 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.

Technology, automation, and AI will be essential tools for maintaining an effective and efficient risk management approach, enabling Bank Risk Management to continue supporting the business as it expands and the risk environment grows ever more complex. We identify and actively monitor a range of external risks that could lead to significant, unexpected adverse outcomes for the Bank or its ability to meet strategic objectives. These external risks, their potential impacts, and their mitigation strategies are summarized below.

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

11. RISK MANAGEMENT & INTERNAL CONTROLS (CONTINUED)

Uncertainties in the Operating Environment (Continued)

Table 11: External risks, and their respective potential impacts and mitigation strategies.

External Risk	Definition And Potential Impact	Mitigation Strategy
Macro-economic conditions in the operating market	Macroeconomic conditions in Tanzania continue to be shaped by inflation trends, domestic interest rates, exchange rates, fiscal policy execution, and public investment programs. While the economy remains resilient, supported by agriculture, mining, infrastructure, tourism, and services, fluctuations in these sectors may affect credit demand, asset quality, the cost of funds, liquidity conditions, and net interest margins. External global developments may indirectly affect Tanzania through commodity prices, import costs, and financial-market sentiment, without giving rise to direct cross-border credit exposure.	The Bank's strategy remains aligned with its Board-approved risk appetite framework. Domestic macroeconomic variables are embedded in credit underwriting, provisioning, and stress-testing models, using base, downside, and severe-but-plausible scenarios. Economic assumptions are periodically reviewed using national macro-economic data and internal research. Capital and liquidity buffers are actively managed to preserve balance-sheet resilience under adverse domestic economic conditions.
Geopolitical developments with indirect domestic impact	The geopolitical developments at the regional and global level may indirectly affect the domestic operating environment through supply chains, commodity prices, inflationary pressures, foreign exchange availability, and investor confidence. These factors may influence customer behaviour, business activity, and sector-level performance within Tanzania.	The Bank incorporates indirect geopolitical transmission channels into its sectoral and portfolio risk assessments. Credit exposures are monitored by sector and customer segments to identify vulnerability to externally driven shocks affecting the domestic economy. Stress testing and scenario analysis are used to assess resilience under adverse conditions, enabling timely risk-mitigation actions where required.
	The Tanzanian regulatory and legal environment continues to evolve, driven by enhanced prudential standards, consumer-protection requirements, AML/CFT obligations, climate-related regulatory expectations, and the regulation of digital financial services. Changes in laws, regulations, or supervisory guidance issued by the Bank of Tanzania or other authorities may increase compliance costs, affect product structures, or require operational and system enhancements.	The Bank maintains structured and ongoing engagement with regulators and industry stakeholders to ensure regulatory expectations are clearly understood and addressed. Regulatory changes are subject to formal impact assessment, with implementation plans embedded within business, risk, and compliance processes.

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

11. RISK MANAGEMENT & INTERNAL CONTROLS (CONTINUED)

Uncertainties in the Operating Environment (Continued)

Table 11: External risks, and their respective potential impacts and mitigation strategies (Continued)

External Risk	Definition And Potential Impact	Mitigation Strategy
Regulatory and legal risks to the business model (Continued)	Failure to respond effectively may adversely impact financial performance, reputation, and strategic execution.	Capital and liquidity planning frameworks are regularly reviewed to ensure continued compliance. Remediation actions arising from regulatory reviews are tracked through established governance structures and overseen by relevant Board Committees.
Cyber threats	The increasing digitalization of banking services in Tanzania heightens exposure to cyber threats, including phishing, fraud attempts, system intrusions, and service disruptions. As digital adoption accelerates across retail, SME, and corporate customers, cyber incidents may pose risks to operational continuity, customer trust, data integrity, and financial performance. The threat landscape remains dynamic and requires continuous strengthening of controls.	The Bank continues to enhance its cybersecurity and technology-risk framework through sustained investment in systems, controls, and monitoring capabilities. Customer and staff awareness programmes are prioritized to reduce susceptibility to fraud and cybercrime. Strong authentication mechanisms, system-hardening measures, penetration testing, and vendor-risk management are embedded within the control environment. Regular cyber-resilience simulations and incident-response testing are conducted to ensure organizational readiness.

Source: NMB Risk Management Function

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 by maintaining high asset quality, efficient operations, and prudent capital management, thereby enabling sustained earnings, regulatory compliance, and an enhanced market reputation.

NMB BANK PLC**THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025****11. RISK MANAGEMENT & INTERNAL CONTROLS (CONTINUED)****Principal Risks, Uncertainties, Opportunities and Mitigations**

Our principal risks are regularly reviewed and updated, particularly in a challenging and, rapidly evolving environment. They ensure the Bank's complete enterprise risk profile is measured, monitored, and aligned with our overall Bank strategy.

Operational Risk

Operational risk arises from failures in internal processes, people, systems, and external events such as legal risks. It includes incidents such as fraud, errors, tech failures, and natural disasters. The Bank monitors operational risk through indicators such as loss-event frequency, fraud incidents, and control breaches identified through RCSA, testing, and reviews. Fraud risk, a subset, is managed through controls such as ethics codes and policies. Operational risk is medium and stable, posing a moderate risk of financial loss, disruption, regulatory action, and reputational damage.

Risk Management Approach:

The Bank institutes a range of measures to mitigate operational risk as part of its Enterprise Risk Management (ERM) framework.

- People: A code of ethics and business conduct directs staff behaviour and ensures the availability of appropriate skills and resources.
- Processes: Internal policies and procedures, Risk and Control Self-Assessments (RCSAs), and regular control evaluations are implemented. Management committees, including the Risk and Compliance Committee (RCC), review risk events and mitigation strategies.
- Systems: Investment in advanced technology platforms enhances risk reporting, aggregation, and visibility. The adoption of best international practices guides the safeguarding 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 risks due to its relationships with multiple stakeholders, including regulators, customers, tax authorities, and other authorized agencies.

Compliance risk is assessed as high in likelihood and severe in impact, given the potential for financial losses (fines and penalties), licence and supervisory implications, and reputational damage.

Risk Management Approach:

Within its ERM framework, the Bank manages compliance risk through policies aligned with standards and best practices. It conducts regular monitoring and reviews to ensure adherence to policies and regulations. NMB employs various tools to manage compliance risks effectively, with oversight at senior management and Board levels. Issues are escalated and discussed in committees such as the RCC, the Executive Committee, and BARCC.

NMB BANK PLC**THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025****11. RISK MANAGEMENT & INTERNAL CONTROLS (CONTINUED)****Principal Risks, Uncertainties, Opportunities and Mitigations (Continued)****Strategic Risk**

Strategic risks are the potential losses a business may incur from 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 a business strategy to fail 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.

Strategic risk is assessed as low in likelihood, underpinned by stable macroeconomic outlook and moderate in impact, reflecting the potential to hinder delivery of medium-term growth objectives if not proactively managed.

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.

Credit Risk

This is the risk that an asset in the form of a monetary claim against a counterparty may not yield a cash receipt (or equivalent) in accordance with the terms of the contract. The Bank has robust controls to manage credit risk, including intensive appraisal, approval process, disbursement controls, continuous monitoring, collection and recovery, and a robust risk appetite statement. Credit risk is assessed as medium in likelihood and severe in impact, due to the potential to increase impairment losses, financial losses (fines and penalties), licence and supervisory implications and constrain profitability, liquidity, and capital.

Risk Management Approach:

Responsible lending is vital for a well-functioning bank, requiring consideration of customers' long-term needs, repayability, and resilience. Various tools manage credit risk within the risk appetite. The Board of Directors makes key credit decisions, supported by committees like the Board Credit Committee, Wholesale Credit Committee, Retail Credit Committee, Loan Portfolio Quality Committee, and Watchlist and SAM Committee, which review credit applications and loan quality. The BARCC checks compliance quarterly. Branches can approve some credits up to internal limits autonomously.

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

11. RISK MANAGEMENT & INTERNAL CONTROLS (CONTINUED)

Principal Risks, Uncertainties, Opportunities and Mitigations (Continued)

Technology Risk

Risk associated with using Information and Communication Technology to support business processes/ standards. Technology Risk results from inadequate or failed technology strategies, projects, programs, or technology operations. The Bank has robust checks in place to limit its exposure to Technology risk and regularly monitors the effectiveness of its ICT risk controls. Technology risk is assessed as medium in likelihood and high in impact, due to potential disruptions and data compromise.

Risk Management Approach:

The Technology Risk Management Policy protects the Bank's information assets from threats, internal or external, deliberate or accidental, ensuring business continuity, reducing damage, and maximizing ROI and opportunities. Its goal is to safeguard the Bank, staff, customers, and third parties from significant information risks. The policy outlines risk management principles like ongoing assessment and monitoring via key risk indicators, self-assessments, and reviews by the second and third lines of defence.

Market Risk

Market risk is the risk of losses on- and off-balance-sheet positions arising from 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. Market risk is assessed as low in likelihood and severe in impact, given the potential for earnings volatility, adverse revaluation effects, and sensitivity to net interest.

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 and dealer mandates. 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 2025, incorporating stress scenarios for all key risk factors (liquidity, solvency, market, credit, operational risk, and a black swan combined stress scenario).

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

11. RISK MANAGEMENT & INTERNAL CONTROLS (CONTINUED)

Principal Risks, Uncertainties, Opportunities and Mitigations (Continued)

Funding Risk

Funding risk is a bank's potential inability to secure the funding needed to meet its obligations and support business growth. This risk can affect liquidity and capital adequacy, thereby impairing the Bank's ability to operate smoothly and comply with regulatory standards. Funding Risk comprises both liquidity and capital risks. It is monitored through liquidity ratios against internal and regulatory thresholds; funding concentration and tenor indicators; structural maturity gaps and liquidity buffer adequacy; as well as regulatory and internal capital ratios, buffers, capital plan variances, and stress and scenario outcomes.

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 unfavorable rates or resorting to distressed sales of assets or central bank support. Liquidity risk is assessed as medium in likelihood and high in impact, reflecting the risk of insufficient, stable, or diverse sources of funding to meet obligations as they fall due without raising funds at unfavorable rates, resorting to distressed asset sales, or requiring 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 combined stress scenario).

b. Capital Risk

The risk that the Bank possesses an inadequate level or composition of capital to support its routine business operations and satisfy its regulatory capital requirements under normal operating conditions or stressed scenarios (both actual and as delineated for internal planning or regulatory assessments). This encompasses the risk associated with the Bank's pension plans. Capital risk is assessed as medium in likelihood and medium in impact, reflecting the low risk of an inadequate level or composition of capital to support routine operations and meet regulatory requirements under both daily and stressed scenarios, including pension-related exposures.

NMB BANK PLC**THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025****11. RISK MANAGEMENT & INTERNAL CONTROLS (CONTINUED)****Principal risks, uncertainties, opportunities and mitigations (Continued)**

b. Capital Risk (Continued)

Risk Management Approach:

The Bank manages capital risk by maintaining an adequate level of capital to support its business operations, meet regulatory requirements, and absorb unexpected losses. Capital adequacy is monitored through regular assessments of regulatory ratios, including CET1, Tier 1, and Total Capital, against both internal targets and BOT minimums. The Bank undertakes an Internal Capital Adequacy Assessment Process (ICAAP), complemented by stress testing and scenario analysis, to ensure its capital remains resilient under adverse macroeconomic and credit conditions. The Bank actively manages its risk-weighted assets, dividend policy, retained earnings, and potential capital-raising options to maintain a strong capital base that supports sustainable growth and prudent risk-taking.

Reputational Risk

An activity, action, or stance adopted by the Bank's officials could adversely affect its reputation within the community and undermine the long-term trust of its stakeholders, potentially leading to loss of business or legal proceedings against the Bank. The Bank has stringent reputation risk controls, including strict oversight of corporate communications and messaging. Reputational risk is assessed as low in likelihood but high in impact, given the potential for rapid erosion of confidence, franchise value and stakeholder goodwill.

Risk Management Approach:

The Bank proactively maintains 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 about 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 risks may arise from vulnerabilities or threats in internet-facing computer systems, networks, and digital infrastructure, leading to cyberattacks, data breaches, and related impacts. Cybersecurity risk is inherently high in likelihood and severe in impact, given potential financial losses, operational disruption, regulatory penalties and reputational damage.

NMB BANK PLC**THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025****11. RISK MANAGEMENT & INTERNAL CONTROLS (CONTINUED)****Principal risks, uncertainties, opportunities and mitigations (Continued)**

Cybersecurity Risk (Continued)

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, cloud management, security awareness training and physical and environmental security, among other things. Effective cybersecurity reduces the risk of cyber threats and protects against the unauthorized exploitation of systems, networks, and technologies.

Sustainability Risk

Environmental, social, and governance (ESG) risks may harm the bank's business, finances, or reputation. These include environmental risks from climate change, pollution, biodiversity loss, and resource scarcity affecting assets, operations, and regulation. Social risks involve labor practices, human rights, diversity, and community engagement, which can lead to reputational, legal, or operational issues. Governance risks stem from poor corporate governance, unethical practices, non-compliance, and stakeholder conflicts, which can lead to penalties or loss of trust. Climate-related financial risk, part of environmental risk, concerns the economic and financial impacts of climate change or mitigation efforts. Sustainability risk profile remained low, reflecting continued integration of sustainability into corporate strategy, governance and operations.

Risk Management Approach

NMB has created a Sustainability Framework, E&S Policy, and Climate Risk Management Policy aligned with the Bank of Tanzania's guidelines. These clarify roles and responsibilities for handling climate-related financial risks, define lines of authority, and require the inclusion of material risks in policies, processes, and controls. Additionally, NMB has set emissions baselines to monitor and progress toward our decarbonization goals by 2030. We have also reviewed our ICAAP, ILAAP, and Stress Testing policies to better incorporate climate-related risks.

12. CAPITAL STRUCTURE AND FUNDING MIX**Capital Structure**

The Bank maintains a well-balanced capital structure that supports its strategic ambitions, regulatory compliance, and long-term financial resilience. The capital base is primarily composed of core equity (Tier 1 capital), which includes paid-up share capital, retained earnings, and disclosed reserves, providing a substantial buffer against risk and volatility. Supplementary capital (Tier 2) comprises subordinated debt instruments and other qualifying reserves, further reinforcing the Bank's capacity to absorb shocks.

NMB BANK PLC

THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

12. CAPITAL STRUCTURE AND FUNDING MIX (CONTINUED)

Capital Structure (Continued)

Throughout 2025, the Bank adhered to the capital adequacy requirements stipulated by the Bank of Tanzania and aligned with the Basel II and III frameworks. Capital planning and allocation are integral to the Bank's risk management strategy, ensuring that capital is deployed efficiently to support asset growth, innovation, and regulatory requirements. See Note 9.6.

Table 12: NMB's Capital Structure Highlight

Basel III Metric	2025	2024
Common Equity Tier 1 (CET1)	2,880,085	2,372,284
Total Tier 1 Capital	2,880,085	2,372,284
Tier 2 Capital	3,748	2,050
Total Capital	2,883,833	2,374,334
Risk-Weighted Assets (RWA)	11,686,095	8,718,224
CET1 Ratio (Regulatory Minimum: 10.0 % + 2.5% buffer)	24.71%	27.21%
Tier 1 Ratio (Regulatory Minimum: 10.0 % + 2.5% buffer)	24.71%	27.21%
Total Capital Ratio (Regulatory Minimum: 12.0% + 2.5% buffer)	24.75%	27.23%
Capital Conservation Buffer Held (Regulatory Minimum: 2.50%)	10.18%	15.23%
Leverage Ratio (Tier 1 / Total Exposure) (Regulatory Minimum: 3.00%)	11.98%	15.49%
Net Stable Funding Ratio (NSFR) (Regulatory Minimum: 100%)	156%	207%

Source: NMB Bank Plc Consolidated Financial Statements — Capital Management and Regulatory Capital Disclosures (including Shareholders' Equity, Tier 1 & Tier 2 Capital, and Capital Adequacy Ratios); extracted from Financial Statements Note 9.6 for the year ended 31 December 2025

Funding Mix

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

Table 13: NMB's Funding mix

Source of Funding Amount in TZS million	2025		2024	
	Amount	%	Amount	%
Customer Deposits	12,518,321	86.5%	9,564,222	85.8%
Borrowings	1,298,487	8.97%	1,369,504	12.3%
Subordinated Debt	-	0.0%	-	0.0%
Other Liabilities (non-interest-bearing)	659,658	4.56%	214,418	1.9%
Total Funding	14,476,466	100%	11,148,144	100%

Source: NMB Bank Plc Finance Department Data; Funding Mix and Liquidity Disclosures (Management Commentary), supported by Financial Statements Note 21 and 32, 36 and 9.6, 34 and 41 for the year ended 31 December 2025.

NMB BANK PLC

THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

12. CAPITAL STRUCTURE AND FUNDING MIX (CONTINUED)

Funding Approach

The stability of the Bank's funding base depends on deposit mobilization driven by enhanced customer proposition and greater confidence. Customer deposits grew by 31% YoY to TZS 12,518 billion as of December 2025, with most deposits being low-cost. CASA commands 87% of the Bank's total deposits, with the funding mix broadly similar YoY.

To address liquidity needs, the Bank explores a range of sources, including interbank markets, debt instruments, 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.

13. TREASURY POLICIES

NMB Bank's Treasury Policies establishes a framework for managing liquidity risk, market risk and interest rate risk. The main purpose of these policies is to ensure:

- Maintenance of adequate liquidity to meet obligations as they fall due
- Compliance with regulatory requirements
- Creation of an optimal funding mix while maintaining low cost
- Protection of shareholder value

These policies apply to all business units that transact through Treasury or that impact Treasury activities. Additionally, the Treasury Policies help the bank effectively manage Treasury-related risks. It has defined the framework within which NMB should measure, monitor, and manage these risks, thereby establishing the core governing principles of risk management and aligning them with NMB's overall Risk Appetite.

The policy stipulates regulatory ratios and internal limits on the above-stated risks to enable efficient compliance monitoring. Moreover, to mitigate losses from dealing activities, the policy allows the establishment of dealer, counterparty, and stop-loss limits that are regularly reviewed and updated. The following sections are covered in the Treasury policy:

Market Risk Policies

The Market Risk Policy provides the governance framework for identifying, measuring, monitoring, controlling, and reporting market risks, with a primary focus on foreign exchange risk arising from trading and banking book activities. Foreign exchange risk is a current or prospective exposure to earnings and capital arising from adverse movement in the currency exchange rate.

The overarching objective of the policy is to ensure that foreign exchange risks are managed within clearly defined parameters aligned to the Bank's risk appetite, while supporting safe, sound, and sustainable business growth. The policy establishes consistent principles and processes to ensure market risks are proactively managed and transparently reported. Core foreign exchange risk management principles include

NMB BANK PLC**THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025****13. TREASURY POLICIES (CONTINUED)****Market Risk Policies (Continued)**

- 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 on positions and profit or loss.

To ensure robust segregation of duties, effective escalations and timely management of breaches, Market risk oversight is embedded within the Bank's enterprise risk management framework and is centrally coordinated under the Risk function. Strategic oversight and limit-setting responsibilities are exercised through the Asset and Liability Committee (ALCO), which monitors utilization against approved limits, while day-to-day monitoring and control are delegated to the Market Risk Department.

Liquidity Risk Policy

The Liquidity Risk Policy articulates the framework for identifying, measuring, monitoring, and managing liquidity risk to ensure the Bank can meet its financial obligations as they fall due under both normal and stressed conditions. Liquidity risk arises where the Bank, although balance-sheet solvent, is unable to generate sufficient cash resources in a timely manner or is forced to do so at materially disadvantageous terms due to funding or market liquidity constraints. Sound liquidity management is therefore fundamental to protecting earnings, capital adequacy, market confidence, and the stability of the banking system.

The objective of the policy is to maintain adequate, high-quality liquidity buffers and a diversified funding profile that are aligned with the Bank's risk appetite and regulatory expectations. Liquidity risk management is undertaken on a stand-alone basis across all material currencies and is integrated with the management of other key risk types. Core principles include

These principles are supported by a robust funding plan, contingency funding arrangements, and regular stress testing.

To ensure disciplined liquidity management, regulatory compliance, and sustained financial resilience, Liquidity risk governance is anchored at the Board level, with ultimate accountability for approving the liquidity risk framework, risk tolerance, and oversight of the Bank's liquidity profile. Strategic oversight and limit monitoring are delegated to the Asset and Liability Committee (ALCO), which approves liquidity limits, funding strategies, and contingency arrangements, and ensures timely remediation of breaches. Day-to-day liquidity management is executed by the Treasury function, supported by independent oversight from the Market Risk department, which monitors compliance, reviews assumptions, conducts stress testing, and provides regular reporting.

NMB BANK PLC**THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025****13. TREASURY POLICIES (CONTINUED)****Interest Rate Risk Policy**

The Interest Rate Risk Policy sets out the framework for managing exposure to adverse interest rate movements arising from the Bank's banking book activities. Interest rate risk reflects the potential impact of changes in interest rates on net interest income and the economic value of equity, primarily driven by repricing mismatches across interest rate-sensitive assets, liabilities, and off-balance-sheet positions in both local and foreign currencies.

The objective of the policy is to ensure that present and forward-looking interest rate risk exposures are identified, measured, monitored, controlled, and reported in a consistent and disciplined manner. The policy aims to limit earnings volatility and protect shareholder value by maintaining interest rate risk exposures within Board-approved risk appetite parameters. Any material deviation from the approved framework is subject to Board approval, strengthening strong governance and accountability.

Interest rate risk management is undertaken in accordance with regulatory guidelines and is applied at the legal entity level across all currencies. The Bank manages key sources of interest rate risk, including repricing risk, yield curve risk, basis risk, optionality risk, and endowment risk. Risk is measured using standardized interest rate shocks, including parallel upward and downward movements, with exposure monitored through metrics such as Annual Earnings at Risk to ensure potential net interest income volatility remains within defined limits. Regular stress testing and robust assumptions underpin the measurement framework.

To ensure effective control of interest rate risk in support of sustainable financial performance, the Board of Directors oversees interest rate risk through BARCC, which approves the policy and ensures effective senior management oversight. Strategic supervision is delegated to the Asset and Liability Committee (ALCO), which sets limits, reviews interest rate risk profiles, approves hedging strategies, and monitors compliance on an ongoing basis. Treasury is responsible for day-to-day execution within approved parameters, while independent oversight by the Market Risk function ensures accurate measurement, timely reporting, escalation of breaches, and continuous review of methodologies.

Contingency Funding Plan

The Contingency Funding Plan defines the Bank's preparedness and response framework for managing liquidity events arising from either systemic market disruptions or institution-specific stress. A liquidity event may be triggered by factors including market-wide loss of confidence, sudden increases in funding costs, potential breaches of statutory liquidity requirements, major geopolitical or credit events, settlement system disruptions, extreme market shocks, or operational incidents such as cyber-attacks. The plan is designed to align with the broader contingency, recovery, and business continuity arrangements and is subject to at least annual testing to ensure ongoing effectiveness and readiness.

The primary objective of the plan is to enable a timely, coordinated, and proportionate response to liquidity stress in order to meet regulatory and business obligations, preserve financial stability, and protect stakeholder interests and the Bank's reputation. Governance and oversight are coordinated through the Treasurer and the Asset and Liability Committee, which are responsible for early identification, assessment, and escalation of liquidity events, determining the severity of the situation, and activating appropriate response measures.

NMB BANK PLC**THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025****14. MAJOR FINANCING TRANSACTIONS**

As part of the Bank's funding optimization strategy, the Bank issued TZS 80 billion fixed-rate Social Bond Notes bearing interest at 12.00% per annum, with an initial green shoe option of up to TZS 20 billion after CMSA approval, under NMB Bank TZS 1 trillion Multi-Currency Medium Term Note Program, a Bank's broader medium-term funding strategy to strengthen its long-dated funding profile, enhance liquidity resilience, and support the financing of priority assets in line with its strategic and sustainability objectives. The proceeds from the Social Bond were earmarked to finance and refinance eligible social assets in accordance with the Bank's Sustainable Financing Framework

The Notes mature on 21st November 2030 and were issued under Bond Code: NMB-FXD02/2025/05. The transaction was executed via a private placement and attracted strong institutional demand, with total subscriptions totaling TZS 146.625 billion, representing an oversubscription of 183%, underscoring strong market confidence in the Bank's credit fundamentals and long-term outlook.

15. SHAREHOLDERS OF THE BANK

The total number of shareholders as of 31 December 2025 was 19,415 (2024: 17,341). The following is the shareholding structure of NMB Bank Plc.

Major Shareholders (Above 10% Shareholding)

Table14: NMB's Major Shareholders

	No. of shares	%
Arise B.V.	174,500,000	34.90%
The Treasury Registrar (Government of Tanzania)	158,901,800	31.78%
Free Float (the Public)	166,598,200	33.32%
Grand Total	500,000,000	100%

Shareholders by Category

Table 15: NMB's Shareholders by Category

Shareholders by Categories:

	No. of shareholders	% No. of shareholders	No. of shares held	% No. of shares held
Tanzania Retail	19,194	98.86%	40,596,463	8.12%
Permanent Residents	6	0.03%	22,218,797	4.44%
Tanzania Institutions	167	0.86%	219,348,303	43.87%
Foreign Retail	33	0.17%	438,018	0.09%
Foreign Institutions	15	0.08%	217,398,419	43.48%
Grand Total	19,415	100%	500,000,000	100.0%

NMB BANK PLC**THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025****15. SHAREHOLDERS OF THE BANK (CONTINUED)****Shareholders by Tranche**

Table16: NMB's Shareholders by Tranche

	No. of shareholders	% No. of shareholders	No. of shares held	% No. of shares held
1 to 200	7,556	38.92%	748,780	0.15%
201 to 1,000	5,836	30.06%	3,697,379	0.74%
1,001 to 3,000	2,760	14.22%	5,402,597	1.08%
3001 to 30,000	3,122	16.08%	20,273,857	4.05%
30,001 to 400,000	112	0.58%	10,380,678	2.08%
More than 400,000	29	0.15%	459,496,709	91.90%
Grand Total	19,415	100.00%	500,000,000	100.00%

Shareholders who own 0.5% or more of NMB Bank's share

Table 17: NMB's Shareholders who own 0.5% or more

Name of the Shareholder	2025		2024	
	%	Number of Shares	%	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 (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	2.22	11,100,000	2.65	13,250,300
Aunali Fidahussein Rajabali	2.22	11,100,000	2.65	13,250,000
Abbasi Exports Limited	2.05	10,270,958	0.86	7,634,863
Banque Pictet And Cie Sa A/C Patrick Schegg	1.84	9,222,017	1.84	9,222,017
Public Service Social Security Fund	1.56	7,790,451	1.56	7,790,451
iGrowth Fund Unit Trust Scheme	0.94	4,687,509	-	-
Duet Africa Opportunities Master Fund Ic	0.89	4,440,923	1.53	4,498,923
Umoja Unit Trust Scheme	0.86	4,322,460	0.90	4,322,460
BNYM Re Frontaura Global Frontier Fund Llc	0.59	2,947,094	0.63	3,129,094
Afriprise Investment Plc1			0.51	2,540,919
National Social Security Fund (Tanzania)	0.51	2,535,414	0.51	2,535,414
General Public	10.88	54,386,244	10.93	54,628,629
Total	100	500,000,000	100	500,000,000

1As of 31 December 2025, Afriprise Investment Plc hold less than 0.5% stake in NMB Bank plc. TCCIA Investment PLC has officially rebranded to Afriprise Investment Public Limited Company (Afriprise), effective June 2024.
Source: NMB Bank Plc Share Register; Internal Shareholding Records as at 31 December 2025.

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

16. CORPORATE GOVERNANCE

Governance Philosophy and Accountability

Corporate Governance Framework

Our corporate governance framework enables the Board to oversee the Bank's strategic direction, financial goals, resource allocation, and risk appetite. It outlines key governance arrangements and practices, defining roles, responsibilities, behaviors, and standards for the Board, management, and employees.

NMB maintains a strong governance culture that underpins its financial and operational performance, fostering trust among investors, customers, partners, and communities through integrity and disciplined conduct.

The Board, composed of qualified professionals with diverse expertise, exercises independent oversight through established committees, ensuring compliance with laws, regulations, and best practices. The Board periodically reviews and updates the governance framework to align with the Bank's size, complexity, and strategic priorities.

Our governance philosophy emphasizes clear delegation and responsibilities, supporting responsive decision-making and strategic initiatives. The framework, endorsed by the Board, is integrated into all operations to ensure responsible conduct. Executive management, under the Board's oversight, delivers operational excellence and promotes accountability and risk management.

In 2025, the governance framework was strengthened through initiatives enhancing oversight, policy application, supervision, and regulatory compliance. The Board continually reviews and improves governance practices to protect stakeholders interests amidst evolving regulatory, economic, and geopolitical environments.

We apply the guiding principles of our framework to:

- Establish controls that effectively prevent financial losses or reputational damage 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 Managing Director and Chief Executive Officer ("CEO"). The Board operates through four committees, each responsible for reviewing specific areas and assisting the Board in fulfilling its duties effectively and efficiently.

Strategic Approach to Corporate Governance

The Bank's corporate governance is based on core values like integrity, compliance, customer focus, teamwork, and innovation, ensuring adherence to regulations and best practices. This approach has built a strong governance framework that promotes trust, transparency, and accountability, supporting financial stability, integrity, and long-term success. NMB's governance clearly defines roles, responsibilities, and delegation of authority across the Board, committees, and management to streamline decision-making and improve operational efficiency optimized.

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

16. CORPORATE GOVERNANCE (CONTINUED)

Governance Philosophy and Accountability (Continued)

Corporate Governance Framework (Continued)

Corporate Governance Compliance

Adapting to regulatory amendments, NMB continues to proactively respond to regulatory changes and continually improve its corporate governance framework to drive growth, maintain its reputation as a pioneering financial institution, and protect stakeholders' interests. Through regular updates on implementation activities and action plans for new regulations, the Board ensures comprehensive and efficient compliance with these requirements.

In 2025, NMB promptly initiated a process to amend some aspects of the corporate governance framework to align with evolving business requirements.

2025 Key Corporate Governance Amendment and Initiatives

- Amendments to the Memorandum and Articles of Association
- Introduction of Executive Directors on the Board
- Review of Board of Directors Charter
- Review of Board of Directors Committee Charters
- Enhancement of the Board Remuneration
- Approval of the Bank's New Governance Structure in line with the New 2030 Medium-Term Plan.

Code of Corporate Practice of Good Corporate Governance

Code of Good Governance

The Board commits to good corporate governance, regularly reviewing practices to refine the Bank's framework and meet evolving standards. It aims to build confidence, sustain long-term value, and uphold all laws, regulations, and standards, with compliance on all agenda items. During the year ending 31 December 2025, the Bank endeavored to apply governance principles and follow the Code of Conduct. The Directors' report details adherence to governance laws, regulations, and standards, including disclosures per the 1994 Code of Corporate Governance Practices and DSE Rules, 2022. The Board's Audit, Risk, and Compliance Committee actively monitors relevant regulations to ensure vigilance and responsiveness.

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 and 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.

NMB BANK PLC**THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025****16. CORPORATE GOVERNANCE (CONTINUED)****Code of Corporate Practice of Good Corporate Governance (Continued)**

Value Creation through Effective Corporate Governance (Continued)

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 stakeholder relationships.

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.

Corporate Governance Statement

The Bank commits to high corporate governance standards to improve performance, reduce risk, and protect shareholders. The Board sees governance as key to long-term success, building trust and stakeholder relations. It has established committees, policies, and procedures for sound governance. The Board views governance as vital for strategic decision-making that balances immediate, medium, and long-term goals while safeguarding the organization and its stakeholders.

This Governance report describes how, during 2025, the Board applied the main principles and complied with the relevant provisions of the Capital Market and Securities Authority's 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.

Governance Structure

A strong governance structure requires a deep understanding of the regulatory environment, vigilant oversight, and a decisive tone from the top. NMB's governance structure is built around a strong and capable Board, supported by specialized Board Committees that execute their roles and responsibilities effectively. The Executive Management Committee (ExCo), consisting of the Bank's most senior Executive Management, plays an important role in implementing the Board's strategy and objectives. Led by the Bank's Chief Executive Officer (CEO), the Executive Committee (ExCo) ensures that each function's responsibilities are clearly defined, promoting a cohesive and transparent governance structure.

NMB BANK PLC**THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025****16. CORPORATE GOVERNANCE (CONTINUED)****Code of Corporate Practice of Good Corporate Governance (Continued)****The Board of Directors of NMB Bank Plc****The Board of Directors**

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, grounded in transparency, fairness, accountability, and responsibility.

Board Charter

The Board Charter sets out the parameters within which the Board operates and ensures the application of the principles of good corporate governance in the Bank's dealings. The Charter provides a concise overview of the Board of Directors' role and responsibilities; the Board's powers; the roles and functions of the Board's various committees; the separation of roles between the Board and Executive Management; and the Board's policies and practices regarding corporate governance matters.

This Board Charter is subject to the provisions of the Companies Act, 2002, the Bank's Memorandum and Articles of Association and any applicable laws or regulatory provisions. Regular reviews are conducted annually or as needed to maintain relevance and ensure alignment with the Board's overarching objectives.

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 for external stakeholders (including regulators and development finance institutions) to gain further insights into the Board's functioning, mandate, and guiding principles.

The Revised Charter of the Board of Directors:

In line with good corporate governance practice, the Board conducts regular annual reviews of the Board Charter. The revised Board Charter was reviewed and approved by the Board in 2025. The approved Board Charter aligns the Bank's governance standards with:

NMB BANK PLC**THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025****16. CORPORATE GOVERNANCE (CONTINUED)****The Board of Directors of NMB Bank Plc (Continued)**

The Revised Charter of the Board of Directors (continued):

- The Companies Act, 2002
- 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
- Bank's Memorandum and Articles of Association (MEMARTS)
- The Banking and Financial Institutions Act 2006

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 Director.

Roles and Functions of the Board

The Board of Directors serves as the Bank's primary decision-making body. It holds ultimate responsibility for providing strategic leadership, setting the Bank's direction, and ensuring the delivery of sustainable value to shareholders and other stakeholders. In discharging this mandate, the Board guides and oversees the formulation, implementation, and continuous evaluation of the Bank's long-term strategy.

The Board is also accountable for ensuring the effectiveness of the Bank's Corporate Governance Framework. This includes promoting a sound governance culture, safeguarding the Bank's financial and operational integrity, and maintaining robust oversight of risk and compliance practices. It is entrusted with acting in the best interests of the Bank and its stakeholders, including shareholders, regulators, customers, employees, and the communities the Bank serves. To this end, the Board discharges its responsibilities through the following key functions:

- **Strategy and Management:** Approves the Bank's long-term strategic and commercial objectives, monitors their implementation by Executive Management, and ensures alignment with the Bank's purpose and values.
- **Internal Controls:** Establish effective internal controls, risk management, and governance processes, and regularly monitor their effectiveness.
- **Financial Oversight and Planning:** Reviews and approves quarterly and annual financial statements, reports, budgets, forecasts, funding plans, and material accounting policy changes. In addition, the Board oversees the appointment and remuneration of external auditors to ensure financial integrity.
- **Capital and Organizational Structure:** Approves policies related to capital structure, dividend policy, capital adequacy, liquidity, and management structure changes.
- **Major Transactions:** Approves significant capital investments, mergers, acquisitions, and other material transactions outside the ordinary course.
- **Risk Management:** Sets the risk appetite, oversees management of material risks, and approves key risk policies to promote a strong risk culture.

NMB BANK PLC**THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025****16. CORPORATE GOVERNANCE (CONTINUED)****The Board of Directors of NMB Bank Plc (Continued)**

Roles and Functions of the Board (Continued)

- **Board Committees and Governance:** Establishes Board Committees, oversees their performance, and conducts annual evaluations of the Board and Directors.
- **Subsidiary and Governance Oversight:** Maintains independent oversight of subsidiaries, ensuring governance respects legal separation while enabling effective control and risk management.
- **Compliance and Sanctions:** Implements a compliance framework, including AML/CFT and sanctions regimes, fostering a culture of adherence to legal and regulatory obligations.
- **Executive Appointments and Succession:** Oversees appointment, performance, and succession planning for the MD & CEO and Executive Management to ensure leadership continuity.
- **Executive Performance and Oversight:** Monitors the performance of Executive Management against strategic goals, ensuring alignment with risk appetite, values, and standards. Ensures compliance with fit-and-proper criteria.
- **Remuneration and Incentives:** Sets remuneration policies for Directors and Executive Management, aligning rewards with long-term performance and financial stability.
- **Delegation of Authority:** Approves policies for delegation, monitoring duties assigned to Board and Management Committees and Executive Management.
- **Sustainability Oversight:** Oversees the integration of Environmental, Social, and Governance considerations into the Bank's sustainability strategy, managing material risks and opportunities to support resilience and a sustainable economy.

Board Independence

To strengthen independence and improve Board deliberations, the Board fosters an environment in which Directors can freely and independently express their views. Discussions promote constructive challenges, evidence-based decisions, and sound judgment, free from undue influence or conflicts of interest. The Board reviews succession plans for Independent Non-Executive Directors annually to ensure continuity, independence, and the right mix of skills and experience. Before an appointment, they are assessed against criteria like lack of conflicts, relevant qualifications, integrity, financial stability, ability to dedicate time, and compliance with independency standards. Consideration is given to increasing Board diversity while maintaining a balanced mix of skills, experience, and local insight.

In 2025, the Board maintained full compliance with applicable independence requirements. Independent Non-Executive Directors continued to exercise objective judgement and effective oversight, with no identified relationships or circumstances that could materially impair their independence. The Board remains satisfied that its composition and operating practices support robust independence and effective governance.

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

16. CORPORATE GOVERNANCE (CONTINUED)

The Board of Directors of NMB Bank Plc (Continued)

Separation of Roles and Responsibilities

The Board Chairman's role is separate from the MD & CEO's and has clear responsibilities. The Chairman leads the board's strategy and fosters effective dialogue with shareholders, while the MD&CEO oversees day-to-day operations. This model encourages cooperative leadership, preventing unilateral decisions and enhancing transparency and accountability.

Table 18: Board of Directors Responsibilities

Position	Responsibilities
Chairman	<ul style="list-style-type: none"> 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. To oversee the implementation of the Bank's strategy and ensure the Board is fully apprised and can debate the strategic direction of the Bank. To put in place and maintain an effective delegation of authority structure to provide effective management and control over the Bank's business with the assistance of the MD & CEO. 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	<ul style="list-style-type: none"> 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.
Director & Chief Executive Officer	<ul style="list-style-type: none"> Diligently execute the mandates delegated by the Board. Ensure that the policies and corporate strategy of the Bank are implemented. Identify and recommend to the board competent senior officers to manage the operations of the Bank. Co-ordinate the operations of the various departments within the Bank. Establish and maintain efficient and adequate internal control systems. Design and implement the necessary management information systems to facilitate efficient and effective communication within the institution. Ensure that the Board is periodically and adequately informed on matters relating to capital structure and adequacy, strategy execution, financial performance, portfolio performance, and overall risk and control environment of the Bank.

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

16. CORPORATE GOVERNANCE (CONTINUED)

The Board of Directors of NMB Bank Plc (Continued)

Separation of Roles and Responsibilities (Continued)

Table 18: Board of Directors Responsibilities (Continued)

Position	Responsibilities
Executive Director Finance	<ul style="list-style-type: none"> Financial Stewardship, overseeing budgeting, financial controls, financial performance, asset safeguarding, capital management, liquidity planning, and long-term funding optimisation. Financial Reporting and Regulatory Compliance, ensuring the Bank's financial statements are accurately prepared and fairly presented, adhering to IFRS, the Companies Act, BFIA, and TFRS-1 disclosures. Performance monitoring & management reporting: Monitor income, costs, efficiency and balance sheet trends and deliver timely, decision-useful reporting to the Board, committees and regulator. Tax compliance by ensuring accuracy of tax computations and timely remittance to the respective authorities. Driving business performance in collaboration with the business executives by proactively identifying risks and opportunities associated with business performance.
Company Secretary	<ul style="list-style-type: none"> 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.

Source: NMB Bank Plc Board Secretariat; Internal Governance Records for the year ended 31 December 2025

Delegation of Authority

Under the Delegation of Authority Framework, the Board delegates its powers, authorities, and discretion related to the Bank's management and operations to the Managing Director & CEO, subject to the policies and directions set by the Board, except for matters reserved in the MEMARTS. The Board may also delegate these powers to any Director, committee, or person via power of attorney or other means, for such time and terms as it deems appropriate.

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 Secretariat provides guidance on governance matters through the Company Secretary, and independent professional advice is available as needed and covered by the Bank's expenses.

Access to Independent Advice

The Board may, when necessary for the proper discharge of its duties, seek independent professional advice from legal, financial, governance, or other experts at the Bank's expense. It may also invite Executive Management or specialists for technical input. The Board must have procedures that ensure members have access to timely, relevant, and accurate information and advice to make informed decisions and perform their duties effectively.

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

16. CORPORATE GOVERNANCE (CONTINUED)

The Board of Directors of NMB Bank Plc (Continued)

Board Composition

The Board of Directors is structured to ensure balanced representation of Independent, Non-Executive, and Executive Directors, enabling effective oversight, independent judgment, and informed decision-making to support strong corporate governance and ensure that strategic direction benefits from both independent perspectives and executive insight. NMB Bank's Board of Directors comprises:

1. A minimum of five (5) and a maximum of eleven (11) Directors, or such other number as may be prescribed by law or regulation from time to time.
2. At least two-thirds (2/3) of the Board Members shall be Non-Executive Directors, of whom not less than one-third (1/3) shall be Independent Directors or any such minimum (or maximum number as may be prescribed by law or regulation from time to time). In order to strengthen objectivity and independence in Board deliberations.
3. Not less than one-third (1/3) of the Board members shall be citizens of the United Republic of Tanzania, ensuring appropriate local representation and market insight.
4. Not less than one-third (1/3) of the Board members shall be female, supporting diversity, inclusion, and balanced governance perspectives.
5. At least two members of the Board shall be Executive Directors, sitting on the Board by virtue of their positions in the Executive Management Team. The Managing Director and Chief Executive Officer and the Chief Financial Officer shall form part of the Executive members of the Board and shall have no voting rights

Board Structure

The Board of Directors is led by a Board Chairperson, who is appointed in accordance with the Company's Memorandum and Articles of Association. The Chairperson provides leadership to the Board, ensures its effectiveness, and facilitates constructive engagement among Directors and between the Board and Management.

To support effective oversight and efficient discharge of its responsibilities, the Board has delegated specific duties to four standing Board Committees. Each Committee is composed exclusively of members of the Board of Directors and operates under a formal Charter approved by the Board. The Charters clearly define the Committee's mandate, authority, and reporting responsibilities.

The Board Committees are as follows:

- (i) Board Audit, Risk and Compliance Committee (BARCC)
- (ii) Board Credit Committee (BCC)
- (iii) Board Human Resources, Ethics and Remuneration Committee (BHERC), formerly the Board Human Resources and Remuneration Committee (BHRRC)
- (iv) Board Executive Committee (BEC)

To further strengthen the Board's independence, the Board has set the following principles in its Charters.

- Chairmanship of the Board is reserved exclusively for Non-Executive Directors

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

16. CORPORATE GOVERNANCE (CONTINUED)

The Board of Directors of NMB Bank Plc (Continued)

Board Structure (Continued)

- The Chairperson of the Board shall not be a member of any Committee.
- The Chairman of the Board is ineligible to serve as 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 are ineligible to serve on any other Board committee.

Each Committee assists the Board by focusing on specific areas of oversight and, as appropriate, making recommendations to the Board. The Committees report regularly to the Board on matters within their respective mandates.

All Directors serve on at least one Board Committee, and some serve on more than one Committee. This approach ensures broad participation, shared accountability, and effective coverage of key governance, risk, and strategic matters across the Board.

Board Size

As of 31 December 2025, the NMB Bank Board had 11 members: six non-Executive, three Independent Non-Executive, and two Executive Directors. The Board combines diverse skills, expertise, and strategic insight to support governance. Through the Human Resources, Ethics and Remuneration Committee, the Board regularly evaluates its composition to inform succession planning and align with the Bank's strategic and governance needs. Efforts continue to enhance diversity and balance of competencies.

16. CORPORATE GOVERNANCE (CONTINUED)

The Board of Directors of NMB Bank Plc (Continued)

The following table presents the members of the NMB Bank Board of Directors as of 31st December 2025

Table 19: Composition of the Board of Directors as of 31st December 2025

No	Name	Position	Gender	Age	Nationality	Qualification/ discipline	Appointment Date	Date of Last Re-Appointment
1	David Nchimbi ¹	Non-Executive Director & Chairman	Male	51	Tanzania	ACPA, CDloDT	06 Dec 2024	N/A
2	Juma Kisaame	Non-Executive	Male	62	Ugandan	Banker, CDloDT	05 June 2020	2 June 2023
3	Hendrik Reisinger	Non-Executive	Male	61	Dutch	Economist/ Banker	15 June 2019	5 June 2025
4	Benson Mahenya	Independent - non-executive	Male	57	Tanzanian	CPA (T), CDloDT	15 June 2021	7 June 2024
5	Ramadhani Mwikalo	Independent - non-executive	Male	72	Tanzanian	IT Expert, CDloDT	03 June 2022	5 June 2025
6	Giriraj Jadeja	Non-Executive	Male	66	American	Investment Banking	07 June 2024	N/A
7	Prof Sylvia Temu	Non-Executive	Female	67	Tanzania	PhD, CPA (T)	06 Dec 2024	N/A
8	Dr Sophia Kongela	Non-Executive	Female	50	Tanzania	PhD, MBA-Fin	24 Feb 2025	N/A
9	Joyce Nkini-Iwisi	Independent non-executive	Female	40	Tanzania	MBA, International Business	05 June 2025	N/A
10	Clement Mwinuka ²	Independent Non-Executive	Male	62	Tanzania	CPA (T), CDloDT	03 June 2022	N/A
11	Ruth Zaipuna	Managing Director and Chief Executive Officer	Female	52	Tanzania	ACPA (T), MBA, CDloDT	11 Aug 2025	N/A
12	Juma Kimori	Executive Director- Finance and Chief Financial Officer	Male	47	Tanzania	ACPA (T), MBA, CDloDT	11 Aug 2025	N/A

¹ Appointed as Board member on 6th December 2024 and became a chairman on 29th January 2025.

² Retired from the Board on 5 June 2025.

Source: NMB Bank Plc Corporate Information – Directors; Internal Governance Records for the year ended 31 December 2025

NMB BANK PLC

THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

16. CORPORATE GOVERNANCE (CONTINUED)

The Board of Directors of NMB Bank Plc (Continued)

Board Diversity

A key focus of the Board is ensuring a strong corporate culture that values both performance and ethical conduct. The Board recognizes that long-term success is best achieved in organizations that uphold diversity, inclusion, and shared values at all levels of leadership. As of 31 December 2025, women comprised approximately 36% of the Board. In line with applicable regulatory guidelines and the Bank's commitment to gender balance. Moving forward and in line with applicable regulatory requirements, NMB will continue to ensure that no less than one-third of its Board members are female, thereby embedding diversity and inclusion principles in its governance practices and director appointment processes.

Appointment of the Member of the Board, Induction and Training

Appointment, Retirement, and Re-election of Directors

The effectiveness of the Board is central to the Bank's long-term success and its ability to act in the best interests of all stakeholders. The process for the appointment, retirement, and re-election of Directors is governed by the Bank's Memorandum and Articles of Association (MEMARTs) and the Board Charter, in alignment with the Bank of Tanzania (BoT) Corporate Governance Regulations and other applicable legal frameworks. As mandated by the Bank of Tanzania Corporate Governance Regulations, every Director shall be approved by the Bank of Tanzania as fit and proper before joining the Board of Directors.

Under the Bank's MEMARTs, any shareholder holding 10% or more of the Bank's issued share capital is entitled to nominate a proportionate number of Directors, specifically, one Director for every 10% of the shareholding. As at year-end 2025, two strategic shareholders collectively held 66% of NMB's share capital, entitling them to nominate a total of six Non-Executive Directors. These nominations are presented to shareholders at the AGM for ratification and subsequently submitted to the BOT for final vetting and approval.

With respect to the nomination of Independent Non-Executive Directors, who must constitute at least one-third (1/3) of all Non-Executive Directors, the Board engages an independent and reputable external search firm to facilitate an objective identification and assessment process.

The firm is tasked with identifying and attracting suitably qualified candidates and submitting a shortlist of three (3) individuals to the Board. Following interviews and due diligence, the Board recommends a preferred candidate to the shareholders for approval at the Annual General Meeting. To embed gender inclusiveness within Board governance and strengthen diversity, the Board of Directors shall ensure that no less than one-third (1/3) of its members are female, in line with best-practice corporate governance standards and regulatory requirements.

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

16. CORPORATE GOVERNANCE (CONTINUED)

Appointment of the Member of the Board, Induction and Training (Continued)

Appointment, Retirement, and Re-election of Directors (Continued)

In line with NMB’s Articles of Association, Code of Corporate Governance Practices for Listed Companies (1994) issued by the Capital Market and Securities Authority (CMSA), and applicable Bank of Tanzania Corporate Governance Regulations, all Directors are required to seek re-election by shareholders every three years, and no director shall hold a Directorship position for more than ten consecutive years.

Board Induction

The Bank provides a comprehensive induction program for all new Directors to facilitate their effective integration and support their fiduciary and oversight responsibilities. The program includes meetings with the Board and the Chief Executive Officer, as well as briefings from senior management on key business areas. New Directors are also offered site visits and interactions with subject-matter experts, along with guidance on duties, policies, procedures, and regulatory requirements. Beyond onboarding, Directors have access to ongoing training and updates on emerging risks, regulatory changes, and strategic initiatives to enhance their knowledge and effectiveness.

Board skills, Experience, Professional Advice and Training

To support continuous professional development, the Board allocates sufficient time, budget, and resources to an ongoing training program, leveraging external expertise as required. An annual training review is conducted to ensure Directors maintain and enhance the knowledge and skills relevant to their responsibilities. Additionally, the Board regularly engages Executive Management on specialized topics.

The Board of Directors’ expertise and competencies are assessed through a skills-mapping exercise, updated as needed to ensure alignment with the Bank’s strategy and operating environment. Collectively, the Board brings extensive experience across key areas including finance, audit, accounting, risk management, governance, strategic planning, sustainability, and information technology. Supported by the Board Human Resources, Ethics and Remuneration Committee (BHERC), the Board reviewed the composition, skills, and diversity of its membership to ensure it maintained the appropriate expertise and capacity to discharge its responsibilities effectively.

The Board has direct access to the advice and expertise of Executive Management and the Company Secretary, who provides essential support in fulfilling their duties. Directors may also seek independent external professional advice, at the Bank’s expense, on any matter necessary for the effective execution of their duties.

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

16. CORPORATE GOVERNANCE (CONTINUED)

Appointment of the Member of the Board, Induction and Training (Continued)

Board skills, Experience, Professional Advice and Training (Continued)

Table 20: NMB Bank Board Skills Matrix

Skill Set	# of Directors with the skill											
Banking	■	■	■	■	■	■	■	■	■	■	■	■
Financial (analysis, stability & reporting)	■	■	■	■	■	■	■	■	■	■	■	■
Strategic planning	■	■	■	■	■	■	■	■	■	■	■	■
Risk management	■	■	■	■	■	■	■	■	■	■	■	■
Regulation and Compliance	■	■	■	■	■	■	■	■	■	■	■	■
Corporate governance	■	■	■	■	■	■	■	■	■	■	■	■
Management	■	■	■	■	■	■	■	■	■	■	■	■
Accounting	■	■	■	■	■	■	■	■	■	■	■	■
Audit	■	■	■	■	■	■	■	■	■	■	■	■
Sustainability or ESG	■	■	■	■	■	■	■	■	■	■	■	■
Human Resource	■	■	■	■	■	■	■	■	■	■	■	■
Information technology	■	■	■	■	■	■	■	■	■	■	■	■

Source: NMB Bank Plc Board Secretariat; Board Human Resources, Ethics and Remuneration Committee (BHERC); Internal Governance Records for the year ended 31 December 2025

Succession Planning

Succession planning is an ongoing process, with the Board discussing the same regularly and robustly. The process for appointing a new director (Independent Non-Executive Director) is overseen by the Board Human Resources, Ethics and Remuneration Committee (BHERC). 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 appointment confirmation, all Directors must meet the “Fit and Proper” requirements set out in the Regulatory Guidelines issued by the Bank of Tanzania. The director’s appointment key terms and conditions are documented in a letter of appointment.

Board and Board Committees’ Meeting Agenda & Activities

Board Operations

The Board held multiple meetings in 2025. 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 annual calendar and follows an agenda that outlines topics for discussion. Board members are duly informed of any Changes to the calendar or the agenda to be discussed.

NMB BANK PLC**THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025****16. CORPORATE GOVERNANCE (CONTINUED)****Board and Board Committees' Meeting Agenda & Activities (Continued)***Board Activities*

During 2025, the Board maintained a strong focus on NMB's strategic direction, performance delivery, and oversight of key business priorities. It considers performance against financial and strategic objectives, emerging risks, sustainability (including climate-related risk), digital transformation, risk appetite, succession planning, governance, investor relations, people, and stakeholder engagement. The Bank's end-to-end governance framework enabled in-depth discussions on strategy and business performance across business units, supporting the Executive Management Team in executing the Bank's strategic plan. In doing so, the Board continuously evaluated the impact of its decisions on the Bank's stakeholders, with examples of principal strategic decisions made during the year.

Key Areas of Board Focus in 2025.

- **Governance:** The Board supervised the Bank's governance, ensuring issues were escalated properly. It received reports on Committee activities, approved director conflict disclosures, and endorsed delegations for Treasury and Bank actions. In February 2025, it approved updates to the Delegations of Authority Framework, boosting efficiency in contract and document approvals. The Board also oversaw the Bank's restructuring to enhance market competitiveness and long-term values.
- **Strategy and business performance:** The Board remained focused on building sustainable growth, enhancing investor returns, improving customer experience, and creating capacity for future investments. At each scheduled meeting, the Board reviewed progress against the Bank's strategic objectives, assessed business performance, approved the new MTP 2030 plan, and evaluated opportunities for strategic execution.
- **Financial Decisions:** The Board and its committees approved key financial matters throughout the year, including the 2024 Annual Report and Accounts, the 2025 Interim Report, the Quarterly Earnings Releases and budgetary performances. In November 2025, the Board approved the Bank's 2026 Financial Resource Plan and regularly monitored actual performance against approved plans across business segments.
- **Risk, regulatory and legal considerations:** Advised by the Board Risk Committee, the Board promoted a strong risk culture and approved key risk and regulatory frameworks. These included:
 - i. The Risk Appetite Framework and Statement
 - ii. The Liquidity Adequacy Assessment Process (ILAAP)
 - iii. The Capital Adequacy Assessment Process (ICAAP)
 - iv. The Bank Recovery Plan
 - v. The Internal Controls Framework
 - vi. Revised Matters Reserved for the Board and Committee Terms of Reference
- **The Board monitored evolving macroeconomic and regulatory developments,** received regular updates from the Board Audit, Risk, and Compliance Committee (BARCC), and assessed financial crime risks and the overall risk profile.
- **Technology:** The Board received regular updates from the Chief Technology and Digital Transformation Officer, and Chief Shared Services Officer. These updates covered initiatives to simplify the Bank's IT infrastructure, enhance system resilience, and accelerate digital transformation across core operations.

NMB BANK PLC**THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025****16. CORPORATE GOVERNANCE (CONTINUED)****Board and Board Committees' Meeting Agenda & Activities (Continued)***Board Activities (Continued)**Key Areas of Board Focus in 2025 (Continued).*

- **People and Culture:** The Board prioritizes people and culture matters in its discussions at both Board and Committee levels and engages regularly with executive management and staff. This includes reviewing overall human resources issues, whistleblowing reports, code-of-conduct breaches, and internal investigation outcomes to ensure policies and practices are effectively embedded and enforced.
- **Sustainability:** The Board provides oversight of executive actions on sustainability implementation, transition planning, and associated disclosures. The Board established a governance framework for Sustainability, delegating the oversight and management to the Board Executive Committee to enhance oversight of sustainability matters. The BEC collaborates closely with Executive Management and reports to the Board on key developments. The Board Executive Committee (BEC) remained actively engaged in overseeing the Bank's sustainability approach.

Board and Board Committees' Meeting and Agenda

During 2025, the Board remained focused on guiding NMB's strategic direction, and its committees regularly discussed topics fundamental to NMB's direction, including business performance, long-term planning, strategy, Sustainability (including climate-related risks), digital transformation, risk appetite and management, succession planning, and human resources.

During 2025, the Board and its standing committees convened a total of thirty-six (36) times. Directors received timely, comprehensive updates on the Bank's performance, strategic initiatives, and risk matters. Executive Committee (ExCo) members were invited to attend Board and committee meetings, as required, to provide additional context and expertise, in compliance with regulatory limitations on Executive participation in Board-level deliberations.

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

16. CORPORATE GOVERNANCE (CONTINUED)

Board and Board Committees' Meeting Agenda & Activities (Continued)

Board and Board Committees' Meeting and Agenda (Continued)

Table 21: Meeting Attendance, Number of Planned and Actual Meetings.

Number of Planned Meetings			Board	BEC	BARCC	BHERC	BCC
<i>Actual Meetings Held</i>			12	5	9	7	14
No	Names	Appointment Date					
1	David Nchimbi	6-Dec-24	12	na	na	na	na
2	Juma Kisaame	5-Jun-20	12	5	na	na	12
3	Hendrik Reisinger	15-Jun-19	12	na	na	7	14
4	Benson Mahenya	15-Jun-21	12	na	9	na	na
5	Ramadhani Mwikalo	3-Jun-22	12	5	na	7	na
6	Giriraj Jadeja	7-Jun-24	12	5	na	4	14
7	Prof. Dr Sylvia Temu	6-Dec-24	8	na	2	4	9
8	Dr Sophia Kongela	24-Feb-25	11	na	7	na	na
9	Joyce Nkini-Iwisi	5-Jun-25	4	na	4	na	na
10	Clement Mwinuka ¹	3-Jun-22	4	na	5	na	na
11	Ruth Zaipuna	11-Aug-25	3	na	na	na	na
12	Juma Kimori	11-Aug-25	3	na	na	na	na

¹Retired from the Board on 5 June 2025.
na means not applicable due to not being part of the committee
During the year, the Board and its committees convened four ordinary meetings in line with their annual work plans, supplemented by special meetings held as necessary to address urgent or time-sensitive matters.

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

16. CORPORATE GOVERNANCE (CONTINUED)

Board and Board Committees' Meeting Agenda & Activities (Continued)

Board and Board Committees' Meeting and Agenda (Continued)

Table 22: Board and Board Committees' Agendas for the year ended 31st December 2025

Main Topic	Sub-topic	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Strategy	Strategy Execution												
	Deep dives on strategic topics												
	Sustainability strategy, including climate												
Detailed Business, Operational & other reviews	Bank Chief Executive Officer update												
	Bank Chief Credit Officer update												
Business Updates	Retail Banking												
	Wholesale Banking												
	Treasury												
Business Transformation	Business continuity management												
	Significant Projects Update												
	Customer Experience												
Financial	Financial results and peer analysis												
	Capital management and liquidity, including stress testing												
	Dividends, funding plan, and budget												
Risk	Risk Update												
	Emerging key risks												
	Capital, liquidity metrics and trends												
Governance	Risk appetite statement												
	Risk governance framework												
	Subsidiary governance												
Governance	Charters, Policies, Frameworks and terms of reference												
	Board/Committee evaluation and effectiveness												
	AGM and resolutions												
	Review of Bank's Governance												
	Appointment and succession												

16. CORPORATE GOVERNANCE (CONTINUED)

Board and Board Committees' Meeting Agenda & Activities (Continued)

Board and Board Committees' Meeting and Agenda (Continued)

Table 22: Board and Board Committees' Agendas for the year ended 31st December 2025 (Continued)

Main Topic	Sub-topic	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Regulatory and Compliance	Performance management	■	■			■			■			■	
	IFRS 9 governance framework	■	■			■			■			■	
	Review of MEMARTS		■			■			■			■	
	Fraud overview		■			■			■			■	
	Bank of Tanzania notices		■			■			■			■	
	Bank of Tanzania examinations report and quarterly dashboards		■			■			■			■	
	Bank of Tanzania and CMSA thematic reviews on AML/CFT		■			■			■			■	
	Compliance update		■			■			■			■	
	Internal audit updates, including audit plan and strategy progress update, declaration of independence, external quality assessment of internal audit function and Internal Shari'ah audit		■				■			■			■
	Information security update		■			■			■			■	
Internal Audit and Technology	Efficiency, digitization and innovation update and trends		■			■			■			■	
	HR update, including purpose, values, engagement and the variable pay structure		■			■		■				■	
Human Resources	Employee Well-being		■			■		■				■	
	Review of the external auditor's report on internal control over financial reporting and management letter												■
External Audit	External auditor proposed fees.		■			■			■			■	
	Meeting with the external auditor		■			■			■			■	
	Appointment of statutory auditors		■			■			■			■	

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

16. CORPORATE GOVERNANCE (CONTINUED)

Board and Board Committees' Meeting Agenda & Activities (Continued)

Board Committees and their Responsibilities

Board Executive Committee (BEC)

The Committee assists the Board in fulfilling its oversight responsibilities under the Company's Articles of Association. The Committee, which serves as the steering committee for the full Board, oversees the execution of the Bank's strategy and critical projects. The Bank provides guidance, support, and mentorship to management during transitional periods and is also involved in any crises that may arise.

2025 Focus areas and material decisions

- Management of emerging issues, challenges, and initiatives;
- Ensured the continued effectiveness of the Board and accountability, along with maintaining good governance;
- The Board oversaw the Bank's governance, operations, and strategic execution, including monitoring the MTP 2021-2025, approving MTP 2026-2030;
- Overseeing the Bank's sustainability and digital transformation strategic projects;
- Evaluating Board effectiveness and composition, succession planning, and conducting mid-cycle reviews of the MTP to adapt to macroeconomic shifts and industry best practices;
- Guiding inorganic growth and internationalization strategies.

Committee Governance

The Committee operates under delegated authority from the Board and provides strategic oversight and guidance on the execution of the Bank's strategy and the implementation of critical projects. The Board appoints the members and the Chairperson of the Board Executive Committee from among the non-executive Directors. They may reconstitute the Committee at any time, as they deem appropriate, to ensure the effective discharge of its delegated responsibilities, provided that the Committee comprises not less than three members. The Chairperson must be the non-executive Director appointed by the Board. Members of the committee serve renewable three-year terms, subject to their continued membership on the Board of Directors. The Committee meets at least once every quarter, with additional meetings convened as necessary.

The Committee Chair formally reports to the Board on key matters arising from Committee deliberations at each subsequent Board meeting. In addition, the Board receives the Committee's agendas and minutes, thereby enabling effective oversight of management's execution of strategic initiatives and ensuring transparency and accountability

Table 23: Committee Highlights as of 31st December 2025

Membership	Member since	Position	Attendance
1 Juma Kisaame (Chair)	June 2020	Chairman	5/5
2 Ramadhani Mwikalo	June 2022	Member	5/5
3 Giriraj Jadeja	November 2024	Member	5/5

Source: NMB Bank Plc Board Secretariat; Board and Committee Attendance Registers; Internal Governance Records for the year ended 31 December 2025

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THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

16. CORPORATE GOVERNANCE (CONTINUED)

Board and Board Committees' Meeting Agenda & Activities (Continued)

Board Credit Committee (BCC)

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

2025 Focus areas and material decisions:

- The review and approval of the significant credit applications in line with the delegation of authority and committee mandate.
- The Committee continued to oversee and review the Bank's credit performance, including the overall quality of the loan portfolio, loan issuance, credit metrics, and loan performance.
- The Bank's growth in loans and advances is evaluated against concentration risks and exposures, particularly in higher-risk sectors of the economy.
- Explored new credit products tailored to emerging industries (green financing, circular economy, digital economy) that balance profitability with responsible lending.
- Evaluate and approve Risk Appetite and Sectoral Limits.
- Review and approve credit portfolio strategies.
- Monitoring the credit risk exposure of the corporate loan book, including sector and single-name concentration.
- Revisions of high-risk sectors and portfolios, considering the global macroeconomic environment, increased risks, and climate-related impacts.

Committee Governance

Members of the Board Credit Committee shall be elected by the Board. They shall comprise not less than four non-executive Directors, at least one of whom shall have significant credit management experience, and the Board shall retain the right to reconstitute the Committee. The Board of Directors appoints the Committee Chairperson from among the Committee members and reports to the Board on matters deliberated by the Committee at the subsequent Board meeting.

Table 24: Committee Highlights as of 31st December 2025

Membership	Member	Member since	Position	Attendance
1	Hendrik Reisinger	June 2019	Chairperson	14/14
2	Juma Kisaame	June 2020	Member	12/14
3	Prof. Sylvia Temu	April 2025	Member	9/14
4	Giriraj Jadeja	June 2024	Member	14/14

Source: NMB Bank Plc Board and Committee Attendance Registers for the year ended 31 December 2025

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THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

16. CORPORATE GOVERNANCE (CONTINUED)

Board and Board Committees' Meeting Agenda & Activities (Continued)

Board Credit Committee (BCC) (Continued)

BCC Members serve renewable terms of three years, subject to alignment with their tenure on the Board, and the Committee meet at least once every quarter, or more frequently as required, to effectively discharge its oversight responsibilities.

Board Human Resources, Ethics and Remuneration Committee (BHERC)

BHERC assists the Board in discharging its oversight responsibilities relating to human capital management, ethical conduct, and remuneration governance. The Committee is responsible for overseeing the Bank's overall human resources strategy, with a focus on maintaining a strong and sustainable pipeline of high-calibre talent, effective succession planning for senior leadership, leadership development, and workforce capability building.

2025 Focus areas and material decisions:

- Oversaw the Bank's human resources strategy, including talent management, leadership development, succession planning for senior management, workforce capability, and employee engagement.
- Managed the Bank's remuneration philosophy, policies, and incentive frameworks to ensure competitiveness, performance linkage, risk alignment, and compliance with governance and legislative standards.
- Strengthen internal leadership development programs, succession planning, and refine high-potential talent pathways to enhance the leadership pipeline.
- Reviewed executive performance against objectives and KPIs, and advised the Board on remuneration, incentives, and disclosures to align performance with stakeholders' interests.

Committee Governance

The Board Human Resources, Ethics and Remuneration Committee is appointed by the Board and comprises at least three non-executive Directors, with the Board retaining the discretion to reconstitute its membership as required. The Committee is chaired by a non-executive Director appointed by the Board, and members serve renewable three-year terms aligned with their tenure on the Board. The Committee meets at least quarterly and operates independently of management, while receiving input from executive management and external advisers as appropriate.

Table 25: Committee Highlights as of 31st December 2025

SN	Director Name	Member Since	Designation	Attendance
1	Prof. Sylvia Temu	April 2025	Chairperson	4/7
2	Hendrik Reisinger	June 2019	Member	7/7
3	Ramadhani Mwikalo	February 2023	Member	7/7
4	Giriraj Jadeja	October 2024	Member	4/7

Source: NMB Bank Plc Board and Committee Attendance Registers for the year ended 31 December 2025

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**THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**
16. CORPORATE GOVERNANCE (CONTINUED)
Board and Board Committees' Meeting Agenda & Activities (Continued)
Board Audit, Risk and Compliance Committee

The Board Audit, Risk, and Compliance Committee (BARCC) is mandated to assist the Board in fulfilling its statutory and fiduciary oversight responsibilities regarding the integrity of the Bank's financial reporting, the effectiveness of internal control and risk management systems, and compliance with applicable laws, regulations, and Financial Reporting Standards. The Committee provides independent oversight of the financial reporting process, monitors the performance and independence of the Internal Audit, Risk, and Compliance functions, and oversees the planning and execution of external audits to ensure the accuracy and completeness of financial statements and disclosures.

The committee also ensures the adequacy of the Bank's risk management framework and promotes a sound governance environment through robust internal controls, legal compliance, and transparent reporting.

2025 Focus areas and material decisions:

- Advised the Board on the Bank's risk appetite and oversaw risk management, including the effectiveness of the Enterprise Risk Management framework and internal controls.
- Ensured risk practices, policies, stress testing, and principal risk reporting were robust, aligned with strategic objectives, and fit for purpose.
- Ensure compliance with regulations, monitored external environment changes, and fostered a strong risk and control culture.
- Reviewed the Bank's Strategy and Budget for 2026 for recommendation to the Board.
- Reviewed quarterly and annual statutory financial reports, significant accounting estimates, and proposed policy changes for accuracy and standards adherence.
- Advised on financial reporting oversight, including internal controls and report integrity from Management, Internal Audit, and external auditors.
- Oversaw external auditor engagement, independence, and performance, while monitoring evolving statutory and disclosure requirements.
- Supervised Internal Audit's work, assessing its effectiveness, resourcing, independence, and standing.

The Board Audit, Risk and Compliance Committee comprises not less than three non-executive Directors, at least two of whom must be independent and possess strong accounting, auditing, or related financial management expertise. Members of BARCC shall not concurrently serve on any other standing or ad hoc Board committees.

Table 26: Committee Highlights as of 31st December 2025

SN	Director Name	Member Since	Designation	Attendance
1	Benson Mahenya	June 2021	Chairperson	9/9
2	Dr. Sophia Kongela	April 2025	Member	7/9
3	Joyce Nkini Iwisi	July 2025	Member	4/9
4	Clement Mwinuka ¹	June 2022	Member	5/9

¹Retired from the Board on 5 June 2025.

Source: NMB Bank Plc Board and Committee Attendance Registers for the year ended 31 December 2025

NMB BANK PLC
**THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**
16. CORPORATE GOVERNANCE (CONTINUED)
Board and Board Committees' Meeting Agenda & Activities (Continued)
Board Audit, Risk and Compliance Committee (Continued)
Committee Governance

The Chairperson of the Committee is appointed by the Board from among the Committee members and serves renewable three-year terms, subject to alignment with Board tenure. The Committee meets at least quarterly, and more frequently as deemed necessary, to effectively discharge its responsibilities.

Board Members' Remuneration Strategy and Policy

NMB Bank's Board remuneration strategy is designed to align with the scope of responsibilities and time commitment required of its directors, while remaining consistent with prevailing industry standards and best practices. The guiding principle of the Bank's approach is to ensure that remuneration is fair, transparent, and reflective of the Bank's strategic and operational demands, thereby compensating Directors appropriately for their oversight responsibilities.

Non-Executive Directors and Independent Directors' Remuneration

In accordance with the Bank of Tanzania Corporate Governance Regulations, the Capital Markets and Securities Authority (CMSA) Corporate Governance Guidelines, and the NMB Board Remuneration Policy, Directors receive only fixed remuneration. This excludes any form of incentive-based or performance-linked compensation. Furthermore, NMB's Board's remuneration comprises two components: compensation for service on the Board and compensation for participation in Board Committees (sitting allowances).

The Board Human Resources, Ethics and Remuneration Committee (BHERC) and the Chief Executive Officer are responsible for recommending Directors' remuneration to the Shareholders. Once endorsed, the proposal is submitted for shareholder approval at the Annual General Meeting (AGM). In conducting its annual review, the BHERC evaluates a range of factors, including:

- The Bank's operational complexity and strategic growth trajectory.
- Evolving regulatory requirements affecting the roles and obligations of Directors.
- The expected time commitment for effective execution of fiduciary duties.
- Any additional responsibilities assigned to Directors beyond normal expectations.
- Competitive positioning (peer benchmarking) to align with other financial institutions and listed companies
- Emerging sectoral risks and governance challenges within the banking industry.

The BHERC reviews any proposed adjustments to Board remuneration and must receive the requisite approvals from the Board and from shareholders, in line with applicable regulatory requirements and the Bank's Articles of Association.

During the year 2025, total remuneration paid to NMB Bank's Directors amounted to TZS 2,093 million (TZS 1,710 million, 2024). Directors also do not benefit from any pension arrangements through the Bank.

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

16. CORPORATE GOVERNANCE (CONTINUED)

Board Members' Remuneration Strategy and Policy (Continued)

Non-Executive Directors and Independent Directors' Remuneration (Continued)

Table 27: Non-Executive Directors and Independent Directors' remuneration

No	Director	Director Fees		Sitting Allowance	
		TZS '000'		TZS '000'	
		2025	2024	2025	2024
1	Benson Mahenya	73,750	63,000	50,350	67,200
2	Giriraj Jadeja	73,750	na	63,550	5,775
3	Juma Kisaame	73,750	63,000	72,550	54,600
4	Ramadhani Mwikalo	73,750	63,000	53,750	64,050
5	David Nchimbi	84,250	na	42,900	na
6	Prof Sylvia Temu	73,750	na	61,700	na
7	Sophia Kongela	73,750	na	40,050	na
8	Joyce Nkini Iwisi	73,750	na	22,000	na
9	Hendrik Reisinger	93,573	64,796	102,124	67,337
10	Ruth Zaipuna ³	na	na	na	na
11	Juma A. Kimori ³	na	na	na	na
12	Clement Mwinuka ¹	31,500	63,000	18,900	73,500
13	Edwin Mhede ²	na	73,500	na	78,750

¹ Retired on 5th June 2025

² Cessation of duties on 28th January 2025

³ Executive Directors do not receive fees or allowances

The Directors' fees and sitting allowance do not include other benefits and other board expenses (training, travel ticket, meeting expenses etc).

Director's remuneration disclosed above reflects amounts paid in cash during the reporting period; no accrual-based charges have been recognised.

Source: NMB Bank Plc Board Secretariat; Board and Committee Attendance Registers; Internal Governance Records for the year ended 31 December 2025.

Refer to Note 16(a).

Compensation for Executive Directors

Executive Directors do not receive fees or allowances. Their pay is set by individual contracts approved in accordance with the Bank's policies, governance, and regulations. Their performance is evaluated annually using a Balanced Scorecard that covers financial, strategic, operational, risk, and sustainability metrics.

The remuneration structure for Executive Directors comprises the following components:

- Consolidated Basic Salary: Fixed base remuneration payable in accordance with the terms of the applicable employment contract.
- Performance-Based Bonus: Variable remuneration linked to individual and Bank-wide performance outcomes, subject to the achievement of approved performance targets and relevant governance approvals.

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

16. CORPORATE GOVERNANCE (CONTINUED)

Board Members' Remuneration Strategy and Policy (Continued)

Compensation for Executive Directors (Continued)

In addition, the Bank continues to integrate sustainability considerations, including Sustainable operations, Financial Inclusion, Sustainable Finance, and climate-related objectives, into the performance scorecards of the Executive Directors, strengthening the Bank's commitment to responsible and sustainable business practices.

Board Effectiveness and Evaluation

The BHERC assesses at least once a year to determine whether the Board and its committees are performing effectively and identify steps for improvement. To ensure objectivity and independence, an external consultant is engaged to conduct a comprehensive evaluation of the Board's performance.

The outcomes of this evaluation are submitted to the Board Human Resources, Ethics and Remuneration Committee (BHERC) for review and formulation of an action plan. The Committee subsequently monitors the implementation of the agreed actions, and the Chair of the BHERC reports the findings and progress to the full Board. The Board Secretariat provides coordination and administrative support throughout the evaluation process.

In 2025, the Board engaged KPMG East Africa, an independent external evaluator, to conduct the 2025 Board performance evaluation.

Board 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, or appears to create, a potential conflict with, the Bank's interests. 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.

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

16. CORPORATE GOVERNANCE (CONTINUED)

Governance Policies

Insider Trading and Disclosure Policy

The Bank enforces a policy requiring Directors and employees who possess privileged knowledge of material facts or changes in the Bank's affairs that are undisclosed to the public to be prohibited from buying or selling ("trading") Bank securities, except in strict adherence to the Bank's policy. Insiders must maintain confidentiality and ensure adequate protection against unauthorized disclosure or access to any unpublished, non-public sensitive information received by them in the course of their employment or office.

Whistleblowing Policy

The Bank has established a comprehensive whistle-blowing policy and supporting procedures designed to promote a transparent and ethical operating environment. The framework provides secure and accessible channels through which employees and other stakeholders are encouraged to report, in good faith, any suspected fraud, corruption, unethical conduct or other impropriety involving employees, management, those charged with governance, customers, service providers or other parties with a business relationship with the Bank, where such conduct may result in financial, regulatory or reputational risk.

The whistle-blowing framework is a key component of the Bank's corporate governance and compliance architecture. It supports the promotion of a strong ethical culture, adherence to internal policies and compliance with applicable laws and regulations. The Bank is committed to maintaining high standards of integrity and ensuring that concerns may be raised without fear of victimization or retaliation.

In accordance with the Whistle-blower and Witness Protection Act, 2015, the Bank strictly prohibits any form of retaliation against whistle-blowers who report concerns in good faith. Appropriate safeguards are in place to protect the confidentiality and rights of whistle-blowers and witnesses.

Employees receive periodic training on the whistle-blowing framework as part of induction and ongoing professional development programs. In addition, the Bank provides whistle-blowing channels accessible to customers and other stakeholders through its website, including options to report matters internally or via an independent third-party service provider. Whistle-blowers may choose to disclose their identity or submit reports anonymously.

Fraud, Anti-Bribery and Corruption Policy

The Bank has adopted a comprehensive Fraud, Anti-Bribery, and Corruption Policy that establishes clear principles and controls to safeguard the institution against unethical conduct. The Policy forms part of the Bank's broader governance and risk management framework and reflects a firm commitment to lawful, ethical and transparent business practices. It applies across the organization and to relevant external parties, setting out expected standards of behavior and reinforcing accountability at all levels.

A combination of preventive, detective, and responsive measures supports the Policy's implementation. These include ongoing staff awareness initiatives, structured due diligence processes, independent assurance activities and secure reporting channels for raising concerns. The Bank provides appropriate protection to individuals who report suspected misconduct in good faith.

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

16. CORPORATE GOVERNANCE (CONTINUED)

Governance Policies (Continued)

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.

Anti-Money Laundering Policy

NMB Bank has in place a comprehensive Anti-Money Laundering, Counter-Terrorist Financing, and Counter-Proliferation Financing Policy that establishes an enterprise-wide framework to prevent the misuse of its products, services, and channels for illicit financial activities. The Policy articulates the Bank's commitment to high ethical, legal, and professional standards, and it sets out clear principles for customer acceptance, due diligence, ongoing monitoring, and risk assessment, consistent with applicable laws, regulatory requirements, and international standards. It applies across the organization and to relevant third parties and is aligned with the Bank's overall risk management and governance framework.

Implementation of the Policy is underpinned by a risk-based approach, supported by defined roles and responsibilities, robust internal controls, transaction monitoring, customer screening, reporting mechanisms and regular training programs. The Bank maintains effective oversight arrangements, including Board and senior management accountability, independent assurance and timely reporting to relevant authorities.

Communication Policy

The Bank has established a Communication Policy to provide a formal framework for managing all communications with external stakeholders, including the media and the general public. The Policy is designed to ensure that all information issued on behalf of the Bank is accurate, complete, consistent and reflective of the Bank's official position, and is released in a timely and coordinated manner through approved 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.nmbsbank.co.tz, stakeholders can access comprehensive information, including general details about the Bank. This platform is a centralized resource for stakeholders to review all publications and stay informed about the Bank's activities.

Board Remuneration Policy

The Bank emphasizes a well-defined remuneration approach that applies to both its staff and 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 current market demands and industry benchmarks but also remains adaptable to the dynamic 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.

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

16. CORPORATE GOVERNANCE (CONTINUED)

Governance Policies (Continued)

Board Remuneration Policy (Continued)

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).

Employee Remuneration

The Bank's total employee compensation framework comprises basic salary, variable performance-based bonuses, allowances, and a range of employee benefits. This comprehensive structure aligns with business and individual performance objectives, which are assessed through a balanced scorecard methodology.

The scorecard incorporates leadership competencies and adherence to the Bank's core values. Where applicable, financial performance metrics are adjusted for various types of risk, including market, credit, and operational risks and include:

There were no material changes to these performance measurement criteria during 2025.

The Bank sets performance targets for each business unit to ensure sustainable value for stakeholders. These include growth, earnings, core skill development through cost and risk management, diversified funding, and investments in technology and human capital, all aligned with the Bank's risk appetite and strategic goals. When determining senior executive pay, the Bank considers risk indicators, audit results, compliance, and performance, with pay outcomes based on achieving targets, leadership, and market benchmarks.

Subsidiary Governance:

Upanga Joint Venture Company (UJVC) Limited

The subsidiary (Upanga Joint Venture Company Limited) ("UJVC or "the Subsidiary") is 88% owned by the Bank. The UJVC Board of Directors (the "board") has three Directors, two of whom are with NMB Bank. The board oversees UJVC, including risk management, investment decisions, financial matters, and performance reviews, and ensures compliance with internal controls and governance requirements. The Board meets at least four times annually and delegates daily operations to the Executive Directors, supported by Bank professionals under a management Service Level Agreement (SLA). No sub-committee exists. Management reports to the Executive Directors and has no employees due to low transaction volume. The Bank outsources secretarial and accounting services; as volume grows, the subsidiary will review its structure.

The following were the members of the Upanga Joint Venture Company Limited board as at 31 December 2025.

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THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

16. CORPORATE GOVERNANCE (CONTINUED)

Subsidiary Governance (Continued):

Table 28: Members of Upanga Joint Venture Company Limited Board

No.	Name & Position	Gender	Age	Other Positions	Nationality	Appointed Date
1	Ruth Zaipuna (Chairperson)	Female	52	NMB Bank Plc — MD & CEO	Tanzania	15 Jul 2021
2	Robert Mwita (Executive Director)	Male	43	NMB Bank Plc — Head, Financial Control	Tanzania	15 Jul 2021
3	Mafuru Majura (Director)	Male	63	Nyumba ya Sanaa and Culture Limited — Director	Tanzania	15 Jul 2021

Source: NMB Bank Plc Board Secretariat; Board and Committee Attendance Registers; Internal Governance Records for the year ended 31 December 2025

The Subsidiary financial performance for the year 2025 is set out in Note 25 (b) of the Audited Financial Statements 2025.

Board Relationships / Engagement with Shareholders & Stakeholders

Table 29: Board Engagements with Shareholders and Stakeholders.

Position	Responsibilities
Investors	<p>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:</p> <ul style="list-style-type: none"> Investors' Breakfast Meeting. The June 2025 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 25th Annual General Meeting. The AGM was held virtually in June 2025. During the Meeting: <ul style="list-style-type: none"> The shareholders approved a record dividend payout of TZS 429 per share, up from the TZS 361 dividend per share approved and paid out in 2024. 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 the CEO of Arise BV and the Treasury Registrar.
Employees	<p>Directors also held engagements with employees to boost morale, engagement, and productivity, and to communicate expected ethical standards. Examples of the Board's engagement with the Bank's employees in 2025 included:</p> <ul style="list-style-type: none"> Directors engaged with employees at the Headquarters during quarterly Board meetings. 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	<p>To drive the customer-centricity agenda, directors held several engagements with the Bank's customers. Examples of Board engagement with customers in 2025 included:</p> <ul style="list-style-type: none"> The Board Chairman met with customers for a variety of reasons, including to hear customer feedback and deepen a value-added 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.

Source: NMB Bank Plc Board Secretariat and Investor Relations

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FOR THE YEAR ENDED 31 DECEMBER 2025

16. CORPORATE GOVERNANCE (CONTINUED)

Executive Management

Executive Management is responsible for the day-to-day management of the Bank and for implementing the strategy, policies and directives approved by the Board of Directors. Executive Management operates within a clearly defined governance framework, a delegated authority structure, and a risk appetite approved by the Board. It is accountable for the Bank's financial performance, risk management, operational effectiveness, and regulatory compliance. The Bank's management is led by the Managing Director & Chief Executive Officer (CEO) and supported by the Executive Committee (ExCo). Management of the Bank at the date of the report consisted of the following.

Executive Management Committee

The Executive Management Committee comprises fifteen senior leaders who guide the execution of bank's strategy, operations, finance, digital transformation, and governance. They possess extensive experience in banking, finance, risk management, technology, human resources, sustainability, and leadership. As the principal management body, the Executive Committee is accountable to the Board for the bank's prudent and effective management. It oversees all functions, delineates roles, ensures internal coordination, and upholds transparency in decision-making. The Committee also advocates for integrity, fairness, and accountability among all stakeholders, with the Managing Director & Chief Executive Officer serving as Chairperson.

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THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

16. CORPORATE GOVERNANCE (CONTINUED)

Executive Management (Continued)

Table 30: Composition of The NMB Bank Executive Management Team / ExCo

Title	Gender	Age	Qualification	Responsibilities
Managing Director & Chief Executive Officer Ruth Zaipuna	Female	52	ACPA (T), CDIoDT, MBA-Fin, B. Com in Accounting	Overall responsible for driving the Bank's corporate strategy to deliver sustainable business growth.
Executive Director - Finance & Chief Financial Officer Juma Kimori	Male	47	ACPA (T), CDIoDT, MBA, BCom in Accounting	Overall responsible for the financial management, financial reporting, regulatory reporting, tax compliance, general ledger reconciliations and business performance and analytics
Chief Retail Banking Filbert Mponzi	Male	50	ACPA (T), CDIoDT, MBA, BCom in Accounting	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, managing customer experience, and MSME customers that promote financial inclusion.
Chief Wholesale Banking Alfred Shao	Male	49	ACCA, CDIoDT, MBA	Overall, responsible for large corporate customers and business, transactional business, government, managing customer experience, and Trade Finance.
Treasurer Aziz Chacha	Male	44	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	44	MBA, CDIoDT, Certified Reward and HR Practitioner	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.
Chief Technology and Digital Transformation Kwame Makundi	Male	44	MBA - Leadership Development, BSc. Computer Engineering and Information Technology	Overall, responsible for driving the Bank's digital and technology strategy.
Chief Shared Services Nenyuata Mejooli	Female	52	MMBA, CDIoDT, BSc. Electronics	Overall responsible for shared services support, ensuring a conducive workplace across the Bank, facilities, Business Continuity Management, operational transformation, and management and execution of strategic projects in the Bank

16. CORPORATE GOVERNANCE (CONTINUED)

Executive Management (Continued)

Table 30: Composition of The NMB Bank Executive Management Team / ExCo (Continued)

Title	Gender	Age	Qualification	Responsibilities
Chief Risk Officer Doreen Joseph	Female	44	MBA, B.com in Accounting	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	45	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	42	ACPA, CISA, CDIoDT, MSc. Economics and Finance, B.Com Accounting & Finance	Overall responsible for managing Internal Audit and other assurance activities of the Bank and reports to the Board of Directors.
Chief Credit Officer Nishad Jinah	Male	48	CPA (T), BSc. Banking & Finance	Overall responsibility for the credit department, including loan appraisal, portfolio management, bad-debt collection, ensuring sound portfolio quality, and training credit department staff.
Director, Strategy and Growth Francis Mittah	Male	44	CPA (T), BA-Economics and Accounting	Responsible for shaping the bank's long-term direction, driving sustainable growth, and ensuring strategic alignment across all business units.
Director; Investor Relations, Sustainability & Corporate Communications Innocent Yonazi	Male	37	CBCP, MSc, LLM, LLB	Responsible for shaping and leading the bank's investor relations strategy, sustainability programs, corporate communications, and public disclosures.
Ag. Company Secretary Consolatha Moshia	Female	41	LLB (Hons), LLM	Supporting the Board in ensuring the effective functioning of the Board and its committees, and transparent engagement with senior management.

Source: NMB Bank Plc Human Resources Department – Executive Leadership Register (as at 31 December 2025)

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THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

16. CORPORATE GOVERNANCE (CONTINUED)

Executive Management (Continued)

Training and Development Program for the Executive Management

The training covers fiduciary duties and responsibilities, as well as any unique aspects relevant to the business. The primary goal is to ensure that management clearly understands its role in corporate governance, enabling it to exercise sound, objective judgment in the Bank's affairs. In 2025, the Executive Committee completed planned training and development sessions.

Table 31: Executive Committee trainings and development sessions in 2025

SN	Course	Provider	Key Inclusions
1	Executive Leadership Development	Egyptian Banking Institute	Strategy, sustainability, corporate governance, agility, disruptive innovation, media handling, and digital transformation; delivered through case studies, simulations, and roleplay.
2	Media Communication Training for Executives	The Nielsen Network	Executive presence, media interviews, crisis communication, and message delivery.
3	ExCo Pre-Retirement Workshop	CV People TZ	Financial planning, pension options, lifestyle transition, health & legacy planning.
4	African Corporate Governance Conference	Advantage Training	Governance best practices, board effectiveness, ESG, and regulatory updates.
5	Leading Successful Change Program	London Business School	Change models, stakeholder engagement, communication, and managing resistance.
6	Asset and Liability Management (ALM)	Blackbird Training	Balance sheet management, liquidity/interest rate risk, ALCO practices, stress testing.

Source: NMB Bank Plc Human Resources Department – Executive Leadership Register (as at 31 December 2025)

Compensation for Key Management Personnel

The Board conducts an annual, thorough review and approval process for the compensation of key management personnel. The current year's remuneration for key management personnel amounted to TZS 16,456 million (2024: TZS 11,219 million). Further details can be found in note 45(e) of the financial statements.

Management Committees

To support the execution of its mandate, the ExCo has constituted several management-level committees with specialized oversight roles. These committees facilitate informed, expert-driven decision-making across key operational areas, including credit, risk, compliance, capital planning, legal affairs, sustainability, and customer experience. Committees regularly convene to ensure information flow and to develop consensus views for executive management on decisions affecting the Bank. Each committee reports to the Executive Committee, individually and collectively.

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FOR THE YEAR ENDED 31 DECEMBER 2025

16. CORPORATE GOVERNANCE (CONTINUED)

Executive Management (Continued)

Management Committees (Continued)

Table 32: The management committees during the year

Title	Qualification	Responsibilities
Executive Committee	Serves as the main executive forum; oversees strategy execution, financials, risk, and operations; ensures timely escalates key matters to the Board and Committees.	Effective strategy execution, coordinated oversight, and prompt resolution of material issues.
Assets and Liabilities Committee (ALCO)	Manages balance sheet, liquidity, funding, and interest rate risk; oversees capital planning and pricing; ensures compliance and aligns with risk appetite.	Strong liquidity resilience; optimized funding profile; stable margins and regulatory compliance.
Corporate Social Investment (CSI) Committee	Oversees social investment initiatives and monitors governance, impact and effectiveness of CSI programs.	Measurable social impact; enhanced stakeholder trust; alignment of CSI with sustainability objectives.
Cost Efficiency Committee	Oversees cost management and operating efficiency; reviews expenditure trends and cost-to-income performance; drives cost-optimization initiatives.	Improved cost discipline, sustainable cost-to-income ratios, and efficient resource allocation.
Customer Experience Management Committee	Oversees customer experience strategy and service delivery standards, reviews customer satisfaction metrics, complaint trends and service performance.	Improved customer satisfaction and loyalty; reduced complaints; enhanced brand perception.
Disciplinary Appeals Committee	Reviews and determines appeals arising from disciplinary actions; ensures fairness, consistency and adherence to labour laws and internal policies.	Fair and transparent disciplinary outcomes; reduced labour disputes and reputational risk.
Fraud Management Committee	Oversees fraud risk management across the Bank; reviews fraud incidents, loss trends and control effectiveness; drives prevention, detection and response initiatives.	Reduced fraud losses; strengthened fraud controls; enhanced risk awareness.
Loan Portfolio Quality Committee	Oversees loan portfolio quality across all segments; monitors non-performing loans, provisioning adequacy and recovery strategies; drives remediation actions.	Improved asset quality; declining NPL ratios; strengthened provisioning and recoveries.
Management Audit, Risk and Compliance Committee	Oversees internal controls, risk management and compliance frameworks at the management level; reviews audit findings, regulatory issues and remediation progress.	Strengthened control environment; timely closure of audit issues; improved compliance posture.

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16. CORPORATE GOVERNANCE (CONTINUED)

Executive Management (Continued)

Management Committees (Continued)

Table 32: The management committees during the year (Continued)

Title	Qualification	Responsibilities
Management Legal Committee	Provides oversight on legal and contractual matters; reviews material litigation and legal risks; advises management on legal implications of decisions.	Reduced legal exposure; timely resolution of legal matters; enhanced regulatory compliance.
Management Tender Committee	Oversees procurement and tender processes within delegated authority; reviews and approves tender awards; ensures transparency, competitiveness and value for money.	Cost-effective procurement; enhanced governance; reduced procurement risk.
Pricing Committee	Oversees pricing strategies for assets, liabilities and services; reviews pricing to ensure competitiveness, profitability and alignment with funding costs and risk appetite.	Optimized pricing discipline; improved margins; consistent pricing governance.
Product Approval Committee	Reviews and approves new and enhanced products and delivery channels; ensures commercial viability, customer suitability and regulatory compliance prior to launch.	Successful product launches, controlled conduct risk, diversified revenue streams.
Project Management Review Committee	Oversees major projects and transformation initiatives, reviews delivery progress, budgets, risks and interdependencies.	Timely and cost-effective project delivery; reduced execution risk; strategic alignment.
Retail Credit Committee	Reviews and approves retail credit proposals within delegated authority; ensures adherence to retail credit policies and underwriting standards.	Sustainable retail loan growth, stable credit quality, and reduced delinquency levels.
Retail Customer Experience Management Committee	Oversees retail customer journeys and service touchpoints, drives initiatives to improve service efficiency and customer engagement.	Enhanced retail customer experience; improved retention; increased product usage.
Risk and Compliance Committee	Oversees enterprise-wide risk and compliance matters at the management level; reviews key risk indicators and emerging risks; ensures execution of mitigation actions.	Proactive risk management; early risk identification; sustained compliance with risk appetite.
Wholesale Credit Committee	Reviews and approves wholesale credit proposals within delegated authority; ensures alignment with credit risk appetite, sectoral limits and underwriting standards.	Prudent wholesale credit growth; controlled concentration risk; improved portfolio returns.

Source: NMB Bank Plc Executive Committee Register



NMB BANK PLC**THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025****17. GOING CONCERN ASSESSMENT**

The Board of Directors, having made appropriate enquiries and undertaken a robust assessment of the Bank's ability to continue as a going concern, looked at the Bank's financial position, asset quality, balance sheet resilience, performance, liquidity profile, capital adequacy, risk exposures, and strategic outlook. Based on this assessment, the Board is satisfied that NMB Bank Plc has adequate financial and operational resources to continue in existence for the foreseeable future, defined as a period of at least twelve months from the date of approval of the audited financial statements.

In performing this assessment, the Board evaluated both quantitative and qualitative information, current and forward-looking, including approved budgets and forecasts, capital and liquidity projections, stress-testing results, the Bank's resilience under severe but plausible scenarios, and the Bank's risk profile. The Board is convinced of the following indications, which give reasonable assurance as to the Bank's continuance as a going concern for the foreseeable future.

Financial Performance and Forecast Viability

The Group continued to demonstrate sustainable earnings capacity in 2025, underpinned by diversified revenue streams and disciplined cost management. Profit after tax increased to TZS 760 billion (2024: TZS 647 billion), reflecting a year-on-year growth of 17%, while return on equity remained resilient at 27% (2024: 25.2%). Net interest income grew by 13%, supported by balance-sheet optimisation and stable asset yields, while the cost-to-income ratio maintained at 38% (2024: 38%), evidencing continued operating leverage. Forecast financial performance for the 12-month forward period demonstrates continued profitability, supported by stable net interest margins, optimized operating costs, and prudent credit risk management.

The Board is satisfied that the Group's earnings trajectory remains sufficient to absorb credit losses, support organic and inorganic growth, and sustain capital generation under both baseline and stressed conditions. The Board noted that downside sensitivities applied to income growth, impairment charges, and operating costs did not result in forecast losses or capital erosion beyond management buffers.

Capital Adequacy and Stress Resilience

Capital adequacy remained well above regulatory minimal throughout the year, reflecting strong retained earnings and a prudent dividend policy. Forward-looking capital projections, including planned asset growth and dividend distributions, indicate continued compliance with capital requirements over the forecast horizon. See Table 10.

Cash Flow Sufficiency and Obligation Coverage

The Group reported positive operating cash flow of TZS 1.93 trillion in 2025, up from TZS 1.01 trillion in 2024, reflecting robust earnings and effective working capital management. The Group maintained adequate liquidity to fund operations, meet liabilities, and support growth. All obligations, including wholesale funding, customer withdrawals, statutory payments, and expenses, were promptly fulfilled. The Board noted no liquidity stress, defaults, or reliance on emergency facilities during the period.

NMB BANK PLC**THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025****17. GOING CONCERN ASSESSMENT (CONTINUED)****Liquidity Position and Funding Stability**

The Bank maintained strong liquidity with a stable, diversified funding base. The Liquidity Coverage Ratio (LCR) was 831% in 2025, up from 597% in 2024, and the Net Stable Funding Ratio (NSFR) was 156%, above the 100% minimum. Funding was supported by retail deposits, institutional funding, and domestic markets. Customer deposits rose 30.5% YoY, with more low-cost deposits. The Bank accessed medium- and long-term funding, reducing refinancing risk. No material financing risks were identified, and liquidity projections suggest continued ability to meet obligations, including deposits and wholesale funding maturities.

Asset Quality and Credit Risk Considerations

Credit risk metrics remained stable and well-controlled. The Non-Performing Loans ratio marginally improved to 2.5% (2024: 2.9%), while the coverage ratio increased to 96% (2024: 93%), reflecting conservative provisioning practices. Portfolio stress testing indicates the Bank's strong capacity to absorb elevated credit losses under adverse economic scenarios without impairing solvency or liquidity, and the expected credit losses would remain within the Bank's provisioning capacity and capital buffers.

Dividend Capacity and Capital Preservation

The Group maintained a balanced dividend policy, aligned with profitability, capital adequacy, and growth requirements. Dividends declared for 2025 represented a 3-cover ratio (2024: 3-cover ratio), supporting continued capital accretion and delivering sustainable shareholder returns. The Board is satisfied that dividend distributions did not compromise the Bank's capital buffers or going-concern status.

Business Continuity, Expansion and Strategic Optionality

The Group continued to execute its strategic priorities, including controlled balance sheet expansion, digital transformation, and operational efficiency. These initiatives were funded through internally generated resources and long-term funding, without imposing material strain on liquidity or capital.

The going-concern assessment explicitly incorporated operational resilience, business continuity planning, and the stability of critical systems. The Board reviewed business continuity planning, cyber resilience, core banking stability measures, contingency funding plans, recovery options, and crisis management frameworks, and is satisfied with the controls in place to support uninterrupted operations under adverse conditions.

Credit Rating and Stakeholder Confidence

The Bank maintained a B1 stable credit rating from Moody's, supported by robust financial metrics, including liquidity, capital adequacy, asset quality, governance, and macroeconomic factors. External stakeholder confidence remained high, evidenced by oversubscription of recent funding instruments, continued growth in customer balances, and stable counterparty limits from domestic and international financial institutions.

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
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17. GOING CONCERN ASSESSMENT (CONTINUED)

Human Capital and Organisational Stability

Workforce stability and engagement remained robust, with high employee engagement scores underpinning operational continuity and execution capacity. No labour-related issues were identified that could pose a significant risk to ongoing operations. Additionally, there are no material uncertainties related to events or conditions that may cast substantial doubt on the Bank's ability to continue as a going concern. The Bank remains financially sound, profitable, adequately capitalized, liquid, and operationally resilient. Accordingly, the Board affirms the adoption of the going-concern basis of accounting in preparing the financial statements for the year ending 31 December 2025.

18. QUALITY MANAGEMENT

Quality management underpins the Bank's ability to deliver safe, reliable and resilient financial services, while sustaining stakeholder confidence in the integrity, availability and confidentiality of information assets, as well as the continuity of critical operations across physical and digital channels. In 2025, the Board and executive management continued to strengthen the Bank's enterprise-wide quality management architecture through a line-of-sight approach that links operational resilience, technology risk, customer privacy, regulatory compliance, and service reliability to strategic execution and value creation.

Information Security Management System

Information security remained a priority area in 2025, given the continued growth of digital banking and the evolving cyber threats. No data breaches were recorded during 2025, consistent with 2024, and the Bank maintained ongoing control enhancements across identity and access management, security monitoring, endpoint protection, and third-party access governance. No Customer records assessed as compromised (2024: Nil). Mandatory information security and privacy training coverage improved to 99% of employees (2024: 96%). No substantiated customer privacy complaints received (2024: Nil), reflecting enhanced and tighter control discipline.

Business Continuity

The Bank's business continuity arrangements ensure critical services are maintained during disruptions, including technology outages, cyber incidents, physical events, and third-party failures. Resilience indicators improved in FY2025, with the availability of critical digital channels rising to 99.97% from 99.93% in 2024. Full disaster recovery tests for priority systems were completed in 2025.

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19. SUSTAINABILITY

NMB Bank considers sustainability and climate factors to be integral to business resilience and long-term value creation. These matters can influence the Bank's operating environment, customer outcomes, asset quality, cost base, and reputation, and they also create opportunities to support clients and communities through sustainable finance and inclusive banking solutions. Accordingly, NMB integrates sustainability considerations into strategic planning, governance, operations and risk management, while progressively strengthening data, methodologies and disclosures.

Environmental, Social and Climate Risk Management Policy Statement

NMB's approach to environmental, social and climate matters is anchored on responsible conduct, compliance with applicable laws and regulations, and prudent risk management. The Bank seeks to prevent or mitigate adverse environmental and social outcomes associated with its operations and financing activities, while promoting sustainable outcomes through products, services and client engagement.

Sustainability Materiality

NMB applies a double materiality approach to identify and prioritize sustainability matters. This considers firstly, financial materiality, how sustainability and climate factors may create risks or opportunities that could affect the Bank's prospects, performance and position and secondly, impact materiality, how the Bank's activities may affect the economy, people and the environment. Material topics are identified through stakeholder engagement, internal business and risk inputs, and benchmarking, and are prioritized based on long-term stakeholder value, influence on stakeholder decision-making, implications for strategy and business model, business continuity and contribution to the SDGs. The prioritized topics are validated through NMB's sustainability governance arrangements.

Approach for Assessing Material Topics

To comprehensively evaluate the impact of sustainability factors on our stakeholders and operations, NMB employs a double materiality approach that encompasses both financial and impact materiality. This approach provides a comprehensive understanding of the financial risks and opportunities associated with each material factor, also aiding in identifying priority areas for integrating sustainability risks and opportunities into our strategic planning and risk management processes.

Material Topics

NMB's principal material topics are grouped to improve clarity for reporting and management:

- Governance and conduct: corporate governance, compliance and enterprise risk management; financial crime, anti-bribery and corruption; tax compliance and transparency; customer privacy, data protection and cybersecurity.
- People, customers and society: human rights and labour standards; talent management and development; customer experience and responsible conduct; financial inclusion; community investment and social outcomes.
- Climate and environment: operational environmental footprint (energy, water, waste and Scope 1 and 2 emissions); environmental and social risk management (ESRM) in lending; portfolio impacts, including financed emissions measurement and client transition engagement; nature and biodiversity considerations where relevant to financed activities.

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

19. SUSTAINABILITY (CONTINUED)

Approach to Sustainability

To translate material topics into execution, NMB applies a four-pillar sustainability framework: Sustainable Finance, Sustainable Operations, Financial Inclusion, and Climate & Environment. The framework is intended to reduce risk, unlock new business opportunities and strengthen stakeholder trust. Each pillar includes commitments and programs that support consistent standards and measurable progress across the Bank.

Governance

The NMB governance framework effectively manages the sustainability agenda through well-defined, integrated, and consistently implemented oversight and operational structures. The Bank's governance and risk management framework facilitates the monitoring and management of strategies, providing oversight on how NMB operationalize the sustainability agenda.

The BEC committee supports the Board in fulfilling sustainability responsibilities, while ultimate accountability remains with the Board. This includes overseeing the Bank's sustainability policy and its risk appetite for sustainability-related impacts.

Management, via the board, oversees the daily sustainability agenda. At the management level, coordination continues under the Sustainability Steering Committee, with executive responsibility assigned to the Director of Investor Relations, Sustainability, and Corporate Communications.

NMB Bank has established a comprehensive governance framework to manage climate-related risks and opportunities effectively. The Environmental and Social (E&S) Policy, Climate Risk Policy, and Sustainability Framework underpin our commitment to sustainability and provide a robust foundation for reporting and accountability. Furthermore, the implementation of the Sustainability Policy ensures that the Bank's risk management framework adequately addresses sustainability risks and leverages opportunities, aligning with best practices for reporting and oversight.

Strategy

NMB integrates sustainability and climate considerations into its business strategy to support resilience and long-term value creation. 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 Bank's sustainability strategy is implemented through four pillars, each linked to material topics and practical commitments:

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19. SUSTAINABILITY (CONTINUED)

Strategy (Continued)

Sustainable Operations

NMB integrates environmental and sustainability standards into its operations and supply chain. Priority areas include improving resource efficiency, reducing operational emissions (Scope 1 and 2), strengthening waste and water management, and embedding sustainability considerations in procurement and third-party risk management. Operational initiatives are supported by compliance with applicable environmental requirements and ongoing monitoring and reporting of key operational metrics.

Sustainable Finance

NMB views sustainable finance as a lever for growth and impact, implemented through its Sustainable Financing Framework. The Bank seeks to mobilize capital through green, social and sustainability instruments and lending solutions that support eligible projects and customer outcomes. Priority areas include renewable energy, energy efficiency, climate adaptation, sustainable water management, clean transport and other green categories, as well as social categories such as affordable housing, education, healthcare, MSME financing, job creation and food security.

Financial Inclusion

Financial inclusion remains a strategic workstream, focused on expanding access to banking services and enabling economic participation. This includes distribution models such as agency banking and digital channels, as well as product design tailored to underserved segments. NMB's inclusion agenda supports customer well-being and broad-based growth while reinforcing long-term franchise strength.

Climate and Environment

NMB recognizes climate change as both a risk and an opportunity for the Bank and its clients. The Bank's approach focuses on strengthening climate reporting, risk management, supporting client transition and adaptation, and improving the quality of climate-related data and analytics over time. This includes developing climate-related scenario analysis and stress-testing capabilities and integrating climate considerations into strategic and operational initiatives across the four pillars.

Risk Management

NMB Bank faces various financial and non-financial risks, including significant ESG and climate-related risks affecting its operations, portfolios, and long-term performance. Sustainability Risk management is based on the Enterprise Risk Management Framework (ERMF), Risk Appetite Statements, and policies that promote proactive oversight. Furthermore, these risks are integrated into risk identification, assessment, monitoring, and reporting processes to keep sustainability central to decision-making. Sustainability risk is a principal risk in the ERMF, with defined management methods across risk types. The Bank's Sustainability Framework, E&S policy, and the Three Lines of Defence model facilitate comprehensive climate risk oversight. The bank is committed to improving risk assessment, expanding scenario analysis and stress testing, and enhancing stakeholder engagement to enhance resilience and support the global transition to a sustainable economy.

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FOR THE YEAR ENDED 31 DECEMBER 2025

19. SUSTAINABILITY (CONTINUED)

Risk Management (Continued)

Upstream Sustainability Risk

The Bank maintains a comprehensive, regularly updated Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) and Sanctions Compliance framework, aligned with evolving regulatory requirements issued by the Bank of Tanzania and with international standards. Mandatory training programs are consistently enhanced to ensure that all personnel, whether directly engaged with customers or not, understand their responsibilities for upholding robust compliance controls.

a. Employee Welfare, Satisfaction, and Well-being

NMB emphasizes the importance of maintaining a secure, inclusive, and supportive working environment. The Bank offers wellness initiatives, including health screenings, mental health support, and medical insurance coverage for employees and their dependents. Fire safety drills and safety awareness campaigns are integrated throughout branches and head office locations.

NMB maintains a strict zero-tolerance policy on discrimination, harassment, human rights abuses, and misconduct, reinforced by mandatory training and a confidential whistleblowing mechanism, "SIKIKI." The organization continually invests in staff development, leadership programs, and accessible workplace technologies to foster an engaged, resilient, and high-performing workforce. See section 24, table 45.

b. Information Security & Privacy Risk Management

NMB manages large volumes of real-time data to provide secure banking. It emphasizes confidentiality, data integrity, and compliance with regulations. Cybersecurity is vital to its resilience, supported by a dedicated, certified Information Security team responsible for governance, threat detection, and incident response. The Bank continuously improves its cybersecurity policies, tools, and infrastructure, aligning with standards like PCI DSS and SWIFT CSP to prevent and respond to cyber threats.

c. Operational Risk & Business Continuity Management

NMB's resilience framework ensures delivery of essential services during disruptions. The Bank assesses the vulnerabilities of branches, data centres, and key locations and incorporates them into Business Continuity Plans (BCPs). Regular drills test and strengthen preparedness, helping the Bank respond, adapt, and recover quickly with minimal impact. Refer to sections 11 and 17.

Downstream Sustainability Risks

NMB maintains a strong Credit Risk Management framework aligned with its Risk Appetite and IFRS S1 and S2. Credit exposures across the MSME, Agri, Corporate, and Retail segments are subject to detailed evaluation, covering borrower capacity, sector risks, and diversification. Climate considerations, sector vulnerability, customer transition, and asset impacts are integrated into risk assessments to support sustainability and regulatory compliance.

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FOR THE YEAR ENDED 31 DECEMBER 2025

19. SUSTAINABILITY (CONTINUED)

Risk Management (Continued)

Environmental & Social Risk Management (ESRM)

NMB employs an Environmental and Social Risk Management (ESRM) framework to identify, evaluate, and mitigate environmental and social risks in its lending. All loans undergo screening against the Exclusion List, followed by tiered Environmental and Social Due Diligence (ESDD) based on risk. The ESRM assesses quantitative factors like waste, emissions, and resource use, and qualitative issues such as labor practices and community impact. Risk scores categorize exposures into low, medium, or high to promote responsible, sustainable lending commitments.

Climate Risk Management

NMB Bank continues to strengthen its climate-risk management in alignment with the Bank of Tanzania Guidelines and IFRS S2. Climate risk has been embedded as a principal risk type within the Enterprise Risk Management Framework, supported by ongoing enhancements in risk identification, quantification, mitigation, and development of climate-scenario stress-testing models. During the reporting period, the Bank advanced its greenhouse-gas accounting, completing Scope 1, Scope 2, and selected Scope 3 operational categories ahead of NBAA timelines, enhancing visibility into transition and operational exposures. Recognising the materiality of portfolio-level climate exposures, the Bank prioritised financed-emissions (Scope 3 Category 15) and will continue applying PCAF-aligned proxy methodologies while strengthening client-level data frameworks for improved portfolio-risk estimation. To support data quality and assurance, implementation of an ESG Data Management System is underway and expected to automate climate-related data collection and validation by Q2 2026.

Complementing these initiatives, the Bank is progressively integrating climate considerations into frontline credit assessments, including embedding sector-level climate factors into borrower due-diligence and credit-risk evaluation processes, consistent with emerging global banking practice. In alignment with leading peers, NMB is strengthening its capacity to evaluate climate-related impacts on expected-credit-loss (ECL) estimations, even as many climate impacts remain long-dated and are assessed as immaterial in current models. The Bank is also enhancing its climate-scenario analysis frameworks to deepen resilience testing across priority sectors and align with global expectations on transition-plan assessment. Further, NMB continues to strengthen governance structures, ensuring robust Board oversight, enhanced disclosure of climate-related deliberations, and progressive identification of climate competence within Board and management structures.

In line with international best practice, the Bank is advancing its work on transition-planning by defining clearer implementation measures for long-term climate commitments, improving the connectivity between climate information and financial-statement disclosures, and progressively integrating emerging nature-related risk considerations into its governance and risk-management frameworks. Collectively, these efforts demonstrate the Bank's commitment to regulatory compliance, strengthened climate-risk governance, and enhanced transparency in sustainability-related disclosures.

- **Physical Risk:** In terms of physical risk management, the bank conducts vulnerability assessments across its branch network, data centres, and key operational sites. This survey facilitates a robust understanding of potential impacts from extreme weather events, flooding, heat stress, and other climate hazards on assets, operational continuity, and service delivery.

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19. SUSTAINABILITY (CONTINUED)

Risk Management (Continued)

Climate Risk Management (Continued)

- **Transition Risk:** For transition risk management, NMB evaluates sector-specific exposures by analysing greenhouse gas emission intensities within its lending portfolio. Particular attention is paid to high-emission and climate-sensitive sectors, which undergo detailed assessment to quantify the bank's exposure to physical and transition risks, namely policy changes, technological advancements, and market dynamics. The focus remains on sectors with elevated emissions profiles to inform credit strategies and portfolio allocation. This integrated approach aligns with IFRS S1 and S2 disclosure standards, enhancing the bank's capacity to identify, evaluate, and monitor climate-related risks across its operations, lending activities, and strategic planning horizon.

Sectorial Exposures

Regarding exposure to carbon-related and climate-sensitive sectors, NMB has identified the client sectors in our portfolio that are most vulnerable to climate risk or have substantial potential for climate-related opportunities.

Table 33: Exposures to Carbon-Related and Climate-Sensitive Sectors

Sector	2025 Exposure (TZS Bn)	% of total credit portfolio	2024 Exposure (TZS Bn)	% of total credit portfolio	Change YoY
<i>High Emission Sectors</i>					
Transport and logistics	137	1.2	191	2.2	▼
Manufacturing	471	4.4	338	3.9	▲
Mining and quarrying	142	1.3	9	0.1	▲
Water	0.5	0	0	0	▲
Electricity	126	1.2	140	1.6	▼
Gas	126	1.6	0	0	▲
Sub-Total	1,051.5	9.7	678	7.7	▲
<i>Climate Sensitive Sectors</i>					
Real estate	98	0.9	0	0	▲
Transport & logistics	136	1.2	190	2.18	▼
Agriculture	991	9.3	1,062	12.14	▼
Manufacturing	471	4.4	338	3.86	▼
Mining & quarrying	141	1.3	9	0.11	▲
Building & Construction	130	1.2	175	2.01	▼
Water	0.5	0	0	0	▲
Electricity	126	1.2	140	1.6	▼
Sub-Total	2,094	19.5	1,914	21.9	▲

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THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

19. SUSTAINABILITY (CONTINUED)

Risk Management (Continued)

Portfolio exposure to Climate Risk (Continued)

NMB includes three scenarios that explore transition and physical risks to varying 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 the Hot House World in 2050.

NMB periodically identifies the client sectors in its portfolio that face the highest exposure to climate risk or present the greatest potential for climate-related opportunities in its On-Balance loan book portfolios.

Table 34: Climate Change Risks on Credit Exposure for NMB portfolio as of December 2025

Sector	Exposure	Orderly transition 2050		Delayed transition 2030		Current policies 2050	
		%	Physical risk	Transition risk	Physical risk	Transition risk	Physical risk
Administrative & Support service	0.01%		Low	Low	Low	Low	High
Agriculture	20.52%		Medium	Low	Medium	Medium	High
Building & Construction	2.71%		Low	Medium	Medium	High	Very High
Education	0.38%		Low	Low	Low	Low	High
Electricity	2.61%		Medium	Medium	Medium	High	Very High
Fishing	0.08%		Medium	Medium	Medium	Medium	Very High
Gas	3.62%		Medium	Medium	Medium	High	High
Health	0.10%		Low	Low	Low	Low	High
Hotels & Restaurants	0.12%		Medium	Medium	Medium	Medium	High
Information & Communication	1.29%		Medium	Low	Medium	Low	High
Leasing	0.00%		Low	Low	Low	Low	High
Manufacturing	9.74%		Medium	Medium	Medium	High	Very High
Mining & quarrying	2.93%		Medium	Medium	Medium	High	Very High
Mortgage	2.09%		Medium	Low	Medium	Low	High
Other Services	5.63%		Low	Low	Low	Low	High
Professional, scientific & technical act	0.19%		Low	Low	Low	Low	High
Public administration & Defence	13.01%		Low	Low	Low	Low	High
Real Estate	2.05%		Medium	Medium	Medium	High	Very High
Tourism	0.21%		Medium	Medium	Medium	Medium	High
Trade & Repairs	29.82%		Medium	Medium	Medium	High	Very High
Transport	2.83%		Medium	Medium	Medium	Medium	Very High
Water	0.01%		Medium	Low	High	Medium	High
Total	100%		Low		Medium		High

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19. SUSTAINABILITY (CONTINUED)

Risk Management (Continued)

Portfolio exposure to Climate Risk (Continued)

Orderly Transition Scenario envisions a gradual implementation of climate policies with low physical and transition risks across most sectors. The mining, manufacturing, and energy sectors, especially oil and gas, face significant risks amid global commitments to phase out fossil fuels by 2050. With 8.6% exposure mainly in service stations and short-term facilities, it requires close monitoring. The Bank plans to assess clients' transition plans to mitigate long-term risk exposure.

In the delayed transition scenario, medium-to-high risks are expected across sectors such as manufacturing, gas, mining, and electricity. Despite the high-risk potential, NMB's portfolio has low exposure and short-term credit facilities (mainly under five years), do offer some mitigation.

In the Hot House world, our portfolio faces minimal risk because most credit facilities mature within five years. This short-term lending limits physical and transition risks, which may grow over 10-15 years. Sectors like agriculture and trade show increased physical risks in the long term, but immediate effects are contained due to short-maturity exposures.

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.
- Net interest income through lending activities.
- Additional Non-Funded Income through advisory and underwriting activities.

Our 2026 Sustainability and Climate Initiative Outlook

By 2026, NMB aims to align its goals with decarbonization pathways via the Science-Based Targets initiative. Building on our updated 2024 GHG baseline, we plan to invest in more advanced monitoring and management tools. We will also broaden our disclosure practices, especially regarding Scope 3 emissions, to fill information gaps and improve transparency for stakeholders. Furthermore, we enhance the integration of climate risk management into scenario and stress testing, as well as into the estimation of credit losses.

Metrics & Targets

As part of our ongoing commitment to advancing sustainability in Tanzania, NMB Bank has continued to strengthen the measurement, management, and disclosure of our environmental and social impacts. Over recent years, we have progressively expanded our reporting scope from financial inclusion, sustainable operations, and finance to our Greenhouse Gas (GHG) accounting to ensure comprehensive visibility across our value chain.

In 2024, the Bank began quantifying Scope 1, 2, and 3 emissions associated with our business loan portfolio, establishing the foundation/baseline for a more robust climate-impact assessment.

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19. SUSTAINABILITY (CONTINUED)

Metrics & Targets (Continued)

This broadened approach reflects our commitment to aligning with internationally recognized sustainability and climate-related financial disclosure frameworks.

For the current reporting year, NMB has maintained this comprehensive methodology, disclosing all emissions categories across Scopes 1, 2, and 3, including financed emissions, in accordance with global standards such as the GHG Protocol and PCAF. This information will also be comprehensively reported in our forthcoming Sustainability Report to ensure full transparency and comparability.

Beyond climate reporting, the Bank continues to advance its broader sustainability performances through several strategic pillars:

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. Our strategic commitments to Sustainable operations are as follows.

Corporate Governance, Compliance, and Risk Management:

NMB's dedication to equity, ethical conduct, and accountability is embodied in its governance structure, which meticulously oversees compliance and risk management across all tiers. Each employee is responsible for identifying potential risks, reinforcing our risk-awareness and vigilance culture. Refer to section 11, 16, and 17.

Financial Crime, Anti-Bribery, and Corruption:

NMB Bank upholds the highest ethical standards and ensures compliance with all applicable 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.

Human Rights and Labour 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 our employees' safety and security. 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 24 and table 45.

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, in accordance with all applicable privacy and data protection laws and regulations. NMB complies with the Personal Data Protection Act, 2022, and international standards, as set out in the Data Governance Policy, 2024. See Table 41 for the data security category.

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19. SUSTAINABILITY (CONTINUED)

Metrics & Targets (Continued)

Sustainable Operations (Continued)

Environmental Impact of our Operations:

NMB considers its environmental impact on its daily business. NMB's sustainable operations initiatives are geared toward contributing to the SDGs. Initiatives include achieving net-zero carbon emissions across its operations, driving a sustainable supply chain, practising sustainable resource consumption (including energy and water), and implementing sustainable waste management practices. See table 40, other ESG highlights.

Sustainable Finance

NMB's commitment to sustainable financing encompasses developing innovative instruments and cultivating strategic partnerships, guided by our Sustainable Financing and Social Bond Frameworks. An independent evaluation by Sustainalytics assessed our social and sustainable financing frameworks to ensure the credibility and intended impact of the Social Bond and Sustainable Bond Issuance. The evaluation confirmed that both frameworks are reputable and effective, aligning with the four fundamental components of the ICMA Principles: use of proceeds, project evaluation, proceeds management, and reporting.

Table 35: Sustainability Issued Instruments

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
ISIN TZ1996105841	Social	Nov-25	Nov-30	TZS 147 Bn

Financial Inclusion

NMB remains committed to unlocking access to affordable, user-friendly banking for individuals and businesses with limited access to financial services. NMB's mission is to expand its reach to those with limited access to financial services by tailoring products, services, campaigns, and training to diverse needs.

Customer Outreach:

In 2025, we will continue to serve the Tanzanian economy and our valued Customers through our access point detailed below.

Table 36: Points of access

Access Point	2025	2024	2023
Branches	248	240	231
NMB Wakala	73,259	50,698	28,295
Bank on Wheels	7	7	7
ATM	735	714	715
Stand-alone Bureau De Change	2	2	2
Deposit Boxes	17	-	-
Minada Outlet	5	-	-
Service Points	59	57	54

*The ATM network is enhanced by our partnership with UMOJA SWITCH. NMB customers now have access to over 900 ATMs nationwide.

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19. SUSTAINABILITY (CONTINUED)

Metrics & Targets (Continued)

Financial Inclusion (Continued)

Customer Satisfaction Assurance:

NMB's growth strategy prioritises service excellence to meet customers' evolving needs in an increasingly competitive market. In 2025, initiatives focused on enhancing experience across all touchpoints. The branch experience was strengthened through the deployment of the Customer Experience Advisor and EQMS systems, which streamlined customer-facing processes and improved service turnaround times. Further process enhancements increased resolution efficiency and reduced friction in high-volume service areas. Support channels were also reinforced through digital innovation. The introduction of Jirani, together with the Sisi Ni Huduma campaign, expanded real-time engagement capabilities and ensured faster responses to customer inquiries. In addition, the contact centre underwent structural optimisation to improve responsiveness, including the establishment of a dedicated Bancassurance desk to enhance cross-selling and service integration.

Mass Account Opening:

Driven by the bank's strategic goals and Sustainable banking practices, NMB Bank has leveraged mass account openings as a pivotal tool to broaden the bank's customer base by providing sustainable, innovative, and affordable financial services. In 2025, this initiative onboarded 1.3 million new bank customers. To simplify access and cut reliance on branches, NMB launched new onboarding innovations, including Self-Service Digital Account Opening. This QR-based, mobile/web service lets customers open accounts without visiting branches, boosting convenience, and reducing onboarding friction. Furthermore, our Rural Banking initiative, specifically targeting underserved and unserved rural populations, expanded its reach to more than 3,000 villages driven by NMB Pesa Account preposition, Minada outreach, Bank on Wheels, Wakala activations, and Kijiji Day events. To support rural banking growth and ensure seamless service delivery to NMB rural banking customers, we onboarded more than 5,000 dedicated rural banking Wakala, 5 minada outlets, further strengthening our commitment to financial inclusion.

Support for MSMEs, Agribusiness and Entrepreneurs:

NMB Bank remains committed to supporting the growth of Micro, Small, and Medium Enterprises (MSMEs), entrepreneurs, startups, and small businesses by empowering them through Credit, capability support, and the ecosystem. This dedication not only promotes financial inclusion for unbanked and underserved populations but also drives economic development through initiatives such as Minada livestock auction outlets, Bank on Wheels (BoW), Kijiji Day financial literacy events, and rural Wakala onboarding. Additionally, through its momentum in Agri finance and Business Banking financing, NMB continues to finance and reinforce working capital access across various value chains. See Table 38.

Empowerment through Financial Inclusion:

In 2025, NMB Bank accelerated its commitment to empowering individuals, communities, and underserved groups by expanding access, deepening usage, and building customer capability across both urban and rural markets. The Bank's financial inclusion strategy focused on bringing services closer to people, reducing barriers, and supporting income-generating activities, particularly for women, youth, farmers, livestock traders, and MSMEs. For example, NMB conducted workshops and programmes whereby a number of women reached through the Jasiri Business Clubs and were provided with Financial Literacy. See Table 41

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19. SUSTAINABILITY (CONTINUED)
Metrics & Targets (Continued)

Financial Inclusion (Continued)

Digital and Innovative Propositions:

NMB Bank is dedicated to enhancing our digital services to meet customers' banking needs efficiently and effectively. NMB strengthened its digital leadership in 2025 by launching a QR-enabled self-service account opening solution, which supported the year's large-scale customer acquisition. The Bank enhanced payment innovation by expanding Tan-QR to 99,526 merchants and integrating major partners to deepen digital collections. It also launched and rolled out Mshiko Fasta Plus, improving access to micro-lending. Core systems were modernized and improved as well. 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 enhanced menu options, delivering a superior banking experience for customers.

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 channels, from branches to online, we guarantee precise, accurate, and comprehensive product and service information, ensuring no misleading information is provided in our marketing activities.

Investment in the Community:

NMB Bank continues to demonstrate its commitment to socio-economic development through targeted initiatives in education, healthcare, financial literacy, and disaster recovery. We empowered communities by providing financial literacy programs through Business Clubs, supporting education with resources such as desks and computers, and offering the Nuru Yangu Scholarship. See Section 27 and table 40 for highlights on corporate social responsibility (CSI).

Climate and Environment

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, we report relevant operational categories, including business travel, employee commuting, and waste generated in operations, demonstrating our commitment to a comprehensive understanding of our environmental impact.

In 2025, 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 industry-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 emissions accounts for 50% of our operational carbon emissions. Notably:

- A substantial portion of our Scope 1 emissions is attributable to vehicle operations. Our primary approach is to improve fugitive emissions monitoring to ensure comprehensive Scope 1 reporting.
- Electricity consumption constitutes 33% of our total emissions. We plan to rigorously monitor energy consumption to ensure accurate, reliable data.
- Scope 3 operations emissions account for 50% of our overall carbon footprint, primarily from Employee commuting, Fuel and Energy use, and Business travel.

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FOR THE YEAR ENDED 31 DECEMBER 2025**
19. SUSTAINABILITY (CONTINUED)
Metrics & Targets (Continued)

Climate and Environment (Continued)

Table 37: Detailed breakdown of NMB's baseline operational emissions

GHG emissions in tCO ₂ e	2025	2024	% change
Scope 1 emissions			
Fuel Consumption	3,719	5,638	-34%
Refrigerants	-	-	
Scope 1 total	3,719	5,638	-34%
Scope 2 emissions			
Electricity (Location-based)	7,371	7,580	-3%
Other	-	-	
Scope 2 total	7,371	7,580	-3%
Total Scope 1 and Scope 2	11,090	13,218	-16%
Scope 3: (Our Operational Scope 3 in tCO₂e)			
Category 1: Purchased Goods	2,620	2,394	10%
Category 2: Capital Goods	3,005	2,781	8%
Category 3: Fuel and Energy Upstream	1,293	1,757	-26%
Category 5: Waste Generation	14	2	600%
Category 6: Business Travel	756	681	11%
Category 7: Employee Commuting	3,297	2,989	10%
Scope 3 total	10,985	10,604	4%
Total Operational GHG Emissions	22,075	23,822	-7%

Note:

1. Where direct activity data is incomplete, estimates may be used (for example, fuel and electricity consumption approximations). NMB applies internal validation checks and improves source data quality over time.
2. GHG emission intensity is the total operational emissions per full-time employee.
3. Total operating GHG emissions do not include financed emissions; these will be addressed separately.
4. 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.
5. 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.

Table 38: Detailed breakdown of NMB's baseline financed emissions

Sector	2024 Total (tCO ₂ e)	% Contribution
Agriculture	264,483.29	24%
Building and Construction	675.09	0%
Construction	8,741.41	1%
Iron & steel	14,879.91	1%
Manufacturing	202,302.75	18%
Oil & Gas	542,739.92	48%
Power	50,783.93	5%
Real Estate	248.6	0%
Trade	2,528.29	0%
Transport and Communication	34,135.63	3%
TOTAL	1,121,518.82	100%

Note:

1. For Scope 3 and financed emissions, data availability may be limited and may require the use of estimates, client-reported information, sector factors or proxies. Boundary setting, attribution and proxy selection can materially affect results.
2. Financed GHG emissions do not include 2025 financed emissions; these will be addressed separately in the Sustainability Report 2025.

NMB BANK PLC
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19. SUSTAINABILITY (CONTINUED)
Metrics & Targets (Continued)

GHG Computation Methodology

Our climate-related reporting methodologies adhere 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).

$$\text{Emission amount (tCO}_2\text{ e)} = \sum_{(i=1)}^n \text{Fuel Consumption (ltr)} \times \text{Emission Factors}$$

- Scope 2 (Indirect Emissions): emissions arising from purchased electricity and district heating.

$$\text{Emission amount (tCO}_2\text{ e)} = \sum_{(i=1)}^n \text{Electricity Consumption (kWh)} \times \text{Emission Factors}$$

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, in accordance with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. We assess emissions across the full Scope 3 categories (1–14), ensuring thorough identification and management of indirect emissions across our value chain. This includes supply chain emissions, employee commuting, business travel, and product lifecycle impacts. NMB does not engage in all activities within the categories, and we are at varying degrees of maturity in establishing methodologies and a basis for calculating 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. Estimates are derived from borrower-specific business characteristics and available data, ensuring consistency with industry best practices for carbon accounting.

$$\text{Portfolio GHG Emissions}_{Fi} = \sum_i \left(\frac{\text{Outstanding Amount}_{Fi}}{\text{Equity} + \text{Debt}_i} \right) \times \text{GHG Emissions}_i$$

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19. SUSTAINABILITY (CONTINUED)
Metrics & Targets (Continued)

GHG Computation Methodology (Continued)

Data Reporting

NMB's sustainability reporting is evidence-led and focused on data quality. The Bank uses primary operational data to measure Scope 1 and Scope 2 emissions, and applies secondary data and estimation for Scope 3, where supplier and client information is not yet consistently available. The main constraint remains with limited value-chain data, which affects the completeness and precision of Scope 3 reporting.

NMB recognizes financed emissions as the largest component of its overall GHG footprint. Comprehensive measurement is still constrained by the availability of client-verified inputs required under the PCAF attribution approach (including energy consumption, production metrics, and client Scope 1 and 2 emissions). As a result, the Bank used a revenue-based proxy methodology in FY2024/25 to establish a baseline and sector benchmark and is reapplying the same method in FY2025 to maintain comparability while strengthening client data collection and measurement systems through 2025–2026.

Data Quality Score:

The GHG Emission computation uses a data quality score for Scope 3 (financed emissions) ranging from 4 to 5, with 1 indicating high data quality and 5 indicating low data quality. Conversely, the data quality scores for other calculations, including Scope 1, Scope 2, and Scope 3 (internal emissions), are 1 and 2.

Baselining Recalculation Procedure

NMB Bank will disclose any significant changes that trigger the recalculation of base-year (2024) financed emissions, in line with our commitment to ensuring the consistency, comparability, and relevance of the GHG emissions reported over time, supporting long-term decarbonization efforts. Recalculations of the emissions baseline occur when significant changes, such as improved data, methodological updates, or structural shifts, such as mergers or boundary changes, occur. These are especially relevant for Scope 3 emissions, given the limited data available.

19. SUSTAINABILITY (CONTINUED)

Metrics & Targets (Continued)

Table 39: IFRS S1 Disclosure: SASB Index for Commercial Banks, Sustainability Disclosure Topics & Metrics

Category	Code	Metrics Monitored	2025	2024	2023
Data Security ¹	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
Financial Inclusion & Capacity Building	FN-CB-230a.1	Description of approach to identifying and addressing data security risks ¹	na	na	na
	FN-CB-240a.1	Total Customer	9.9	8.6	7.1
		Total Number of MSME customers (in Million)	0.86	0.49	0.39
		Total Amount of MSMEs loans outstanding (Tzs Billion)	985	754	785
		Total Number of Agricultural customers (in Million)	1.20	1.06	0.83
		Value of Agricultural loans (Tzs Billion)	1,424	941	429
Women Proposition (Jasiri)		Number of NMB customers who are women (in Million)	3.8	3.1	2.4
		Percentage of Women Customers in the NMB customer base	38%	36%	35%
		Value of loans disbursed to women (Tzs Trillion)	2.5	0.976	0.857
		Number of youth customers (Millions)	5	4	3
		Percentage of youth active customers	54%	45%	44%
FN-CB-240a.4		Number of women reached through the Jasiri Clinics and provided with Financial Literacy.	18,470	9,050	7,000
Incorporation of ESG Factors in Credit Analysis	FN-CB-410a.2	Description of approach to incorporation of Environmental, Social, and Governance (ESG) factors in credit analysis ²			See Section 19

¹ 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.

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Metrics & Targets (Continued)

Table 39: IFRS S1 Disclosure: SASB Index for Commercial Banks, Sustainability Disclosure Topics & Metrics (Continued)

Category	Code	Metrics Monitored	2025	2024	2023
Financed Emission	FN-CB-410b.1	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3			See Section 19
	FN-CB-410b.2	Gross exposure for each industry by asset class			See Section 19
	FN-CB-410b.3	% of gross exposure included in the financed emissions calculation			See Section 19
	FN-CB-410b.4	Description of the methodology used to calculate financed emissions			See Section 19
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 behaviour, 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 16
Systemic Risk Management	FN-CB-550a.1	Global Systemically Important Bank (G-SIB) score by category ²	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			See Sections 11 & 13
Activity Metrics (in Mn)	FN-CB-000.A	Total number of NMB customers	9.9	8.6	7.1
		(1.a) Number of Checking Accounts: Personal	7.2	6.2	5.1
		(1.b) Number of Checking Accounts: Small Business	1.59	1.5	1.2
		(2.a) Value of Checking Accounts: Personal	3,917	3,342	2,779
		(2.b) Value of Checking Accounts: Small Business	1,808	1,095	871
		(1.a) Number of Saving Accounts: Personal	0.998	0.806	0.695
		(1.b) Number of Saving Accounts: Small Business	0.042	0.037	0.037
		(2.a) Value of Saving Accounts: Personal	1,208	1,023	900
		(1.a) Number of personal loans	0.458	0.408	0.384
		(1.b) Number of small businesses	1.947	0.047	0.048
	(1.c) Number of corporates	0.003	0.001	0.001	
	(1.a) Value of personal loans	5,939	5,397	4,783	
	(1.b) Value of small business	1,715	1,282	1,200	
	(1.c) Value of corporates	2,933	2,061	1,969	

² 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.

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19. SUSTAINABILITY (CONTINUED)

Metrics & Targets (Continued)

Table 40: Other ESG Highlights

Category	Description	2025	2024	Framework
Budget	Dedicated CSI budget (TZS Billion)	6.4	5.4	SDG 1, SDG 10; GRI 201-1; SASB FN-CB-240a.2
	Number of scholarships offered	131	131	SDG 4; GRI 203-1; SASB FN-CB-240a.2
Education Support	Value of scholarship support offered in Billions	2	0.886	SDG 4; GRI 203-1; SASB FN-CB-240a.2
	Number of schools benefiting from facility support	12	185	SDG 4; GRI 203-1; SASB FN-CB-240a.2
	Number of students benefiting from support	1,096	33,310	SDG 4; GRI 203-1; SASB FN-CB-240a.2
	Funding in Billions	0.7	1	SDG 3; GRI 203-1; SASB FN-CB-240a.2
Health Support	Number of facilities donated	42	65	SDG 3; GRI 203-1; SASB FN-CB-240a.2
<i>Sustainability & Climate Action</i>				
	Value of disaster recovery support (TZS Million)	Continuous	103.5	SDG 13; GRI 201-1; SASB FN-CB-410a.2
	Number of trees planted in Millions	1.4	1.4	SDG 15; GRI 304-2; SASB FN-CB-410a.2
	Number of branches using LED lighting	247	203	SDG 7; GRI 302-1; SASB FN-CB-410a.2
Clean Energy Transition	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

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19. SUSTAINABILITY (CONTINUED)

Metrics & Targets (Continued)

Table 40: Other ESG Highlights (Continued)

Category	Description	2025	2024	Framework
	Total waste (kg)	na	na	SDG 12; GRI 306-3; SASB FN-CB-410a.2
	Waste recycled (kg)	10,841	3,425	SDG 12; GRI 306-2; SASB FN-CB-410a.2
	Cans	4	1	SDG 12; GRI 306-2; SASB FN-CB-410a.2
	Cardboard	253	278	SDG 12; GRI 306-2; SASB FN-CB-410a.2
Waste Management	Food waste	3,911	2,910	SDG 12; GRI 306-2; SASB FN-CB-410a.2
	Nylon	19	11	SDG 12; GRI 306-2; SASB FN-CB-410a.2
	Glass	35	0	SDG 12; GRI 306-2; SASB FN-CB-410a.2
	Paper	10,806	192	SDG 12; GRI 306-2; SASB FN-CB-410a.2
	Plastic	70	33	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
Diversity, Equality, and Inclusion	% of women in senior leadership positions	33%	28%	SDG 5; GRI 405-1; SASB FN-CB-330a.1
	% of youth in the workforce (below 35 years)	28%	32%	SDG 8; GRI 405-1; SASB FN-CB-330a.1
	Number of staff with disabilities	12	11	SDG 10; GRI 405-1; SASB FN-CB-330a.1

Source: NMB Internal CSI Records, Internal Corporate Support and Human Resource Records, FY2025.

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20. CRITICAL ACCOUNTING POLICIES AND JUDGEMENTS

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.

21. SOLVENCY

The state of affairs of NMB Bank Plc as of 31 December 2025 is presented on page 301 to 302 of the financial statements. The Directors are satisfied that the Bank is solvent within the meaning prescribed by the Tanzania Companies Act No. 12 of 2002. The Board of Directors further confirms that the financial statements have been prepared in compliance with applicable accounting standards and statutory requirements. The financial statements have been prepared on a going concern basis, and the Directors have a reasonable expectation that the Bank has adequate financial and operational resources to continue in business for the foreseeable future.

22. EQUITY INVESTMENTS

At 31 December 2025, the Bank held 2,700,000 shares in Tanzania Mortgage Refinance Company (TMRC), representing 9.51% of TMRC's issued share capital, unchanged from 2024 (2,700,000 shares; 9.51%). The carrying amount likewise remained stable at TZS 4,233 million in both years, indicating no movement in the Bank's ownership position or the recorded value of the investment year-on-year (implying an unchanged carrying value of TZS 1,569 per share). See note 25 (a).

23. INVESTMENT IN SUBSIDIARIES

As of 31 December 2025, NMB Bank Plc maintained a strategic equity investment in one established subsidiary, Upanga Joint Venture Company Limited (UJVC), in which the Bank holds an 88% ownership interest. The subsidiary is unlisted and operates with a financial reporting year aligned with the Bank's. UJVC is principally engaged in property management activities. During the year, there were neither acquisitions nor disposals of subsidiaries. Refer to note 25 (b).

24. EMPLOYEE WELFARE

The Board considers human capital a strategic asset and a principal determinant of service quality, operational resilience, conduct outcomes, and long-term value creation. In 2025, management continued to embed a more data-led, risk-aligned people governance framework to strengthen workforce capability, maintain workforce stability, improve engagement, and reinforce a safe, inclusive, and high-performance workplace. In recognition of Bank's commitment to employee welfare and governance, in January 2025, NMB Bank was recognized as a Top Employer by the Top Employers Institute, becoming the first Tanzanian bank to achieve this honor. Additionally, in 2025, NMB became the first bank in Africa to earn the EDGE Assess certification for a second time, highlighting its commitment to gender equality.

Learning and Development

During the year, the Bank operated an integrated learning architecture including compliance, technical, leadership, and future-skills programs, guided by annual needs assessments informed by performance, audits, regulations, and workforce plans. Total training investment rose from TZS 5.7 billion in 2024 to TZS 7.2 billion in 2025. The Bank enhanced certification support and job-family academies, sponsoring 776 employees across multiple disciplines, including credit, treasury, data, cybersecurity, audit, risk, compliance, and leadership. The Bank also expanded on-the-job coaching and mentoring to accelerate onboarding and redeployment, boosting capacity and service consistency.

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

24. EMPLOYEE WELFARE (CONTINUED)

Employee Well-being and Occupational Health and Safety Policy

In 2025, the Bank strengthened its holistic well-being framework, encompassing physical health, mental well-being, financial well-being, and social connection.

Occupational health and safety governance continued to be reinforced through policies, workplace risk assessments, incident-reporting protocols, and corrective action tracking. In 2025, the Bank recorded 48 lost-time injuries (2024: 3). Incident investigations were conducted to identify root causes and implement preventative controls, including strengthened contractor management and refreshed workplace safety guidance. Preventive health actions expanded, with employees participating in at least one screening or wellness engagement. In 2025, the consulting session was 368, and the wellness session was 78.

The Bank also monitored safety performance among non-employee workers operating in Bank-controlled workplaces, including contractors and service providers, to ensure consistent risk-management expectations and a more comprehensive safety-risk perimeter.

Employee Engagement

The Board and Executive Management executed a structured engagement cycle comprising Quarterly Town Hall meetings, SIKIKA Forum, quarterly pulse checks, and targeted listening sessions across the network.

Diversity, Inclusiveness, Equity and Belonging

In 2025, women accounted for 48% of the workforce (2024: 48%) and 33% of management roles (2024: 32%), reflecting deliberate pipeline development and succession planning. Employees who self-identify persons with disabilities represented 0.3% of the workforce (2024: 0.3%). During the year, management implemented additional workplace accommodation actions and prioritized accessibility improvements within selected facilities and digital tools, supported by increased manager awareness and guidance.

Managing Employee Relationships

The Bank maintained structured employee relations processes, supported by HR business partnering, staff clinics and formal grievance channels, with escalation pathways designed to ensure fairness, confidentiality, and timely resolution.

During the year, all grievances were formally logged and resolved within. Root-cause themes were analyzed to inform targeted interventions in supervisory capability, policy clarity, and workplace processes.

The Bank continued to reinforce a zero-tolerance stance on discrimination, harassment, and retaliation, supported by policies, training, reporting channels, and consistent disciplinary processes. All allegations of harassment or discriminatory conduct were formally investigated, and cases were concluded in accordance with established procedures, with corrective actions applied where substantiated.

Employee Performance Management

The Bank continued to operate a balanced performance framework that links individual scorecards to strategic priorities, customer outcomes, risk and control expectations, and behavioral dimensions. Performance calibration processes were strengthened to support consistency across functions and reduce bias risk, while line manager capability was enhanced through coaching toolkits and structured guidance.

NMB BANK PLC

THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

24. EMPLOYEE WELFARE (CONTINUED)

Employee Performance Management (Continued)

The proportion of employees receiving formal performance and career development reviews increased to 99% (2024: 95%). Performance outcomes were increasingly linked to targeted learning interventions and internal mobility decisions, thereby improving workforce productivity and strengthening succession readiness.

Youth Programs

Youth programs are governed as a strategic talent pipeline to build future skills, strengthen leadership capacity, and support broader inclusion. In 2025, the graduate trainee and internship programs onboarded 9 and 263 youth participants, respectively, across technology, banking operations, risk, finance, and customer experience.

Management strengthened external partnerships with universities and professional bodies to align intake profiles with emerging capability needs, including data and digital fluency, risk judgement and service excellence.

Annual Leave

In 2025, management strengthened leave planning and monitoring, with the average number of leave days totaling 23. Annual leave balance compliance improved through proactive scheduling and escalation of high-balance outliers, particularly in functions with sustained high workload intensity. Leave governance was also aligned to workforce planning to reduce key-person dependency risk and to reinforce continuity controls through structured handovers.

Financial Assistance to Staff / Staff Loan Scheme

The staff loan supports employee financial well-being and stability and is managed under prudent credit and affordability parameters. As of 31 December 2025, outstanding staff loans stood at TZS 416 billion (2024: TZS 377 billion), reflecting increased uptake across the housing and personal development categories. Portfolio performance remained sound, with a non-performing ratio of 0.0% (2024: 0.0%), supported by payroll deduction controls and structured affordability assessments. The Bank continued to support the borrowing guidance that mitigates the risk of over-indebtedness.

Employees' Pension Plan

The Bank continues to provide retirement benefits to eligible employees through the Public Service Social Security Fund (PSSSF), in line with applicable statutory requirements and the Bank's internal employee benefits framework. Under the current contribution structure, employees contribute 5% of their basic salary, and the Bank contributes 15%, for a total monthly pension contribution of 20% of an employee's basic salary. See table 41 for total pension contributions paid.

Staffing

Total employees increased to 5,294 at year-end (2024: 5,133), out of which 4,088 were FTE (2024: 3,868) and 1,206 were fixed-term employees (2024: 1,265). The recruitment prioritized customer delivery, technology and digital operations, and control functions, including risk, compliance, and internal audit.

Internal mobility increased, with an internal fill rate of 86% (2024: 87%), reflecting stronger career frameworks and development pathways. Overall staff turnover remains relatively stable at 3.1% (2024: 3.3%), supported by targeted retention actions in scarce-skill areas and improved manager capability.

NMB BANK PLC

THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

24. EMPLOYEE WELFARE (CONTINUED)

Employee Benefit Plan

The Bank's employee value proposition is underpinned by a comprehensive total rewards framework comprising fixed pay, variable pay, allowances, medical cover, risk benefits, pension support and other non-financial benefits. Total people cost, including benefits, increased from TZS 336 billion in 2024 to TZS 379.6 billion in 2025. The growth in total benefits was due to annual salary adjustments, headcount growth, market and inflationary adjustments, and continued investment in staff capability and well-being.

Medical benefit utilization continued to be monitored to ensure sustainability and value for employees, while benefits policy governance focused on market competitiveness, fairness, and alignment with performance outcomes. See table 41.

Employee Productivity and Workforce Availability

In 2025, revenue per FTE increased to TZS 448 million (2024: TZS 423 million), supported by process improvements, better workforce deployment, and targeted reskilling.

Table 41: Employee Summary

	2025	2024	2023	2022	2021
Non-Financial Metrics					
Total Employees	4,088	3,868	3,642	3,544	3,482
Total % of Women	48	48	48	48	48
Employee retention rate %	97	97	97	98	97
Internal mobility/hires %	85	84	59	64	64
Financial Metrics (TZS in Billions)					
Revenue per FTE	0.45	0.4	0.4	0.3	0.2
Training Budget	7.2	5.7	5.3	3.9	3.7
Paid Pension Plans	39	24	21	20	18
Medical Bill	13.2	9.4	8.7	7.7	6.91
Total Staff loans	416	377	301	257	180
- General staff loans	388	357	285	246	171
- Staff mortgage loans	24	17	13	8.8	7
- Staff car loans	3.5	3	2	1.7	1.8
- Staff annual loans	0.4	0.3	0.2	0.2	0.2
- IPF loans	0.1	0.1	0.9	0.1	0.1

Source: NMB Human Resource Records, FY2025.

Employees' Association and Collective Bargaining

The Bank supports employees' rights to freedom of association and collective bargaining, in accordance with labour laws. The SIKIKA Forum, the employee engagement platform, meets annually with management to discuss well-being, safety, benefits, development, and experience. Outcomes are documented, along with action plans, accountability and improvement responsibilities.

NMB BANK PLC**THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025****24. EMPLOYEE WELFARE (CONTINUED)****Child Labour and Forced Labour**

The Bank strictly opposes child labour, forced labour, and compulsory labour across its operations and supply chain. This is formalised in its Code of Conduct, procurement policies, and risk management. In 2025, it used risk-based due diligence, particularly for labour-intensive outsourced services and high-risk subcontractors. Contracts ban child labour, forced labour, charging fees, holding identity documents, and restricting workers' freedom.

Talent Management and Succession Planning

Talent management and succession planning are strategic risk mitigants and growth enablers, ensuring continuity in critical roles, leadership depth, and a sustainable pipeline. In FY2025, the Bank advanced its integrated talent framework, connecting workforce planning, performance, leadership development, mobility, and succession to support business execution and resilience.

25. RELATED PARTY DISCLOSURE

All related party transactions and balances are disclosed in note 45 to the financial statements.

26. POLITICAL AND CHARITABLE CONTRIBUTIONS & SUBSCRIPTIONS

The Bank did not make any political donations during the year (2024: NIL)

27. CORPORATE SOCIAL INVESTMENT

NMB Bank remains committed to socio-economic development through impactful CSR activities in 2025, with a focus on Education, Healthcare, Environment, ICT, and Employee Volunteerism. Partnerships with government and stakeholders continue to ensure sustainable community impact via the 1% PAT allocation.

Education

In Education, the bank enhanced learning environments by donating 6,365 desks to 124 schools, benefiting approximately 19,095 students, as well as 548 double-decker beds to 12 schools for 1,096 boarding students. Roofing materials for 47 schools and 287 teachers' tables and chairs for 12 institutions were also provided. Additionally, over TZS 5 billion was allocated to establish a Special Secondary School in Bahi, Dodoma, for students with special needs.

The Nuru Yangu Scholarship and Mentorship Program graduated its first cohort of 21 students in December 2025. To date, 131 students have benefited from TZS 2 billion in support, covering tuition, health insurance, accommodation, and learning materials, thereby facilitating their access to higher education and employment.

Health

In Healthcare, the Bank supported 42 public health facilities with essential equipment and renovation materials, benefiting over 25,000 patients. TZS 700 million was disbursed for medical interventions nationwide, including TZS 500 million for the Jakaya Kikwete Cardiac Institute, treating 125 children. Additional funds supported treatments for children with clubfoot, cervical cancer, and women with fistula, as well as upgrades at Ocean Road Cancer Institute and Benjamin Mkapa Hospital.

To support persons with disabilities, the Bank donated items to Furaha Special Needs Primary School as part of its environmental efforts, donated waste bins to promote sanitation.

NMB BANK PLC**THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025****27. CORPORATE SOCIAL INVESTMENT (CONTINUED)****Other**

Furthermore, TZS 78 million was allocated to support construction projects at various institutions, including churches and community centres. Employee volunteerism was exemplified by the Matching-Up Initiative, in which 36 branches engaged more than 2,100 beneficiaries, reflecting a strong culture of community giving. Finally, the Bank provided 423 desktop computers to public schools and government offices to support the implementation of the national ICT curriculum.

28. SERIOUS PREJUDICIAL ISSUES / MATTERS

In the opinion of those Charged with Governance, there are no serious unfavorable matters that can affect the Bank (2024: NIL).

29. EVENTS AFTER THE REPORTING PERIOD

There were no events after the reporting period, not otherwise dealt with in these financial statements, that had a material impact on the consolidated and Bank financial statements (2024: Nil).

30. INTERNAL AUDIT FUNCTION

The Bank has an independent Internal Audit function reporting to the Board Audit Risk and Compliance Committee (BARCC).

31. EXTERNAL AUDIT

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 2023 and 2024, Deloitte & Touche was approved at the Annual General Meeting held in June 2025 to continue as external auditor for the year ending 2026. 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. RESPONSIBILITY OF THE AUDITOR

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

33. STATEMENT OF COMPLIANCE

The Report by those charged with governance has been prepared in compliance with the Tanzania Financial Reporting Standard No. 1 (The Report by those charged with governance). This standard replaces the NBAA Directors' report issued on 1 January 2010. The standard becomes operative for financial statements covering accounting periods beginning on or after 1 January 2023

NMB BANK PLC**THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025****34. STATEMENT OF THE 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 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 financial statements.

This report was approved and authorized for issue by the Board of Directors and was signed on its behalf by:



David C. Nchimbi
Chairman



Benson Mahenya
Independent Non-Executive Director

31 March 2026

NMB BANK PLC**STATEMENT OF THE DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2025**

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 the International Accounting Standards Board and in 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 the 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.



David C. Nchimbi
Chairman

31 March 2026

NMB BANK PLC**DECLARATION OF THE CHIEF FINANCIAL OFFICER
FOR THE YEAR ENDED 31 DECEMBER 2025**

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 by Those Charged with Governance on page 290.

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 2025 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 2025 and its financial position as of that date and that they have been prepared based on properly maintained financial records.



Juma A. Kimori
Chief Financial Officer
NBAA Membership number: ACPA 3755

31 March 2026

Deloitte.

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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 subsidiaries (together, the "Group") set out on pages 298 to 437, which comprise the consolidated and separate statements of financial position at 31 December 2025 and consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the financial position of the Group and of the Bank at 31 December 2025 and of their financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the 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 Group and the Bank in accordance with the National Board of Accounts 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), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements in Tanzania. We have also 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate 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.



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 (Continued)

Key audit Matter	How our audit addressed the matter
<p>Estimation of Expected Credit Losses on loans and advances to customers</p> <p>Loans and advances to customers constitute a significant portion of the total assets of NMB Bank Plc. As disclosed in notes 6(f), 7(l), 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>.</p> <p>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:</p> <ul style="list-style-type: none"> • 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 used in determining the management overlays; 	<p>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:</p> <ul style="list-style-type: none"> • 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;

INDEPENDENT AUDITOR’S REPORT (CONTINUED)

Key audit Matters (Continued)

Key audit Matter	How our audit addressed the matter
<p>Identification and measurement of economic scenarios to measure ECLs on a forward-looking basis reflecting a range of future economic conditions; and</p> <ul style="list-style-type: none"> • Modelling for estimation of ECL parameters: <ul style="list-style-type: none"> • Probabilities of Default (PDs) • Loss Given Default (LGD); and • Exposure at Default (EAD). <p>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.</p>	<ul style="list-style-type: none"> • 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 Accounting Standards and requirements of Bank of Tanzania. <p>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.</p>

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the 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 report but does not include the consolidated and separate financial statements and our auditor’s report thereon.

Our opinion on the consolidated and separate 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 consolidated and separate 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, 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, 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 IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act, 2002, 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Responsibilities of the Directors for the Consolidated and Separate Financial Statements (Continued)

In preparing the consolidated and separate 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 consolidated and separate 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 consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate 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 consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements (Continued)

- 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 the 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.

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 consolidated and separate 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 Bank, so far as appears from our examination of those books; and
- iii) the Bank's statement of financial position (balance sheet) and 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 Y.F. Kasenge.

Deloitte & Touche

Certified Public Accountants (Tanzania)



Signed by: Y.F. Kasenge
Registration No. ACPA-PP4063
Dar es Salaam

31 March 2026

NMB BANK PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	2025 TZS' Millions	2024 TZS' Millions
Interest income	10	1,548,329	1,366,006
Interest expense	11(a)	(357,249)	(307,599)
Net interest income		1,191,080	1,058,407
Impairment charge – loans and advances	12(a)	(80,574)	(85,068)
Impairment charge – other	12(b)	(993)	(2,403)
Total impairment charge		(81,567)	(87,471)
Net interest income after impairment		1,109,513	970,936
Fee and commission income	13	630,634	574,762
Fee and commission expense		(146,164)	(135,396)
Net fee and commission income		484,470	439,366
Realized gain on investment securities	24	7,737	4,831
Foreign exchange income		106,698	110,758
Other income	14(a)	35,559	23,786
Total operating income		1,743,977	1,549,677
Employee benefits expense	15	(379,674)	(335,656)
Other operating expenses	16(a)	(236,908)	(226,694)
Depreciation and amortization	17(a)	(60,664)	(56,037)
Total operating expenses		(677,246)	(618,387)
Profit before tax		1,066,731	931,290
Income tax expense	18(a)	(306,667)	(284,397)
Profit for the year		760,064	646,893
Attributable to			
Owners of the Bank		759,670	646,530
Non-controlling interests	25(b)	394	363
Profit for the year		760,064	646,893

NMB BANK PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	2025 TZS' Millions	2024 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)	1,698	500
Total comprehensive income for the year		761,762	647,393
Attributable to:			
Owners of the Bank		761,368	647,030
Non-controlling interests		394	363
Total comprehensive income for the year		761,762	647,393
		TZS/share	TZS/share
Basic and diluted earnings per share	19(a)	1,519.34	1,295.78

NMB BANK PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

BANK'S STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	2025 TZS' Millions	2024 TZS' Millions
Interest income	10	1,548,329	1,366,006
Interest expense	11(b)	(361,478)	(311,641)
Net interest income		1,186,851	1,054,365
Impairment charge – loans and advances	12(a)	(80,574)	(85,068)
Impairment charge – other	12(b)	(993)	(2,403)
Total impairment charge		(81,567)	(87,471)
Net interest income after impairment		1,105,284	966,894
Fee and commission income	13	630,634	574,762
Fee and commission expense		(146,164)	(135,396)
Net fee and commission income		484,470	439,366
Realized gain on investment securities	24	7,737	4,831
Foreign exchange income		106,574	110,758
Other income	14(b)	35,588	23,815
Total operating income		1,739,653	1,545,664
Employee benefits expense	15	(379,674)	(335,656)
Other operating expenses	16(b)	(236,733)	(226,530)
Depreciation and amortization	17(b)	(61,429)	(56,924)
Total operating expenses		(677,836)	(619,110)
Profit before tax		1,061,817	926,554
Income tax expense	18(b)	(305,431)	(283,283)
Profit for the year		756,386	643,271
Other comprehensive income, net of tax			
<i>Items that may subsequently be reclassified to profit or loss:</i>			
<i>Fair value gain on debt instruments at FVOCI – net of tax</i>	39 (iii)	1,698	500
Total comprehensive income for the year		758,084	643,771
		TZS/share	TZS/share
Basic and diluted earnings per share	19(b)	1,512.77	1,286.54

NMB BANK PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	Note	2025 TZS' Millions	2024 TZS' Millions
Assets			
Cash and balances with Bank of Tanzania	21	1,780,949	1,450,570
Placements and balances with other banks	22	1,740,679	905,687
Derivative financial instruments	30	3,627	14,721
Loans and advances to customers	23	10,430,094	8,498,677
Investment securities			
- At amortised cost	24(a)	2,512,958	2,180,270
- At FVOCI	24(b)	45,633	78,339
- At FVPL	24(c)	-	10,154
Equity investment at FVOCI	25(a)	4,233	4,233
Other assets	26(a)	592,237	173,278
Current tax assets	18(c)	7,817	9,508
Property and equipment	27(a)	222,572	182,662
Intangible assets	28	95,577	65,889
Right-of-use assets	29(a)	27,826	22,382
Deferred income tax assets	31(a)	151,742	139,320
Total assets		17,615,944	13,735,690
Liabilities			
Deposits due to other banks	33	1,230	73
Deposits from customers	32(a)	12,518,321	9,564,222
Derivative financial instruments	30	5	2,956
Other liabilities	34(a)	661,766	211,639
Lease liabilities	29(c)	27,355	24,298
Provisions	35	1,521	2,779
Borrowings	36	1,298,487	1,369,504
Deferred income tax liability	31(b)	540	839
Total liabilities		14,509,225	11,176,310
Capital and reserves			
Share capital	39(i)	20,000	20,000
Retained earnings		3,077,773	2,532,526
Fair valuation reserve	39(iii)	3,748	2,050
Capital and reserves attributable to owners of the parent		3,101,521	2,554,576
Non-controlling interest	38	5,198	4,804
Total equity		3,106,719	2,559,380
Total equity and liabilities		17,615,944	13,735,690

The financial statements on pages 298 to 437 were approved and authorised for issue by the Board of Directors and were signed on its behalf by:



David C. Nchimbi
Chairman

31 March 2026

NMB BANK PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

BANK'S STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	Note	2025 TZS' Millions	2024 TZS' Millions
Assets			
Cash and balances with Bank of Tanzania	21	1,780,949	1,450,570
Placements and balances with other banks	22	1,740,679	905,687
Derivative financial instruments	30	3,627	14,721
Loans and advances to customers	23	10,430,094	8,498,677
Investment securities			
- At amortised cost	24(a)	2,512,958	2,180,270
- At FVOCI	24(b)	45,633	78,339
- At FVPL	24(c)	-	10,154
Equity investment at FVOCI	25(a)	4,233	4,233
Investment in subsidiary	25(b)	39,639	39,639
Other assets	26(b)	589,215	170,675
Current tax assets	18(d)	3,894	5,610
Property and equipment	27(b)	198,844	156,903
Intangible assets	28	95,577	65,889
Right-of-use assets	29(b)	57,204	54,557
Deferred tax assets	31(a)	151,742	139,320
Total assets		17,654,288	13,775,244
Liabilities			
Deposits due to other banks	33	1,230	73
Deposits from customers	32(b)	12,535,721	9,577,116
Other liabilities	30	5	2,956
Lease liabilities	34(b)	667,189	217,274
Provisions	29(d)	59,625	58,693
Borrowings	35	1,521	2,779
Current tax liabilities	36	1,298,487	1,369,504
Total liabilities		14,563,778	11,228,395
Capital and reserves			
Share capital	39 (i)	20,000	20,000
Retained earnings		3,066,762	2,524,799
Fair valuation reserve	39 (iii)	3,748	2,050
Total equity		3,090,510	2,546,849
Total equity and liabilities		17,654,288	13,775,244

The financial statements on pages 298 to 437 were approved and authorised for issue by the Board of Directors and were signed on its behalf by:



David C. Nchimbi
Chairman

31 March 2026

NMB BANK PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
CONSOLIDATED STATEMENT OF CHANGES OF EQUITY

	Attributable to owners of the parent				Total equity TZS' Millions
	Share capital TZS' Millions	Retained earnings TZS' Millions	Fair valuation reserve TZS' Millions	Non- controlling interest TZS' Millions	
At 1 January 2025	20,000	2,532,526	2,050	4,804	2,559,380
Profit for the year	-	759,670	-	394	760,064
Other comprehensive income (OCI)	-	-	2,426	-	2,426
Gain of fair valuation	-	-	(728)	-	(728)
Deferred tax on OCI	-	-	-	-	-
Total comprehensive income	-	759,670	1,698	394	761,762
Transactions with owners	-	(214,423)	-	-	(214,423)
Dividends paid for the year 2024	-	-	-	-	-
At 31 December 2025	20,000	3,077,773	3,748	5,198	3,106,719

NMB BANK PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

CONSOLIDATED STATEMENT OF CHANGES OF EQUITY

	Attributable to owners of the parent					Total equity TZS' Millions
	Share capital TZS' Millions	Retained earnings TZS' Millions	Fair valuation reserve TZS' Millions	Total TZS' Millions	Non-con- trolling interest 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	-	646,530	-	646,530	363	646,893
<i>Other comprehensive income (OCI)</i>	-	-	714	714	-	714
Gain of fair valuation	-	-	(214)	(214)	-	(214)
Deferred tax on OCI	-	-	-	-	-	-
Total comprehensive income	-	646,530	500	647,030	363	647,393
<i>Transactions with owners</i>						
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 2025

BANK'S STATEMENT OF CHANGES OF EQUITY

	Share capital TZS' Millions	Retained earnings TZS' Millions	Fair valuation reserve TZS' Millions	Total equity TZS' Millions
At 1 January 2025	20,000	2,524,799	2,050	2,546,849
Comprehensive income				
Profit for the year	-	756,386	-	756,386
<i>Other comprehensive income (OCI)</i>				
Gain of fair valuation	-	-	2,426	2,426
Deferred tax on OCI	-	-	(728)	(728)
<i>Total comprehensive income</i>	-	756,386	1,698	758,084
Transactions with owners and other transfers				
Dividends paid for the year 2024	-	(214,423)	-	(214,423)
At 31 December 2025	20,000	3,066,762	3,748	3,090,510
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)
Total comprehensive income	-	643,271	500	643,771
Transactions with owners				
Dividends paid for the year 2023	-	(180,590)	-	(180,590)
At 31 December 2024	20,000	2,524,799	2,050	2,546,849

NMB BANK PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2025 TZS' Millions	2024 TZS' Millions
Cash (used in)/generated from operations	41(a)	1,930,282	1,006,632
Interest received	24(a-c)	206,461	219,816
Interest paid	29(c) & 36	(93,460)	(119,982)
Tax paid	18(c)	(318,198)	(303,562)
Net cash generated/(used in) operations		1,725,085	802,904
Cash flows from investing activities			
Proceeds from government securities at amortised cost	24(a)	647,015	595,587
Investment in government securities at amortised cost	24(a)	(941,568)	(537,565)
Purchase of property and equipment	27(a)	(77,945)	(35,367)
Purchase of intangible assets	28	(44,626)	(37,788)
Proceeds on disposal of property and equipment		252	300
Equity investments	25	-	(1,313)
Lease acquisition	29(b) & (d)	(604)	(834)
Dividends received	14	45	65
Net cash used in investing activities		(417,431)	(16,915)
Cash flows from financing activities			
Proceeds received from borrowings	36	146,625	170,073
Principal repaid on borrowings	36	(227,918)	(159,035)
Principal paid on lease liabilities	29(c)	(10,297)	(9,478)
Dividends paid	20	(214,423)	(180,590)
Net cash (used in)/generated from financing activities		(306,013)	(179,030)
Net increase in cash and cash equivalents		1,001,641	606,959
Cash and cash equivalents at beginning of the year		1,779,161	1,172,202
Cash and cash equivalents at end of the year	40	2,780,802	1,779,161
Analysis of cash and cash equivalents at end of the year:			
Cash in hand		704,480	603,717
Balances with Bank of Tanzania		335,577	269,716
Gross Placements and balances with other banks		1,740,745	905,728
		2,780,802	1,779,161

NMB BANK PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

BANK'S STATEMENT OF CASH FLOWS

	Note	2025 TZS' Millions	2024 TZS' Millions
Cash generated from operations	41(b)	1,933,641	1,009,727
Interest received	24(a-c)	206,461	219,816
Interest paid	29(d) & 36	(96,255)	(122,943)
Tax paid	18(d)	(316,637)	(301,736)
Net cash generated from operations		1,727,210	804,864
Cash flows from investing activities			
Proceeds from government securities at amortised cost	24(a)	647,015	595,587
Investment in government securities at amortised cost	24(a)	(941,568)	(537,565)
Purchase of property and equipment	27(b)	(77,945)	(35,367)
Purchase of intangible assets	28	(44,626)	(37,788)
Proceeds on disposal of property and equipment		252	300
Equity investments	25	-	(1,313)
Lease acquisition	29(b) & (d)	(604)	(834)
Dividend received	14(b)	45	65
Net cash used in investing activities		(417,431)	(16,915)
Cash flows from financing activities			
Proceeds from borrowings	36	146,625	170,073
Principal paid on borrowings	36	(227,918)	(159,035)
Principal paid on lease liabilities	29(d)	(12,422)	(11,438)
Dividends paid	20	(214,423)	(180,590)
Net cash used in financing activities		(308,138)	(180,990)
Net increase in cash and cash equivalents		1,001,641	606,959
Cash and cash equivalents at the beginning of the year		1,779,161	1,172,202
Cash and cash equivalents at the end of the year	40	2,780,802	1,779,161
Analysis of cash and cash equivalents at end of the year:			
Cash in hand		704,480	603,717
Balances with Bank of Tanzania		335,577	269,716
Gross placements and balances with other banks		1,740,745	905,728
		2,780,802	1,779,161

NMB BANK PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
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 2025 were approved for issue by Those Charged with Governance on 25 March 2026. 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 cash flow statement, have been prepared using the accrual basis of accounting.

NMB BANK PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

3. STATEMENT OF COMPLIANCE (CONTINUED)

The preparation of financial statements in accordance with IFRS Accounting Standards 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 2025, 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 Accounting Standards 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 2025

The following was 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.

Lack of Exchangeability (Amendments to IAS 21)	<p>The amendments in Lack of Exchangeability (Amendments to IAS 21) amend IAS 21 to:</p> <ul style="list-style-type: none"> • 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.
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NMB BANK PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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 2025 (Continued)

Lack of Exchangeability (Amendments to IAS 21) (Continued)	<p>The amendments in Lack of Exchangeability (Amendments to IAS 21) amend IAS 21 to:</p> <ul style="list-style-type: none"> • 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.
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ii. New standards and amendments and interpretation in issue but not effective for the year ended 31 December 2025

Standard or amendment	Description	Effective date
IFRS 18	Presentation and Disclosures in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IAS 21	Lack of Exchangeability (Amendments to IAS 21)	1 January 2025
Amendments IFRS 9 and IFRS 7	Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	1 January 2026
Annual IFRS improvement _ Volume 11	Annual Improvements to IFRS Accounting Standards — Volume 11	1 January 2026

NMB BANK PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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 2025

Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2026 or later, and which the Bank has not early adopted.

Amendments to the Classification and Measurement of Financial Instruments— Amendments to IFRS 9 and IFRS 7	<p>On 30 May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include</p> <ul style="list-style-type: none"> • Clarifications of the requirements for recognition and derecognition of financial assets and liabilities. • A clarification that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice (if specific conditions are met) 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).
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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.

NMB BANK PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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 2025 (Continued)

<p>Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7</p>	<p>In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity. The amendments:</p> <ul style="list-style-type: none"> • Clarify the application of the 'own-use' requirements for in-scope contract • Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts • Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows <p>The amendments will take effect for annual reporting periods starting on or after 1 January 2026. Early adoption is allowed, but it must be disclosed. The amendments concerning the own-use exception are to be applied retrospectively, while the hedge accounting amendments should be applied prospectively to new hedging relationships designated from the initial application date. Additionally, the IFRS 7 disclosure amendments must be implemented alongside the IFRS 9 amendments</p> <p>If an entity does not restate comparative information, it cannot present comparative disclosures.</p> <p>The Bank does not expect that the amendments will have a material impact on its financial statements.</p>
<p>IFRS 18 Presentation and Disclosure in Financial Statements</p>	<p>In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. There are specific presentation requirements and options for entities, such as Good Bank, that have specified main business activities (either providing finance to customers or investing in specific type of assets, or both).</p>

NMB BANK PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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 2025 (Continued)

<p>IFRS 18 Presentation and Disclosure in Financial Statements (Continued)</p>	<p>The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.</p> <p>The Bank is currently working to identify the impacts the standard will have on the primary financial statements and notes to the financial statements. The Bank considers its main business activities to include the provision of financing to customers and investing in financial assets. In accordance with IFRS 18, some of the income and expenses related to those activities are classified in the operating category, as an exception to the general requirements that would otherwise have resulted in their classification in the investing or financing categories.</p> <p>The initial expected material impacts of IFRS 18 on the Bank's financial statements are, as follows:</p> <ul style="list-style-type: none"> • Income and expenses from the following will be classified in the operating category within the statement of profit or loss: (a) cash and cash equivalents; (b) liabilities from transactions that involve only the raising of finance; (c) generally, assets invested in as part of the Bank's main business activity of investing in financial assets that generate a return individually and largely independently of the Bank's other resources • Foreign exchange differences will be classified in the same category as the related income and expense giving rising to the foreign exchange difference, with some exceptions.
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NMB BANK PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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 2025 (Continued)

IFRS 18 Presentation and Disclosure in Financial Statements (Continued)	<ul style="list-style-type: none"> • Gains and losses on hedging instruments, including those not designated as such, but used to manage exposure to identified risks, will be classified in the same category as the income and expenses relating to the risk being covered, with some exceptions • For the statement of cash flows, the 'operating profit' subtotal will be used as the starting point for determining cash flows from operating activities. Furthermore, the classification of the total cash flows from all dividends received, all interest paid and all interest received will each, respectively, be classified in a single category in the statement of cash flows following the classification of the related income and expenses in the statement of profit or loss. • New disclosures will be added for: (a) management-defined performance measures; (b) specified expenses by nature if expenses are presented by function in the operating category of the statement of profit or loss; • A reconciliation for each line item in the statement of profit or loss between the restated amounts presented applying IFRS 18, and the amounts previously presented applying IAS 1.
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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 2025.

NMB BANK PLC
FINANCIAL STATEMENTS
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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Principles of consolidation and equity accounting (Continued)

(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.

(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.

(iv) Separate financial statements

In the separate financial statements, investment in the subsidiary is accounted for at cost less impairment.

NMB BANK PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(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.

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 not integral to the effective rate and 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.

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FINANCIAL STATEMENTS
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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Fee and commission income and expense (Continued)

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.

(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 the trade date, being the 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 debt instruments measured at FVOCI, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

NMB BANK PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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:

- The Group's business model for managing the asset; and
- 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.

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FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Financial assets and financial liabilities (Continued)

Financial Assets (Continued)

(i) Classification and subsequent measurement (Continued)

Debt instruments (continued)

- **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.

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.

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FINANCIAL STATEMENTS
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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Financial assets and financial liabilities (Continued)

Financial Assets (Continued)

(i) Classification and subsequent measurement (Continued)

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. Examples 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 of 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:

- 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.

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FINANCIAL STATEMENTS
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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Financial assets and financial liabilities (Continued)

Financial Assets (Continued)

(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).

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.

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FINANCIAL STATEMENTS
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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Financial assets and financial liabilities (Continued)

Financial Assets (Continued)

(iii) Modifications of Loans (Continued)

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.

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

NMB BANK PLC
FINANCIAL STATEMENTS
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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Financial assets and financial liabilities (Continued)

Financial Assets (Continued)

(iv) Derecognition other than on a modification (Continued)

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.

(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.

NMB BANK PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Financial assets and financial liabilities (Continued)

Financial Liabilities (Continued)

(ii) Derecognition (Continued)

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 guarantees, letters of credit and undrawn loan commitments

The Bank issues financial guarantees, letters of credit and loan commitments.

Financial guarantees are initially recognised in the financial statements (within Provisions) at fair value, being the premium received. Subsequent to initial recognition, the Bank's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the income statement, and an ECL allowance.

The premium received is recognised in the income statement in Net fees and commission income on a straight line basis over the life of the guarantee.

Undrawn loan commitments and letters of credits are commitments under which, over the duration of the commitment, the Bank is required to provide a loan with pre-specified terms to the customer. Similar to financial guarantee contracts, these contracts are in the scope of the ECL requirements.

The nominal contractual value of financial guarantees, letters of credit and undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded on in the statement of financial position. Acceptances and accepted letters of credit are accounted for as on-balance sheet transactions and disclosed as other liabilities.

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.

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FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Financial assets and financial liabilities (Continued)

Offsetting financial instruments (Continued)

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.

(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.

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FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(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.

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.

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6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(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

(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.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(m) Employee benefits (Continued)

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.

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.

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FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(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)).

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.

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FINANCIAL STATEMENTS
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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

7. ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

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.

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.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

7. ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

II. Other accounting judgements and estimates (Continued)

d) Taxes (Continued)

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.

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 determines the fair value of government securities classified as Fair Value Through Other Comprehensive Income (FVOCI) by referencing market yields of comparable instruments actively traded in the secondary market. These yields are obtained from observable market transactions executed through the Dar es Salaam Stock Exchange. The resulting market-based yield curves are applied to discount the expected cash flows of the securities, thereby deriving their fair value in accordance with prevailing market conditions at the reporting date. 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 45,600 million (2024: TZS 78,407 million) as compared to their reported fair value of TZS 45,633 million as at 31 December 2025 (2024: TZS 78,339 million). If the yield rate had decreased by 1 basis point the fair value would be estimated at TZS 45,667 (2024: TZS 78,270 million).

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

7. ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

II. Other accounting judgements and estimates (Continued)

g) Fair valuation of financial instruments

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 (2024: TZS 423 million).

h) 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.

If the discount rate used had increased by 10%, the Group and Bank's lease liability would have decreased by TZS 1,689 million (2024: TZS 1,734 million). If the discount rate used had decreased by 10%, the lease liability would have decreased by TZS 1,785 million (2024: TZS 1,370million).

i) Climate risk Impact

NMB acknowledges climate-related risk impact in asset impairment assessments, acknowledging their influence on long-term asset valuations. NMB face 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.

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FINANCIAL STATEMENTS
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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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.

Operating segments

The Group comprises the following main operating segments:

- 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;
- 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;
- 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.
- 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.

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FINANCIAL STATEMENTS
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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

8. SEGMENT REPORTING (CONTINUED))

The segment information provided to the Group's Executive Committee for the reportable segments for the year ended 31 December 2025 is as follows; (All amounts in TZS million):

GROUP						
2025	Treasury	Wholesale banking	Retail banking	UJVC	(Elimination)/ Consolidation	Total
Interest income	276,763	248,242	1,023,324	1,433	(1,433)	1,548,329
Interest expense	(182)	(220,273)	(141,023)	-	4,352	(357,126)
Net Interest Income	276,581	27,969	882,301	1,433	2,919	1,191,203
Impairment charges-off and on balance sheet item	-	(35,182)	(46,385)	-	-	(81,567)
Net fees and commission, trading, foreign exchange and other income*	131,679	106,721	395,969	4,922	(4,950)	634,341
Employee benefits expense	(34,170)	(72,138)	(273,366)	-	-	(379,674)
General and administrative expenses	(21,305)	(44,979)	(170,449)	(203)	28	(236,908)
Depreciation and amortization	(5,528)	(11,671)	(44,230)	(2,031)	2,796	(60,664)
Profit /(loss) before tax	347,257	(29,280)	743,840	4,121	793	1,066,731
Income tax expense	(99,888)	8,422	(213,965)	(1,236)	-	(306,667)
Profit after tax	247,369	(20,858)	529,875	2,885	793	760,064
2025	Treasury	Wholesale banking	Retail banking	UJVC	(Elimination)/ Consolidation	Total
Segment assets, liabilities and equity						
Segment assets	6,020,589	2,967,112	7,755,276	48,682	(87,027)	16,704,632
Unallocated assets	-	-	-	-	-	911,312
Total assets	6,020,589	2,967,112	7,755,276	48,682	(87,027)	17,615,944
Segment liabilities	185,000	5,378,314	8,388,303	6,913	(42,473)	13,910,863
Unallocated liabilities	-	-	-	-	-	598,366
Equity	3,106,715	-	-	46,964	(46,964)	3,106,715
Total liabilities and equity	3,291,715	5,378,314	8,388,303	53,877	(89,437)	17,615,944

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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):

GROUP						
2024	Treasury	Wholesale banking	Retail banking	UJVC	(Elimination)/ Consolidation	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	1,058,407
Impairment charges-off and on balance sheet item	-	(8,715)	(78,756)	-	-	(87,471)
Net fees and commission, trading, foreign exchange and other income*	115,794	83,567	379,409	4,921	(4,950)	578,741
Employee benefits expense	(30,209)	(63,744)	(241,673)	-	-	(335,656)
General and administrative expenses	(20,603)	(43,497)	(162,566)	(192)	164	(226,694)
Depreciation and amortization	(5,123)	(10,815)	(35,150)	(2,031)	(2,918)	(56,037)
Profit /(loss) before tax	296,416	15,421	707,888	3,773	(4,737)	931,290
Income tax expense	(90,625)	(2,050)	(190,590)	(1,132)	-	(284,397)
Profit after tax	205,791	13,371	517,298	2,641	4,737	646,893
2024						
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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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

8. SEGMENT REPORTING (CONTINUED)

The segment information provided to the Bank's Executive Committee for the reportable segments for the year ended 31 December 2025 is as follows; (All amounts in TZS million):

BANK	Treasury	Wholesale banking	Retail banking	Total
2025				
Interest income	276,763	248,242	1,023,324	1,548,329
Interest expense	(182)	(220,273)	(141,023)	(361,478)
Net Interest Income	276,581	27,969	882,301	1,186,851
Loan impairment charges	-	(35,182)	(46,385)	(81,567)
Net fees and commission, trading, foreign exchange and other income*	131,679	106,721	395,969	634,369
Employee benefits expense	(34,170)	(72,138)	(273,366)	(379,674)
General and administrative expenses	(21,305)	(44,979)	(170,449)	(236,733)
Depreciation and amortization	(5,528)	(11,671)	(44,230)	(61,429)
Profit /(loss) before tax	347,257	(29,280)	743,840	1,061,817
Income tax provision	(99,888)	8,422	(213,965)	(305,431)
Profit after tax	247,369	(20,858)	529,875	756,386
Segment assets, liabilities and equity				
Segment assets	6,020,589	2,967,112	7,755,277	16,742,976
Unallocated assets	-	-	-	911,312
Total assets	6,020,589	2,967,112	7,755,276	17,654,288
Segment liabilities	185,000	5,378,314	8,402,098	13,965,412
Unallocated liabilities	-	-	-	598,366
Equity	3,090,510	-	-	3,090,510
Total liabilities and equity	3,275,510	5,378,314	8,402,098	17,654,288

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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*	115,794	74,852	300,653	491,299
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	290,716	(2,009)	550,376	839,083
Income tax provision	(90,643)	(2,050)	(190,590)	(283,283)
Profit after tax	200,073	4,059	359,786	555,800
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	6,859,347	13,775,244

*Included in net fees and commission, trading, foreign exchange and other income is:

Treasury – TZS 17,368 million from fees and commission income, TZS 7,737 million from trading income and TZS 106,574 million from foreign exchange income.

Wholesale banking – TZS 35,182 million from impairment charges off and on balance sheet items, TZS 106,765 million from fees and commission income and TZS 44 from fees and commission expense.

Retail banking – TZS 46,385 million from impairment charges off and on balance sheet items, TZS 506,496 million from fees and commission income, TZS 146,114 million from fees and commission expense and TZS 35,588 million from other income.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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.

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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Credit risk (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	Score	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 2025, are all low risk.

9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Credit risk (Continued)

9.1.1 Credit risk measurement (Continued)

Loans and advances (Continued)

The loans and advances to customers portfolio analysed for regulatory purposes is shown below:

Amounts in TZS' Millions	As at 31 December 2025			As at 31 December 2024				
	Retail	Corporate	Agribusi- ness	Total	Retail	Corporate	Agribusi- ness	Total
Current	6,795,454	2,198,311	1,126,523	10,120,288	5,959,171	1,490,930	842,252	8,292,353
Especially mentioned	40,327	254,198	19,513	314,038	58,108	131,038	10,264	199,410
Sub-standard	38,578	1,710	12,139	52,426	38,060	3,347	8,916	50,323
Doubtful	49,324	-	5,278	54,601	53,798	-	11,408	65,206
Loss	74,021	-	72,645	146,666	64,269	-	67,660	131,929
Gross carrying amount	6,997,704	2,454,219	1,236,098	10,688,021	6,173,406	1,625,315	940,500	8,739,221
Loss allowance	(100,585)	(100,724)	(56,818)	(257,927)	(90,906)	(100,600)	(49,039)	(240,544)
Carrying amount	6,897,119	2,353,495	1,179,480	10,430,094	6,082,500	1,524,715	891,461	8,498,677

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9 FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Credit risk (Continued)

9.1.2 Risk limit control and mitigation policies

(a) *Lending limits*

The Bank manages limits and controls concentrations of credit risk wherever they are identified to individual counterparties and groups, and to industries. The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review, when considered necessary.

The exposure to any one borrower, including banks, is further restricted by sub-limits covering on and off-balance sheet exposures. Actual exposures against limits are monitored daily. Exposure to credit risk is also managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate.

(b) *Collateral*

The Bank employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for advanced funds, which is common practice. The Bank implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

- Mortgages over residential and commercial properties;
- Cash collaterals;
- Chattel Mortgages
- Charges over business assets such as inventory and accounts receivable;
- Guarantees from government and financial institutions; and
- Charges over financial instruments such as debt securities and equities.

Collateral held as security for financial assets other than loans and advances depends on the nature of the instrument. Debt securities, treasury and other eligible bills are generally unsecured, with the exception of asset-backed securities and similar instruments, which are secured by portfolios of financial instruments.

The Bank's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Bank since the prior period.

The tables below show the carrying amount and the value of identifiable collateral held against loans and advances to customers measured at amortised cost. They also show the exposure net of risk mitigation (the extent to which the fair value of collateral held is greater than the exposure to which it relates).

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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Credit risk (Continued)

9.1.2 Risk limit control and mitigation policies (Continued)

(b) *Collateral (Continued)*

(Amounts in TZS Millions)	Maximum exposure	Cash collateral	Non-cash collateral	Exposure net of risk mitigation
At 31 December 2025				
Retail	6,997,704	38,658	2,229,801	4,729,246
Corporate	2,454,219	223,096	2,047,580	183,543
Agribusiness	1,236,098	500,094	1,273,762	537,759
Total	10,688,021	761,848	5,551,142	4,375,030
Off-balance sheet				
Guarantees and Indemnities	3,283,796	22,695	208,000	3,053,101
Undrawn Commitments	291,818	-	-	291,818
Letters of credit	604,342	247,621	628,281	(271,560)
Total off-balance sheet	4,179,956	270,316	836,281	3,073,359
Total	14,867,977	1,032,164	6,387,424	7,448,389
At 31 December 2024				
Retail	6,173,406	29,893	2,817,751	3,325,762
Corporate	1,625,315	2,117	1,655,149	(31,951)
Agribusiness	940,500	1,012	502,746	436,742
Total	8,739,221	33,022	4,975,646	3,730,553
Off-balance sheet				
Guarantees and Indemnities	1,536,424	958	145,970	1,389,496
Undrawn Commitments	225,042	-	-	225,042
Letters of credit	707,859	15	384,177	316,477
Total off-balance sheet	2,469,325	973	530,147	1,931,015
Total	11,208,546	33,995	5,505,793	5,661,568

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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Credit risk (Continued)

9.1.2 Risk limit control and mitigation policies (Continued)

(b) *Collateral (Continued)*

Apart from other categories, the Bank has been closely monitoring collateral held for financial assets considered to be credit-impaired, as it becomes more likely that the Bank will take possession of collateral to mitigate potential credit losses. Financial assets that are credit-impaired and related collateral held in order to mitigate potential losses are shown below:

Collateral for credit impaired assets

(Amounts in TZS Millions)	Gross exposure	Expected Credit Losses	Carrying amount	Market Value of Collateral
At 31 December 2025				
Retail	161,923	93,985	67,938	116,568
Corporate	1,710	171	1,539	5,549
Agribusiness	90,062	50,569	39,493	83,610
Total	253,695	144,725	108,970	205,727
At 31 December 2024				
Retail	156,127	83,390	72,737	163,382
Corporate	3,347	335	3,012	5,621
Agribusiness	87,984	44,651	43,333	23,916
Total	247,458	128,376	119,082	192,919

(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.

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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

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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.

Retail loans - This group comprises all term loan products and overdraft facility advances to retail customers. Products in this group consist of salaried workers loans, personal loans, MSE and SME loans.

Corporate loans - This group comprises all term loans and overdraft facility advances to large corporate entities.

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.

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;

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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Credit risk (Continued)

9.1.3 Expected credit loss measurement (Continued)

9.1.3.1 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.

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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.

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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.

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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).

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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 2025.

The most significant period-end assumptions used for the ECL estimate as at 31 December 2025 and 31 December 2024 are set out below

Credit growth in private sector	2023	2024	2025	2026	2027
Base	5.2%	9.6%	4.0%	7.0%	4.5%
Upside	7.2%	12.0%	4.4%	7.7%	4.9%
Downside	4.5%	7.2%	3.6%	6.3%	4.0%

Credit growth in private sector	2022	2023	2024	2025	2026
Base	4.5%	5.2%	9.6%	4.0%	7.0%
Upside	5.2%	7.2%	12.0%	4.4%	7.7%
Downside	3.0%	4.5%	7.2%	3.6%	6.3%

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	2023	2024	2025	2026	2027
Base	59%	62%	59%	57%	58%
Upside	64%	67%	66%	58%	62%
Downside	57%	59%	58%	55%	57%

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%

For the years 2024 and 2025, the weightings assigned to each economic scenario were 80%, 10% and 10% for "base", "upside" and "downside" respectively.

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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)

	2025		2024	
	Higher end	Lower end	Higher end	Lower end
Retail	14,701	(3,871)	8,962	(2,986)
Corporate	3,166	(67)	186	(347)
Agribusiness	21,231	(2,795)	5,111	(4,110)
Total expected credit loss	39,099	(6,732)	14,260	(7,443)

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
2025								
Retail	6,795,455	6,285	40,327	315	161,922	93,985	6,997,704	100,585
Corporate	2,198,311	522	254,198	100,031	1,710	171	2,454,219	100,724
Agribusiness	1,126,524	5,078	19,513	971	90,061	50,569	1,236,098	56,618
Total	10,120,290	11,886	314,038	101,316	253,693	144,725	10,688,021	257,927
2024								
Retail	5,959,172	7,094	58,108	422	156,127	81,570	6,173,406	89,086
Corporate	1,490,930	263	131,038	100,002	3,347	335	1,625,315	100,600
Agribusiness	842,251	3,659	10,264	728	87,984	46,471	940,500	50,858
Total	8,292,352	11,016	199,410	101,152	247,458	128,376	8,739,221	240,544

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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) Retail

Amounts in TZS' Millions	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
As at 31 December 2025				
Current	6,795,455	-	-	6,795,455
Especially mentioned	-	40,327	-	40,327
Sub-standard	-	-	38,578	38,578
Doubtful	-	-	49,324	49,324
Loss	-	-	74,021	74,021
Gross carrying amount	6,795,455	40,327	161,922	6,997,704
Loss allowance	(6,285)	(315)	(93,985)	(100,585)
Carrying amount	6,789,170	40,012	67,937	6,897,119
As at 31 December 2024				
Current	5,959,171	-	-	5,959,171
Especially mentioned	-	58,108	-	58,108
Sub-standard	-	-	38,060	38,060
Doubtful	-	-	53,798	53,798
Loss	-	-	64,269	64,269
Gross Carrying amount	5,959,171	58,108	156,127	6,173,406
Loss allowance	(7,094)	(422)	(81,571)	(89,086)
Carrying amount	5,952,078	57,686	74,556	6,084,319

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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) Corporate

Amounts in TZS' Millions	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
As at 31 December 2025				
Current	2,198,311	-	-	2,198,311
Especially mentioned	-	254,198	-	254,198
Sub-standard	-	-	1,710	1,710
Doubtful	-	-	-	-
Loss	-	-	-	-
Gross carrying amount	2,198,311	254,198	1,710	2,454,219
Loss allowance	(522)	(100,030)	(171)	(100,723)
Carrying amount	2,197,789	154,168	1,539	2,353,496
As at 31 December 2024				
Current	1,490,930	-	-	1,490,930
Especially mentioned	-	131,038	-	131,038
Sub-standard	-	-	3,347	3,347
Doubtful	-	-	-	-
Loss	-	-	-	-
Gross Carrying amount	1,490,930	131,038	3,347	1,625,315
Loss allowance	(263)	(100,002)	(335)	(100,600)
Carrying amount	1,490,667	31,036	3,012	1,524,715

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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

Amounts in TZS' Millions	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
As at 31 December 2025				
Current	1,126,524	-	-	1,126,524
Especially mentioned	-	19,513	-	19,513
Sub-standard	-	-	12,139	12,139
Doubtful	-	-	5,278	5,278
Loss	-	-	72,645	72,645
Gross carrying amount	1,126,524	19,513	90,061	1,236,098
Loss allowance	(5,078)	(971)	(53,630)	(59,680)
Carrying amount	1,121,446	18,542	36,431	1,176,418
As at 31 December 2024				
Current	842,252	-	-	842,252
Especially mentioned	-	10,264	-	10,264
Sub-standard	-	-	8,916	8,916
Doubtful	-	-	11,408	11,408
Loss	-	-	67,660	67,660
Gross Carrying amount	842,252	10,264	87,985	940,501
Loss allowance	(3,659)	(728)	(46,470)	(50,858)
Carrying amount	838,593	9,536	41,514	889,643

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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)

	2025 TZS' Millions	2024 TZS' Millions
(e) Off balance sheet exposures		
Guarantees and Indemnities	3,283,796	1,536,424
Undrawn Commitments	291,818	225,042
Letters of credit	604,342	707,859
Gross carrying amount	4,179,956	2,469,325
Loss allowance	(291)	(984)
Net carrying amount	4,179,665	2,468,341

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 2025.

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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 2025	11,016	101,153	128,376	240,545
Movements				
Transfer from stage 1 to stage 2	(572)	572	-	-
Transfer from stage 1 to stage 3	(37,671)	-	37,671	-
Transfer from stage 2 to stage 1	104	(104)	-	-
Transfer from stage 2 to stage 3	-	(7,578)	7,578	-
Transfer from stage 3 to stage 1	22	-	(22)	-
Transfer from stage 3 to stage 2	-	4	(4)	-
Maintained Stage and other movements	36,172	7,069	(5,094)	38,147
New Financial assets originated	8,057	718	44,749	53,524
Financial assets that have been de-recognized	(5,241)	(510)	(30,270)	(36,021)
Net profit or loss charge during the period	38,988	7,277	9,385	55,650
Other movements with no profit or loss impact				
Write-offs	(2)	(7)	(38,259)	(38,268)
As at 31 December 2025	11,885	101,317	144,725	257,927
As at 1 January 2024	39,262	101,185	102,253	242,700
Movements				
Transfer from stage 1 to stage 2	(378)	378	-	-
Transfer from stage 1 to stage 3	(39,323)	-	39,323	-
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	1	(7)	-
Transfer from stage 3 to stage 2	-	1	-1	-
Maintained Stage and other movements	14,434	14,637	11,161	40,232
New Financial assets originated	7,917	722	22,345	30,984
Financial assets that have been de-recognized	(10,891)	(635)	(13,827)	(25,355)
Net profit or loss charge during the period	11,460	14,723	19,679	45,862
Other movements with no profit or loss impact				
Write-offs	(22)	(12)	(47,983)	(48,018)
As at 31 December 2024	11,016	101,152	128,376	240,544

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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) Retail	Stage 1	Stage 2	Stage 3	
Amounts in TZS'	12-month	Lifetime	Lifetime	Total
	ECL	ECL	ECL	
As at 1 January 2025	7,094	422	83,390	90,906
Movements				
Transfer from stage 1 to stage 2	(177)	177	-	-
Transfer from stage 1 to stage 3	(33,557)	-	33,557	-
Transfer from stage 2 to stage 1	102	(102)	-	-
Transfer from stage 2 to stage 3	-	(6,311)	6,311	-
Transfer from stage 3 to stage 1	20	-	(20)	-
Transfer from stage 3 to stage 2	-	2	(2)	-
Maintained Stage and other movements	32,484	6,174	-5,755	32,903
New Financial assets originated	2,926	132	14,336	17,394
Financial assets that have been de-recognized	(2,605)	(175)	(9,605)	(12,385)
Net profit or loss charge during the period	32,805	6,131	(1,024)	37,912
Other movements with no profit or loss impact				
Write-offs	(2)	(3)	(28,227)	(28,232)
As at 31 December 2024	6,285	315	93,985	100,585
As at 1 January 2024	19,958	315	45,091	65,364
Movements				
Transfer from stage 1 to stage 2	(112)	112	-	-
Transfer from stage 1 to stage 3	(30,918)	-	30,918	-
Transfer from stage 2 to stage 1	1	(10)	-	-
Transfer from stage 2 to stage 3	-	(6,505)	6,505	-
Transfer from stage 3 to stage 1	6	-	(6)	-
Transfer from stage 3 to stage 2	-	1	(1)	-
Maintained Stage and other movements	16,400	6,277	5,915	28,592
New Financial assets originated	5,006	308	16,803	22,117
Financial assets that have been de-recognized	(3,227)	(72)	(3,183)	(6,482)
Net profit or loss charge during the period	18,179	6,513	19,535	44,227
Other movements with no profit or loss impact				
Write-offs	(200)	(13)	(18,652)	(18,685)
As at 31 December 2024	7,094	422	83,390	90,906

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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)

(b) Corporate	Stage 1	Stage 2	Stage 3	
Amounts in TZS'	12-month	Lifetime	Lifetime	Total
	ECL	ECL	ECL	
As at 1 January 2025	263	100,002	335	100,600
Movements				
Transfer from stage 1 to stage 2	(5)	5	-	-
Transfer from stage 1 to stage 3	-	-	-	-
Transfer from stage 2 to stage 1	1	(1)	-	-
Transfer from stage 2 to stage 3	-	-	-	-
Transfer from stage 3 to stage 1	-	-	-	-
Transfer from stage 3 to stage 2	-	-	-	-
Maintained Stage and other movements	46	(20)	(164)	(138)
New Financial assets originated	314	45	-	359
Financial assets that have been de-recognized	(97)	-	-	(97)
Net profit or loss charge during the period	263	25	(164)	124
Other movements with no profit or loss impact				
Write-offs	-	-	-	-
As at 31 December 2025	522	100,031	171	100,724
As at 1 January 2024	10,006	100,033	11,869	121,909
Movements				
Transfer from stage 1 to stage 2	(1)	1	-	-
Transfer from stage 1 to stage 3	(1,460)	-	1,460	-
Transfer from stage 2 to stage 1	1	(1)	-	-
Transfer from stage 2 to stage 3	-	-	-	-
Transfer from stage 3 to stage 1	-	-	-	-
Transfer from stage 3 to stage 2	-	-	-	-
Maintained Stage and other movements	(2,766)	(15)	(3,465)	(6,246)
New Financial assets originated	216	1	925	1,142
Financial assets that have been de-recognized	(5,733)	(18)	(4,208)	(9,958)
Net profit or loss charge during the period	(8,283)	(32)	(6,747)	(15,062)
Other movements with no profit or loss impact				
Write-offs	-	-	(6,246)	(6,246)
As at 31 December 2024	263	100,002	335	100,600

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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)

(c) Agribusiness	Stage 1	Stage 2	Stage 3	
Amounts in TZS'	12-month	Lifetime	Lifetime	Total
	ECL	ECL	ECL	
As at 1 January 2025	3,659	728	44,651	49,039
Movements				
Transfer from stage 1 to stage 2	(390)	390	-	-
Transfer from stage 1 to stage 3	(4,114)	-	4,114	-
Transfer from stage 2 to stage 1	1	(1)	-	-
Transfer from stage 2 to stage 3	-	(1,267)	1,267	-
Transfer from stage 3 to stage 1	2	-	(2)	-
Transfer from stage 3 to stage 2	-	2	(2)	-
Maintained Stage and other movements	3,642	915	825	5,382
New Financial assets originated	4,817	541	30,413	35,771
Financial assets that have been de-recognized	(2,539)	(335)	(20,665)	(23,539)
Net profit or loss charge during the period	5,920	1,121	10,573	17,614
Other movements with no profit or loss impact				
Write-offs	-	(3)	(10,032)	(10,035)
As at 31 December 2025	5,078	971	50,569	56,618
As at 1 January 2024	9,298	837	45,293	55,428
Movements				
Transfer from stage 1 to stage 2	(265)	265	-	-
Transfer from stage 1 to stage 3	(6,945)	-	6,945	-
Transfer from stage 2 to stage 1	9	(9)	-	-
Transfer from stage 2 to stage 3	-	(8,607)	8,607	-
Transfer from stage 3 to stage 1	-	-	-	-
Transfer from stage 3 to stage 2	-	-	-	-
Maintained Stage and other movements	800	8,375	8,711	17,886
New Financial assets originated	2,695	413	4,617	7,725
Financial assets that have been de-recognized	(1,931)	(545)	(6,437)	(8,913)
Net profit or loss charge during the period	1,564	8,243	6,891	16,698
Other movements with no profit or loss impact				
Write-offs	(2)	-	(23,085)	(23,087)
As at 31 December 2024	3,659	729	44,651	49,039

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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

As at 1 January

Movements

New financial guarantees

Matured financial guarantees

Net profit or loss charge during the period

As at 31 December

Allowance charged to profit or loss during the year

Retail loans

Corporate loans

Agribusiness loans

Accelerated ECL

Total on-balance sheet charge

Off-balance sheet exposures

As at 31 December

	2025	2024
	TZS' Millions	TZS' Millions
As at 1 January	984	411
Movements		
New financial guarantees	239	928
Matured financial guarantees	(932)	(355)
Net profit or loss charge during the period	(693)	573
As at 31 December	291	984
Allowance charged to profit or loss during the year		
Retail loans	9.1.5.1 (a) 37,912	44,227
Corporate loans	9.1.5.1 (b) 124	(15,062)
Agribusiness loans	9.1.5.1 (c) 17,614	16,698
Accelerated ECL	25,617	38,632
Total on-balance sheet charge	12 (a) 81,267	84,495
Off-balance sheet exposures	12 (a) (693)	573
As at 31 December	80,574	85,068

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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 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Amounts in TZS'				
As at 1 January 2025	8,292,353	199,409	247,459	8,739,221
Movements				
Transfer from stage 1 to stage 2	(32,814)	32,814	-	-
Transfer from stage 1 to stage 3	(71,071)	-	71,071	-
Transfer from stage 2 to stage 1	44,991	(44,991)	-	-
Transfer from stage 2 to stage 3	-	(12,577)	12,577	-
Transfer from stage 3 to stage 1	16,633	-	(16,633)	-
Transfer from stage 3 to stage 2	-	644	(644)	-
Maintained stage and other movements	(368,812)	(14,785)	(13,195)	(396,792)
New Financial assets originated or purchased	4,356,958	177,342	85,085	4,619,385
Financial assets that have been de-recognized	(2,112,161)	(22,570)	(75,178)	(2,209,909)
Write-offs	(5,787)	(1,248)	(56,849)	(63,884)
As at 31 December 2025	10,120,290	314,038	253,693	10,688,021
As at 1 January 2024	7,514,035	195,704	239,886	7,949,625
Movements				
Transfer from stage 1 to stage 2	(168)	168	-	-
Transfer from stage 1 to stage 3	(697)	-	697	-
Transfer from stage 2 to stage 1	344	(344)	-	-
Transfer from stage 2 to stage 3	-	(350)	350	-
Transfer from stage 3 to stage 1	835	-	(835)	-
Transfer from stage 3 to stage 2	-	299	(299)	-
Maintained stage and other movements	(161,631)	13,221	94,743	(53,667)
New Financial assets originated or purchased	3,208,250	29,891	46,167	3,284,308
Financial assets that have been de-recognized	(2,261,966)	(38,272)	(45,532)	(2,345,770)
Write-offs	(6,649)	(907)	(87,719)	(95,275)
As at 31 December 2024	8,292,353	199,409	247,459	8,739,221

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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)

(a) Retail loans	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Amounts in TZS'				
As at 1 January 2025	5,959,172	58,107	156,126	6,173,405
Movements				
Transfer from stage 1 to stage 2	(21,894)	21,894	-	-
Transfer from stage 1 to stage 3	(57,689)	-	57,689	-
Transfer from stage 2 to stage 1	27,424	(27,424)	-	-
Transfer from stage 2 to stage 3	-	(9,915)	9,915	-
Transfer from stage 3 to stage 1	16,597	-	(16,597)	-
Transfer from stage 3 to stage 2	-	423	(423)	-
Maintained stage and other movements	(328,520)	(5,955)	(9,223)	(343,698)
New Financial assets originated or purchased	2,146,912	14,707	34,769	2,196,388
Financial assets that have been de-recognized	(940,911)	(10,266)	(26,740)	(977,917)
Write offs	(5,636)	(1,244)	(43,594)	(50,474)
As at 31 December 2025	6,795,455	40,327	161,922	6,997,704
As at 1 January 2024	5,434,007	28,504	91,921	5,554,432
Movements				
Transfer from stage 1 to stage 2	(44)	44	-	-
Transfer from stage 1 to stage 3	(674)	-	674	-
Transfer from stage 2 to stage 1	197	(197)	-	-
Transfer from stage 2 to stage 3	-	(350)	350	-
Transfer from stage 3 to stage 1	340	-	(340)	-
Transfer from stage 3 to stage 2	-	177	(177)	-
Maintained stage and other movements	(184,666)	18,596	69,580	(96,490)
New Financial assets originated or purchased	1,550,215	19,748	39,255	1,609,217
Financial assets that have been de-recognized	(833,562)	(7,518)	(9,642)	(850,721)
Write offs	(6,642)	(897)	(35,494)	(43,033)
As at 31 December 2024	5,959,172	58,107	156,126	6,173,405

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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)

(b) Corporate loans	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Amounts in TZS'				
As at 1 January 2025	1,490,930	131,038	3,347	1,625,315
Movements				
Transfer from stage 1 to stage 2	(6,999)	6,999	-	-
Transfer from stage 1 to stage 3	-	-	-	-
Transfer from stage 2 to stage 1	17,446	(17,446)	-	-
Transfer from stage 2 to stage 3	-	-	-	-
Transfer from stage 3 to stage 1	-	-	-	-
Transfer from stage 3 to stage 2	-	-	-	-
Maintained stage and other movements	(32,847)	(7,450)	(1,637)	(41,934)
New Financial assets originated or purchased	1,393,656	147,561	-	1,541,217
Financial assets that have been de-recognised	(663,875)	(6,504)	-	(670,379)
Write-offs	-	-	-	-
As at 31 December 2025	2,198,311	254,198	1,710	2,454,219
As at 1 January 2024	1,704,543	156,926	94,559	1,956,029
Movements				
Transfer from stage 1 to stage 2	(16)	16	-	-
Transfer from stage 1 to stage 3	-	-	-	-
Transfer from stage 2 to stage 1	94	(94)	-	-
Transfer from stage 2 to stage 3	-	-	-	-
Transfer from stage 3 to stage 1	-	-	-	-
Transfer from stage 3 to stage 2	-	-	-	-
Maintained stage and other movements	(143,456)	(7,902)	(43,761)	(195,119)
New Financial assets originated or purchased	1,113,807	5,760	1	1,119,568
Financial assets that have been de-recognised	(1,184,042)	(23,668)	(36,233)	(1,243,943)
Write-offs	-	-	(11,219)	(11,219)
As at 31 December 2024	1,490,930	131,038	3,347	1,625,315

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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)

(c) Agribusiness loans	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Amounts in TZS'				
As at 1 January 2025	842,252	10,264	87,985	940,501
Movements				
Transfer from stage 1 to stage 2	(3,921)	3,921	-	-
Transfer from stage 1 to stage 3	(13,382)	-	13,382	-
Transfer from stage 2 to stage 1	119	(119)	-	-
Transfer from stage 2 to stage 3	-	(2,700)	2,700	-
Transfer from stage 3 to stage 1	37	-	(37)	-
Transfer from stage 3 to stage 2	-	222	(222)	-
Maintained stage and other movements	(7,445)	(1,344)	(2,371)	(11,160)
New Financial assets originated or purchased	816,390	15,073	50,316	881,779
Financial assets that have been de-recognised	(507,375)	(5,801)	(48,437)	(561,613)
Write-offs	(151)	(3)	(13,255)	(13,409)
As at 31 December 2025	1,126,524	19,513	90,061	1,236,098
As at 1 January 2024	375,485	10,274	53,406	439,165
Movements				
Transfer from stage 1 to stage 2	(108)	108	-	-
Transfer from stage 1 to stage 3	(23)	-	23	-
Transfer from stage 2 to stage 1	53	(53)	-	-
Transfer from stage 2 to stage 3	-	-	-	-
Transfer from stage 3 to stage 1	495	-	(495)	-
Transfer from stage 3 to stage 2	-	121	(121)	-
Maintained stage and other movements	166,491	2,527	68,924	237,942
New Financial assets originated or purchased	544,229	4,383	6,913	555,525
Financial assets that have been de-recognised	(244,363)	(7,086)	341	(251,108)
Write-offs	(7)	(10)	(41,006)	(41,024)
As at 31 December 2024	842,252	10,264	87,984	940,500

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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Credit risk (Continued)

9.1.6 Analysis of stage 2 and 3 loans and advances to customers based on staging criteria

a) Stage 2 analysis	Days past due			Qualitative assessment		
	Gross Carrying Amount	ECL Amount	As % of Gross Carrying Amount	Gross Carrying Amount	ECL Amount	As % of Gross Carrying Amount
As at 31 December 2025						
Amounts in TZS' Millions						
Retail	30,989	279	0.9	9,338	36	0.4
Corporate	10,831	2	-	243,368	100,028	41.1
Agribusiness	7,598	745	9.8	11,914	226	1.9
Total	49,418	1,026	2.1	264,620	100,290	37.9
As at 31 December 2024						
Amounts in TZS' Millions						
Retail	29,595	322	1.1	28,513	101	0.4
Corporate	948	-	-	130,090	100,002	76.9
Agribusiness	6,365	644	10.1	3,899	84	2.2
Total	36,908	966	2.6	162,502	100,187	61.7
b) Stage 3 analysis	Days past due			Qualitative assessment		
	Gross Carrying Amount	ECL Amount	As % of Gross Carrying Amount	Gross Carrying Amount	ECL Amount	As % of Gross Carrying Amount
As at 31 December 2025						
Amounts in TZS' Millions						
Retail	133,306	76,035	57.0	28,616	14,888	52.0
Corporate	-	-	-	41,790	12,263	29.3
Agribusiness	42,533	17,963	42.2	7,448	23,575	316.5
Total	175,839	93,998	53.5	77,854	50,727	65.2
As at 31 December 2024						
Amounts in TZS' Millions						
Retail	116,246	60,345	51.9	39,881	21,226	53.2%
Corporate	-	-	-	3,347	335	10.0%
Agribusiness	82,943	34,865	42.0	5,042	11,605	230.2%
Total	199,189	95,210	47.8%	48,269	33,166	68.7%

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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Credit risk (Continued)

9.1.7 Management post model adjustments and overlays to Expected Credit Losses

Management applies post-model adjustments and overlays to Expected Credit Losses (ECL) to reflect factors not fully captured by the impairment models. The table below shows the impact of these adjustments by segment.

Amounts in TZS' Millions	Gross Carrying Amount	Management overlays and post-model adjustments	Total impairment allowance	% of management adjustments to total impairment allowance
As at 31 December 2025				
Retail	92,225	5,297	97,522	5.4%
Corporate	12,893	87,831	100,724	87.2%
Agribusiness	26,850	32,830	59,680	55.0%
Total	131,968	125,958	257,926	48.8%
As at 31 December 2024				
Retail	83,139	5,947	90,906	6.68%
Corporate	646	99,953	100,600	99.36%
Agribusiness	40,887	9,971	49,039	19.61%
Total	124,672	115,871	240,544	48.17%

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 64 billion in 2025 (2024: TZS 95 billion) while still working on recovering the written-off amount.

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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Credit risk (Continued)

9.1.8 Modification of loans

The tables below provide a summary of the Bank's modified loans and advances to customers, including their staging and impairment coverage by segment. Modifications comprise both forbearance measures, where concessions are granted to borrowers experiencing financial difficulties, and other loan modifications.

(a) Analysis of the gross carrying amount of modified loans and advances to customers and the related impairment allowance

As at 31 December 2025	Gross carrying amount			Impairment allowance				
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Amount in TZS' Millions								
Retail	29,946	955	14,623	45,524	176	49	2,130	2,355
Corporate	137,872	103,453	-	241,325	55	27	-	82
Agribusiness	12,804	86	42,033	54,923	44	6	27,264	27,314
Total	180,622	104,494	56,656	341,772	275	82	29,394	29,751

(b) Analysis of coverage and concentration of modified loans and advances to customers by segment.

As at 31 December 2025

Amount in TZS' Millions	Balances on modified loans	% of gross loans and advances	Impairment allowance against balances of modified loans	Impairment on modified loans coverage ratio
Retail	45,524	0.7%	2,355	2.3%
Corporate	241,325	9.8%	81	0.1%
Agribusiness	54,923	4.4%	27,314	48.1%

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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Credit risk (Continued)

9.1.8 Modifications of loans (Continued)

As at 31 December 2024	Gross carrying amount			Impairment allowance				
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Amount in TZS' Millions								
Retail	45,754	6,826	10,224	62,804	404	94	4,937	5,435
Corporate	107,953	-	9,251	117,203	21	-	905	926
Agribusiness	103,532	494	3,004	107,031	67	10	1,387	1,464
Total	257,240	7,320	22,478	287,038	492	104	7,229	7,826

As at 31 December 2024

Amount in TZS' Millions	Balances on modified loans	% of gross loans and advances	Impairment allowance against balances of modified loans	Impairment on modified loans coverage ratio
Retail	62,804	1.0%	5,435	6.1%
Corporate	117,203	7.7%	926	0.9%
Agribusiness	107,031	12.0%	1,464	2.9%

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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Credit risk (Continued)

9.1.8 Modifications of loans (Continued)

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	2025 TZS' Millions	2024 TZS' Millions
Gross amount before modification	400,482	287,180
Net modification gain	676	2,530

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.

9.1.9 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 66 million as of December 31, 2025.

9.1.10 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, 2025, is TZS 126 million.

9.1.11 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.

9.1.12 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.

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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Credit risk (Continued)

9.1.13 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 2025. For this table, the Bank has allocated exposures to regions based on the country of domicile of its counterparties.

	Tanzania TZS Millions	Europe TZS Millions	America TZS Millions	Others TZS Millions	Total TZS Millions
Credit risk exposures relating to on-balance sheet assets are as follows:					
31 December 2025					
Cash and balances with the Bank of Tanzania	1,434,710	5,235	339,656	1,349	1,780,950
Placement and balances with other banks	651,881	38,042	1,034,195	16,627	1,740,745
Investment in Government securities					
• Amortised cost	2,513,084	-	-	-	2,513,084
• Fair value through Profit or Loss	-	-	-	-	-
• Fair value through Other Comprehensive Income	45,633	-	-	-	45,633
Loans and advances to customers	9,197,342	-	1,232,746	6	10,430,094
Other assets (excluding non-financial assets)	110,265	-	6,268	(7)	116,526
As at 31 December 2025	13,952,915	43,277	2,612,865	17,975	16,627,032
Credit risk exposures relating to off-balance sheet assets are as follows:					
Guarantees and indemnities (Note 43(a))	1,287,771	15,489	1,915,213	65,323	3,283,796
Undrawn commitments (Note 43(a))	152,315	-	139,503	-	291,818
Letters of credit (Note 43(a))	4,068	39,638	560,636	-	604,342
As at 31 December 2025	1,444,154	55,127	2,615,352	65,323	4,179,956

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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Credit risk (Continued)

9.1.13 Concentration of risks of financial assets with credit risk exposure

(a) *Geographical sectors (Continued)*

Credit risk exposures relating to on-balance sheet assets are as follows:

	Tanzania TZS Millions	Europe TZS Millions	America TZS Millions	Others TZS Millions	Total TZS Millions
31 December 2024					
Cash and balances with the Bank of Tanzania	1,450,070	-	-	-	1,450,070
Placement and balances with other banks	302,688	234,605	-	368,394	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	8,498,677	-	-	-	8,498,677
Other assets (excluding non-financial assets)	124,636	-	-	-	124,636
As at 31 December 2024	12,644,834	234,605	-	368,394	13,247,833
Credit risk exposures relating to off-balance sheet assets are as follows:					
Guarantees and indemnities (Note 43(a))	1,536,424	-	-	-	1,536,424
Undrawn commitments (Note 43(a))	225,042	-	-	-	225,042
Letters of credit (Note 43(a))	707,859	-	-	-	707,859
As at 31 December 2024	2,469,325	-	-	-	2,469,325

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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Credit risk (Continued)

9.1.13 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 2025	Financial institutions	Manufacturing	Trading and commercial	Transport & communication	Wholesale & retail	Agriculture	Individuals	Others	Total
Cash and balances with the Bank of Tanzania	1,780,950	-	-	-	-	-	-	-	1,780,950
Placement and balances with other banks	1,740,745	-	-	-	-	-	-	-	1,740,745
Investment in Government securities									
- Amortised cost	2,513,084	-	-	-	-	-	-	-	2,513,084
Fair value through Profit or Loss	-	-	-	-	-	-	-	-	-
- Fair value through Other comprehensive income	45,633	-	-	-	-	-	-	-	45,633
Loans and advances to customers	3,063	464,731	2,053,507	194,150	97,531	992,833	5,971,063	911,144	10,688,021
Other assets (excluding non-financial assets)	516,380	-	-	-	-	-	-	-	516,380
As at 31 December 2025	6,599,855	464,731	2,053,507	194,150	97,531	992,833	5,971,063	911,144	17,284,813



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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Credit risk (Continued)

9.1.13 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 2025	Financial institutions	Manu-facturing	Trading and commercial	Transport and communication	Wholesale and retail	Agriculture	Individuals	Others	Total
Guarantees and indemnities - (Note 43(a))	2,800,512	15,563	389,360	46,722	19,675	10,725	-	1,239	3,283,796
Undrawn commitments (Note 43(a))	-	40,396	57,329	2,135	23,632	125,935	-	42,391	291,818
Letters of credit (Note 43(a))	-	8,429	408,839	76,924	141	101,690	-	8,319	604,342
As at 31 December 2025	2,800,512	64,388	855,528	125,781	43,448	238,350	-	51,949	4,179,956

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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Credit risk (Continued)

9.1.13 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 2024	Financial institutions	Ma-nu-fac-turing	Ma- Trading and com-mercial	Transport & communication	Whole-sale & retail	Agriculture	Individuals	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
Credit risk exposures relating to off-balance sheet assets are as follows:									
Guarantees and indemnities - (Note 43(a))	-	706	40,416	41,007	271,953	10,394	146	1,171,802	1,536,424
Undrawn commitments (Note 43(a))	-	40,198	40,705	652	21,904	107,307	-	14,275	225,042
Letters of credit (Note 43(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



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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 2025 and 31 December 2024. Included in the table are the Bank's financial instruments at carrying amounts, categorised by currency.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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 2025	USD Millions	EURO Millions	GBP Millions	Others Millions	Total Millions
Assets					
Cash and balances with Bank of Tanzania	339,656	5,235	357	992	346,240
Placement and balances with other banks	1,034,194	38,042	3,598	13,030	1,088,864
Loans and advances to customers	1,232,746	-	6	-	1,232,752
Other assets (excluding non-financial assets)	6,268	-	(7)	-	6,261
Total financial assets	2,612,864	43,277	3,954	14,022	2,674,117
Liabilities					
Deposits from customers	1,693,465	38,658	3,421	38	1,735,582
Long term borrowing	644,114	-	-	-	644,114
Lease liabilities	-	-	-	-	-
Other liabilities (excluding non-financial other liabilities)	17,564	-	-	-	17,564
Total financial liabilities	2,355,143	38,658	3,421	38	2,397,260
Net on-balance sheet financial position	257,721	4,619	533	13,984	276,857
Off balance sheet position					
Guarantee and indemnities	1,891,122	15,489	-	86,457	1,993,068
Undrawn commitments	139,503	-	-	-	139,503
Letters of credit	564,704	39,638	-	-	604,342
	2,595,329	55,127	-	86,457	2,736,913

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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	1,833,106
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
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)

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

	% change in exchange rate	2025 TZS' Millions	2024 TZS' Millions
USD	10%	25,772	15,189
EURO	10%	462	7,599
GBP	10%	53	42

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 2025

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	-	-	-	-	-	1,780,950	1,780,950
Investment in Government securities							
- Amortised cost	72,676	91,336	335,040	1,085,180	928,853	-	2,513,084
- Fair value through Other comprehensive income	-	-	16	10,504	31,463	3,650	45,633
- Debt securities mandatorily measured at FVTPL	-	-	-	-	-	-	-
Placement and balances with other banks	1,273,677	-	3,000	19,000	-	445,068	1,740,745
Loans and advances to customers	680,419	312,651	7,086,462	1,111,238	1,043,388	195,935	10,430,094
Equity Investments							
Other assets (excluding non-financial assets)	-	-	-	-	-	116,526	116,526
Total financial assets	2,026,772	403,987	7,424,519	2,225,921	2,003,704	2,542,129	16,627,032
Liabilities							
Deposits from customers	2,210,318	500,292	689,987	362,168	198,022	8,574,934	12,535,721
Deposit from banks	1,230	-	-	-	-	-	1,230
Borrowing	50,000	140,000	754,060	345,225	-	-	1,298,487
Lease liabilities	-	-	464	21,356	37,761	-	59,582
Other liabilities (excluding non-financial other liabilities)	-	-	-	-	-	99,202	99,202
Total financial liabilities	2,261,548	640,292	1,444,511	728,749	235,783	8,674,136	13,994,222
Total interest gap	(234,776)	(236,305)	5,980,008	1,497,172	1,767,921		

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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

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	-	-	-	-	-	1,450,070	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		



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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 2025

TZS Millions

Sensitivity Period	Weighted Average	Net Interest-Bearing Funding	Net Position	Impact
Less than 30 days	(3,628)	(362,773)	359,146	(7,183)
30days to 1 Year	194,405	5,162,762	(4,968,357)	99,367

As at 31 December 2024

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

9.2.3 Price risk

Both the Group and the Bank are exposed to price risk arising primarily from their investments in equity and debt instruments, including shares in the Tanzania Mortgage Refinance Company, government securities, and selected private debt instruments. These financial assets are measured at fair value either through Other Comprehensive Income (FVOCI) or Profit or Loss (FVTPL) in accordance with applicable financial reporting standards. To manage the potential volatility associated with changes in market prices, particularly for debt securities, the Group adopts a prudent portfolio diversification strategy, allocating investments across a range of asset classes and maturities.

Price sensitivity

To illustrate the potential impact of market fluctuations, the Bank performed a sensitivity analysis assuming a 200 basis point increase in yield rates, with all other variables held constant. Under this scenario, the Directors estimate that the fair value of the affected financial assets would decline to TZS 38,960 million (2023: TZS 78,407 million), compared with the reported fair value of TZS 45,633 million as at 31 December 2024 (2023: TZS 78,399 million). Conversely, assuming a 200 basis point decrease in yield rates, the fair value of the same assets is projected to increase to TZS 52,306 million (2023: TZS 78,270 million).

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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 (2024: TZS 423 Million).

9.2.4 Interest rate benchmark reform

During the financial year, the Group used the Term Secured Overnight Financing Rate (Term SOFR) as the reference benchmark rate, as published by the Federal Reserve Bank of New York. 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.

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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. The gross nominal inflow/(outflow) disclosed is the contractual, undiscounted cash flow on the financial liability or commitment.

	Carrying value	Gross nominal inflow/(outflow)	Redeemable on demand	Up to 1 month	1 - 6 month	1 - 12 month	1 - 5 year	Above 5 Year
As at 31 December 2025								
Assets								
Cash and balances with Bank of Tanzania	1,780,949	1,780,949	40,410	992,130	-	-	-	748,409
Placement and balances with other banks	1,740,679	1,740,679	-	1,702,340	38,339	-	-	-
Financial assets at FVOCI	45,633	46,709	-	-	-	3,666	10,730	32,313
Equity investment at FVOCI	4,233	4,233	-	-	-	-	-	4,233
Financial assets at amortised cost	2,512,958	2,474,858	-	72,676	246,098	180,278	1,097,937	877,869
Loans and advances to customers	10,430,094	13,984,966	195,607	302,126	1,074,182	982,029	3,677,683	7,753,339
Other assets (excluding non-financial assets)	116,526	116,526	-	116,526	-	-	-	-
Total financial assets	16,631,072	20,148,920	236,017	3,185,798	1,358,619	1,165,973	4,786,350	9,416,163
Derivative assets								
- Inflows	3,627	3,627	-	3,627	-	-	-	-
- Outflows	-	-	-	-	-	-	-	-
Total derivative assets (net)	3,627	3,627	-	3,627	-	-	-	-

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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.3 Liquidity risk (Continued)

9.3.4 Assets held for managing liquidity risk

	Carrying value	Gross nominal inflow/(outflow)	Redeemable on demand	Up to 1 month	1 - 6 month	1 - 12 month	1 - 5 year	Above 5 Year
As at 31 December 2025								
Assets								
Cash and balances with Bank of Tanzania	1,780,949	1,780,949	40,410	992,130	-	-	-	748,409
Placement and balances with other banks	1,740,679	1,740,679	-	1,702,340	38,339	-	-	-
Financial assets at FVOCI	45,633	46,709	-	-	-	3,666	10,730	32,313
Equity investment at FVOCI	4,233	4,233	-	-	-	-	-	4,233
Financial assets at amortised cost	2,512,958	2,474,858	-	72,676	246,098	180,278	1,097,937	877,869
Loans and advances to customers	10,430,094	13,984,966	195,607	302,126	1,074,182	982,029	3,677,683	7,753,339
Other assets (excluding non-financial assets)	116,526	116,526	-	116,526	-	-	-	-
Total financial assets	16,631,072	20,148,920	236,017	3,185,798	1,358,619	1,165,973	4,786,350	9,416,163
Derivative assets								
- Inflows	3,627	3,627	-	3,627	-	-	-	-
- Outflows	-	-	-	-	-	-	-	-
Total derivative assets (net)	3,627	3,627	-	3,627	-	-	-	-

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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.3 Liquidity risk (Continued)

9.3.4 Assets held for managing liquidity risk

As at 31 December 2025	Carrying value TZS' Millions	Gross nominal inflow/ (outflow) TZS' Millions	Redeem- able on demand TZS' Millions	Up to 1 month TZS' Millions	1 - 6 month TZS' Millions	1 - 12 month TZS' Millions	1 - 5 year TZS' Millions	Above 5 Year TZS' Millions
Non-derivative financial liabilities								
Deposits from Banks	1,230	-	-	-	1,230	-	-	-
Deposit from Customers	12,518,321	12,539,015	1,152,870	1,466,594	3,860,198	1,832,824	4,062,656	163,873
Lease Liabilities	27,355	79,575	-	-	-	15,500	37,099	26,976
Borrowings	1,298,487	1,467,902	-	50,094	511,882	422,389	483,537	-
Other liabilities (excluding non-financial other liabilities)	98,437	98,437	-	98,437	-	-	-	-
Total non-derivative financial liabilities	13,943,830	14,184,929	1,152,870	1,615,125	4,373,310	2,270,713	4,583,292	190,849

Derivative assets

- Inflows	-	-	-	-	-	-	-	-
- Outflows	(5)	(5)	-	(5)	-	-	-	-
Total derivative liabilities (net)	(5)	(5)	-	(5)	-	-	-	-

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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.3 Liquidity risk (Continued)

9.3.4 Assets held for managing liquidity risk

As at 31 December 2024	Carrying value TZS' Millions	Gross nominal inflow/ (outflow) TZS' Millions	Redeem- able on demand TZS' Millions	Up to 1 month TZS' Millions	1 - 6 month TZS' Millions	1 - 12 month TZS' Millions	1 - 5 year TZS' Millions	Above 5 Year TZS' Millions
Assets								
Cash and balances with Bank of Tanzania	1,450,570	1,450,570	873,433	-	-	-	-	577,137
Placement and balances with other banks	905,687	905,687	1,237	790,121	114,328	-	-	-
Financial assets at FVTPL	10,154	10,154	-	10,154	-	-	-	-
Financial assets at FVOCI	78,339	78,339	-	78,339	-	-	-	-
Equity investment at FVOCI	4,233	4,233	-	-	-	-	-	4,233
Financial assets at amortised cost	2,180,270	2,180,270	-	80,633	371,219	181,036	650,112	897,270
Loans and advances to customers	8,498,677	8,498,677	102,871	377,364	781,333	879,819	2,186,278	4,171,012
Other assets (excluding non-financial assets)	124,636	124,636	-	124,636	-	-	-	-
Total financial assets	13,252,566	13,252,566	977,541	1,461,247	1,266,880	1,060,855	2,836,390	5,649,652

Derivative assets

- Inflows	14,721	14,721	-	14,721	-	-	-	-
- Outflows	-	-	-	-	-	-	-	-
Total derivative assets (net)	14,721	14,721	-	14,721	-	-	-	-

9.3 Liquidity risk (Continued)

9.3.4 Assets held for managing liquidity risk (Continued)

	Carrying value	Gross nominal inflow/ (outflow)	Redeem-able on demand	Up to 1 month	1 - 6 month	1 - 12 month	1 - 5 year	Above 5 Year
As at 31 December 2024								
Non-derivative financial liabilities								
Deposits from Banks	73	73	-	-	73	-	-	-
Deposit from Customers	9,564,222	9,766,631	-	838,534	3,028,990	2,727,505	3,066,985	104,617
Lease Liabilities	24,298	78,650	-	-	-	12,719	65,931	-
Borrowings	1,369,504	1,467,142	-	45,000	331,713	347,038	687,715	55,676
Other liabilities (excluding non-financial other liabilities)	165,751	165,751	165,751	-	-	-	-	-
Total non-derivative financial liabilities	11,123,848	11,478,247	165,751	883,534	3,360,776	3,087,262	3,820,631	160,293

Derivative assets

- Inflows

- Outflows

Total derivative liabilities (net)

- Inflows	-	-	-	-	-	-	-	-
- Outflows	2,956	2,956	-	2,956	-	-	-	-
Total derivative liabilities (net)	2,956	2,956	-	2,956	-	-	-	-

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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 than 1 year	1 - 5 years	Total
	TZS' Millions	TZS' Millions	TZS' Millions
As at 31 December 2025			
Guarantee and indemnities	1,068,364	2,215,431	3,283,796
Undrawn commitments	291,818	-	291,818
Letter of credit	604,342	-	604,342
Total	1,964,525	2,215,431	4,179,956
As at 31 December 2024			
Guarantee and indemnities	1,536,424	-	1,536,424
Undrawn commitments	225,042	-	225,042
Letter of credit	707,859	-	707,859
Total	2,469,325	-	2,469,325

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.

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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)

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
	2025 TZS Millions	2024 TZS Millions				
Investment in government securities	45,633	88,493	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

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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

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	Hierar- chy level	Carrying amount		Fair value	
		2025 TZS' Millions	2024 TZS' Millions	2025 TZS' Millions	2024 TZS' Millions
Financial assets					
Government securities at amortized cost (Treasury bonds)	Level 2	2,065,053	1,752,420	2,003,546	1,555,989
Government securities at amortized cost (Treasury bills)	Level 2	425,705	415,281	428,160	415,648
Loans and advances to customers	Level 3	10,430,094	8,498,677	10,430,094	8,498,677
Other assets (excluding non-financial assets) *	Level 3	116,526	116,475	116,526	116,475
		13,037,378	10,782,853	12,978,326	10,586,789
Financial liabilities					
Deposits from customers	Level 3	12,535,721	9,564,222	12,535,721	9,572,319
Deposits from banks	Level 2	1,230	73	1,230	73
Borrowings	Level 3	1,298,487	1,369,504	1,298,487	1,369,504
Other liabilities (Excluding non-financial other liabilities)**	Level 3	98,437	154,665	98,437	154,665
		13,933,875	11,088,464	13,933,875	11,096,561

* 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	2025 TZS' Millions	2024 TZS' Millions
Tier 1 capital			
Fully Paid-up Ordinary shares Capital		20,000	20,000
Retained earnings less foreseeable dividends		3,066,762	2,524,797
CET 1 before Regulatory Adjustments		3,086,762	2,544,797
Less: Prepaid expenses	26(b)	(54,845)	(33,193)
Less: Deferred tax assets that rely on future profitability	30(a)	(151,742)	(139,320)
Available Common Equity Tier 1 (A)		2,880,175	2,372,284
Tier 2 capital			
Fair valuation reserve		3,748	2,050
Available Tier 2 Capital (B)		3,748	2,050
Total regulatory capital (D) = [(A) + Lower of (B) or (C)]		2,883,923	2,374,334

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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.6 Capital management (Continued)

		2025 TZS' Millions	2024 TZS' Millions
Risk-weighted assets			
On-balance sheet		7,950,781	6,181,418
Off-balance sheet		1,939,447	1,587,372
Market risk		215,471	95,241
Operational risk ^(b)		1,548,584	854,193
Total risk-weighted assets (E)		11,654,283	8,718,224
	Required ratio (%)	2025 Bank's ratio (%)	2024 Bank's ratio (%)
CET 1 Capital	11%	24.71	-
Tier 1 capital	12.5	24.71	27.21
Tier 1 + Tier 2 capital	14.5	24.75	27.23

The increase in the total regulatory capital in 2025 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.

10. INTEREST INCOME (GROUP AND BANK)

	2025 TZS' Millions	2024 TZS' Millions
Loans and advances to customers	1,271,566	1,128,817
Government securities at amortized cost (Note 24(a))	226,376	207,197
Corporate bonds at amortized cost (Note 24(a))	2,194	1,090
Government securities at fair value through OCI (Note 24(b))	7,566	3,799
Government securities at fair value through P and L (Note 24(c))	4,093	302
Placements and balances with other banks	36,534	24,801
	1,548,329	1,366,006

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11. INTEREST EXPENSE

	2025 TZS' Millions	2024 TZS' Millions
(a) GROUP		
Deposits from customers		
- Time deposits	155,665	120,378
- Current accounts	87,322	53,510
- Saving deposits	18,229	14,552
Deposits due to other banks	129	554
Borrowings from financial institutions	57,010	74,926
Debt securities in issue	36,492	41,668
Lease liabilities	2,402	2,011
	357,249	307,599
(b) BANK		
Deposits from customers		
- Time deposits	155,665	120,378
- Current accounts	88,756	54,585
- Saving deposits	18,229	14,552
Deposits due to other banks	129	554
Borrowings from financial institutions	57,010	74,926
Debt securities in issue	36,492	41,668
Lease liabilities	5,197	4,978
	361,478	311,641
12. IMPAIRMENT CHARGE (GROUP AND BANK)		
(a) Loans and advances to customers (Note 23)	81,267	84,495
Off-balance sheet items (Note 43)	(693)	573
	80,574	85,068
(b) Others:		
Placements and balances with other banks (Note 22)	25	41
Investment securities (Note 24)	13	113
Other assets (Note 26)	955	2,249
	993	2,403
	81,567	87,471

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13. NET FEES AND COMMISSION INCOME (GROUP AND BANK)

	2025 TZS' Millions	2024 TZS' Millions
Fees and commission income		
Credit related fees and commissions	171,498	142,345
Other fees	64,212	58,698
Card fees	34,718	32,329
Agency banking fees	142,142	121,956
MNO collaboration fees	92,482	95,164
ATM fees and card issuing	48,968	50,023
Maintenance fees	36,691	32,066
Teller withdrawal fees	26,618	26,046
Commission - mobile banking	12,343	15,247
Government service fees	962	888
Total fee and commission income	630,634	574,762
Fee and commission expense*	(146,164)	(135,396)
Net Fee and commission income	484,470	439,366

* This balance comprises amounts related to agents' commission expenses and other related fees and commission costs.

14. OTHER INCOME

a) GROUP		
Bad debts recovery	26,249	23,140
Miscellaneous income	9,067	335
Profit on disposal of property and equipment	193	240
Rental income	5	6
Dividend on TMRC equity investments	45	65
	35,559	23,786
(b) BANK		
Bad debts recovery	26,249	23,140
Miscellaneous income	9,096	364
Profit on disposal of property and equipment	193	240
Rental income	5	6
Dividend on TMRC equity investments	45	65
	35,588	23,815

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

	2025 TZS' Millions	2024 TZS' Millions
15. EMPLOYEE BENEFITS EXPENSE (GROUP AND BANK)		
Salaries	181,703	160,599
Other staff cost	29,230	27,250
Other emoluments*	141,489	123,745
Pension costs	27,252	24,062
	379,674	335,656

*The balance is composed of staff bonuses and staff allowances.

	2025 TZS' Millions	2024 TZS' Millions
16. OTHER OPERATING EXPENSES		
(a) GROUP		
Administrative expenses*	67,553	64,828
Cash trip expenses	7,196	5,523
Depositor's protection fund insurance	13,266	11,697
Short term leases expense	95	118
Utilities	22,590	22,577
Security expenses	14,091	13,886
Marketing and advertising expenses	12,557	12,526
Repairs and maintenance	70,476	58,441
Travelling expenses	23,403	23,906
Management contract expenses	2,659	1,593
Other expenses	80	9,119
Auditors' remuneration**	849	770
Directors' remuneration:		
- Fees	672	517
- Others	1,421	1,193
	236,908	226,694

* Administrative expenses include expenses such as VAT, insurance costs, CSI and office expenses

	2025 TZS' Millions	2024 TZS' Millions
(b) BANK		
Administrative expenses*	67,393	64,676
Cash trip expenses	7,196	5,523
Depositor's protection fund insurance	13,266	11,697
Short term leases expense	95	118
Utilities	22,590	22,577
Security expenses	14,091	13,886
Marketing and advertising expenses	12,557	12,526
Repairs and maintenance	70,476	58,441
Travelling expenses	23,403	23,906

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	2025 TZS' Millions	2024 TZS' Millions
16. OTHER OPERATING EXPENSES (CONTINUED)		
Management contract expenses	2,659	1,593
Other expenses	80	9,119
Auditors' remuneration**	834	758
Directors' remuneration:		
- Fees	672	517
- Others	1,421	1,193
	236,733	226,530

	Group		Bank	
	2025 TZS' Millions	2024 TZS' Millions	2025 TZS' Millions	2024 TZS' Millions
** Auditors' remuneration				
Statutory audit fees	563	546	550	534
Regulatory related services	107	104	107	104
Other assurance and related services performed under the standards issued by IAASB	16	15	16	15
Other fees and costs	163	105	161	105
	849	770	834	758

** The fees relate to statutory audit and regulatory related services offered by Deloitte & Touche to the Group.

	2025 TZS' Millions	2024 TZS' Millions
17. DEPRECIATION AND AMORTISATION		
(a) GROUP		
Depreciation of property and equipment (Note 27(a))	37,963	36,712
Amortization of right-of-use assets (Note 29(a))	10,454	10,079
Amortization of intangible assets (Note 28)	12,246	9,246
	60,664	56,037
(b) BANK		
Depreciation of property and equipment (Note 27(b))	35,932	34,681
Amortization of right of use assets (Note 29(b))	13,251	12,997
Amortization of intangible assets (Note 28)	12,246	9,246
	61,429	56,924

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18. CURRENT INCOME TAX

(a) GROUP

Income tax expense for the year is arrived at as follows:

Current tax:

	2025 TZS' Millions	2024 TZS' Millions
In respect of current year	320,860	280,506
Over provision in prior period	(1,043)	25,101
	319,817	305,607

Deferred tax:

In respect of current year (Note 31(a))	(13,212)	16,596
In respect of prior year (Note 31(a))	62	(37,806)
	(13,150)	(21,210)

Income tax expense	306,667	284,397
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The tax on the Group's profit differs from the theoretical amount that would arise using the statutory income tax rate as follows:

	2025 TZS' Millions	2024 TZS' Millions
Reconciliation of accounting profit to income tax expense:		
Profit before income tax	1,066,731	931,290
Tax calculated at the statutory income tax rate of 30% (2024: 30%)	320,019	279,387
<i>Tax effect of:</i>		
Depreciation on non-qualifying assets	626	549
Over/(under) provision of deferred tax and current tax in prior year	62	(37,825)
(Over)/under provision of current tax in prior year	(1,043)	25,101
Expenses not deductible for tax purposes	5,052	5,439
Non-taxable commission income	(20,647)	(10,190)
Expenditure used to generate non taxable income	2,855	-
Dividend on equity instrument	(20)	(20)
Recognition of UJVC deferred tax from previous year	(238)	(288)
Utilization of non-allowable Provisions	1	22,244
Income tax expense	306,667	284,397

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18. CURRENT INCOME TAX (CONTINUED)

b) BANK

Income tax expense for the year is arrived at as follows:

Current tax:

	2025 TZS' Millions	2024 TZS' Millions
In respect of current year	319,624	279,392
In respect of prior year	(1,043)	25,101
	318,581	304,493

Deferred tax:

In respect of current year (Note 31(a))	(13,212)	16,596
In respect of prior year (Note 31(a))	62	(37,806)
	(13,150)	(21,210)

Income tax expense	305,431	283,283
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The tax on the Bank's profit differs from the theoretical amount that would arise using the statutory income tax rate as follows:

	2025 TZS' Millions	2024 TZS' Millions
Reconciliation of accounting profit to income tax expense:		
Profit before income tax	1,061,817	926,552
Tax calculated at the statutory income tax rate of 30% (2023: 30%)	318,545	277,966
<i>Tax effect of:</i>		
Depreciation on non-qualifying assets	626	549
Expenses not deductible for tax purposes	5,052	5,439
(Over)/under provision of current tax in prior year	(1,043)	25,101
Over/(under) provision of deferred tax in prior year	62	(37,807)
Non-taxable commission income	(20,647)	(10,190)
Expenditure used to generate non-taxable income	2,855	-
Dividend on equity instrument	(20)	(20)
Utilization of non-allowable Provisions	1	22,245
Income tax expense	305,431	283,283

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18. CURRENT INCOME TAX (CONTINUED)

	2025 TZS' Millions	2024 TZS' Millions
c) CURRENT TAX ASSETS /(LIABILITIES) – GROUP		
At start of the year	9,508	10,969
Current tax expense (Note 18(a))	(319,817)	(305,607)
Prior year adjustment	(72)	584
Tax paid	318,198	303,562
Tax receivable	7,817	9,508
d) CURRENT TAX ASSETS /(LIABILITIES) – BANK		
At start of the year	5,610	7,783
Current tax expense (Note 18(b))	(318,581)	(304,493)
Prior year adjustment	228	584
Tax paid	316,637	301,736
Tax receivable	3,894	5,610

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:

	2025 TZS' Million	2024 TZS' Million
(a) GROUP		
Net profit attributable to shareholders (in Millions)	759,670	647,892
Weighted average number of shares in issue (in Millions)	500	500
Basic and diluted earnings per share	1,519.34	1,295.78
(b) BANK		
Net profit attributable to shareholders (TZS Millions)	756,386	643,271
Weighted average number of shares in issue (Millions)	500	500
Basic and diluted earnings per share	1,512.77	1,286.54

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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 504.26 per share, amounting to TZS 252,129 million out of 2025 profit. In 2025, dividend of TZS 428.85 per share, amounting to TZS 214,423 million was approved and paid in respect of the year ended 31 December 2024.

21. CASH AND BALANCES WITH BANK OF TANZANIA (GROUP AND BANK)

	2025 TZS' Millions	2024 TZS' Millions
Cash in hand	704,502	603,717
- Local currency	574,106	500,147
- Foreign currency	130,374	103,570
Balances with Bank of Tanzania	335,555	269,716
- Local currency	119,711	142,411
- Foreign currency	215,844	127,305
Statutory Minimum Reserves (SMR)*	740,892	577,137
	1,780,949	1,450,570
Current	1,780,949	1,450,570

* 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.

22. PLACEMENTS AND BALANCES WITH OTHER BANKS (GROUP AND BANK)

	2025 TZS' Millions	2024 TZS' Millions
Balances with banks abroad	395,867	171,173
Placement with local banks	661,975	89,697
Placements with banks abroad	648,534	628,639
Letter of credit discounting arrangements	34,369	16,219
Gross Placements and balances with other banks	1,740,745	905,728
Less: Expected Credit Losses	(66)	(41)
Net placements and balances with other banks (current)	1,740,679	905,687

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23. LOANS AND ADVANCES TO CUSTOMERS (GROUP AND BANK)

	2025 TZS' Millions	2024 TZS' Millions
Salaried Workers Loans (SWL)	5,501,951	4,823,911
Staff loans at fair value* ¹	444,205	384,535
Prepaid staff benefit * ²	32,208	25,810
MSE loans	558,178	352,698
Other consumer loans	17,422	184,950
Large corporate entities	2,972,884	1,625,315
SME loans	436,115	401,501
Agribusiness loans	725,058	940,500
Gross loans and advances to customers*	10,688,021	8,739,221
Less: Expected Credit Losses (Note 9.1.1)	(257,927)	(240,544)
Net loans and advances to customers	10,430,094	8,498,677

*¹ Using prevailing market interest rate for staff loans with a carrying amount of TZS 444,205 million (2024: TZS 384,535 million), the fair value is estimated to be TZS 476,412 million (2024: TZS 410,345 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 22,315 million (2024: TZS 15,191 million).

Analysis of loans and advances to customers by maturity

Maturity analysis is based on the remaining period to contractual maturity from year-end

	2025 TZS' Millions	2024 TZS' Millions
Maturing:		
Within 1 year	2,563,543	2,156,784
Between 1 year and 5 years	2,922,717	2,229,899
Over 5 years	4,943,834	4,111,994
	10,430,094	8,498,677

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

23. LOANS AND ADVANCES TO CUSTOMERS (GROUP AND BANK) (CONTINUED)

Analysis of loans and advances to customers by maturity (Continued)

The following table shows the movement in expected credit losses that has been recognized for loans and advances to customers

	2025 TZS' Millions	2024 TZS' Millions
At 1 January	240,544	242,701
Increase in ECL recognised in the year (Note 12(a))	81,267	84,495
Decrease in ECL from derecognition of financial assets in the year	(63,884)	(86,652)
At 31 December	257,927	240,544

Analysis of the Gross exposure based on ECL segmentation as disclosed under note 9.1.4.1

2025	Retail TZS' Millions	Corporate TZS' Millions	Agribusiness TZS' Millions	Total TZS' Millions
Salaried Workers Loans (SWL)	5,978,363	-	-	5,978,363
MSE loans	558,178	-	-	558,178
Other consumer loans	17,422	-	-	17,422
Large corporate entities	-	2,450,599	510,126	2,960,725
SME loans	443,741	3,620	914	448,275
Agribusiness loans	-	-	725,058	725,058
Grand Total	6,997,704	2,454,219	1,236,098	10,688,021

2024	Retail TZS' Millions	Corporate TZS' Millions	Agribusiness TZS' Millions	Total TZS' Millions
Salaried Workers Loans (SWL)	5,234,256	-	-	5,234,256
MSE loans	352,698	-	-	352,698
Other consumer loans	184,950	-	-	184,950
Large corporate entities	-	1,625,315	-	1,625,315
SME loans	401,501	-	-	401,501
Agribusiness loans	-	-	940,501	940,501
Grand Total	6,173,405	1,625,315	940,501	8,739,221

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24. (a) INVESTMENT SECURITIES AT AMORTISED COST (GROUP AND BANK)

	2025 TZS' Millions	2024 TZS' Millions
Treasury bills	425,637	415,281
Treasury bonds	2,065,153	1,752,420
Corporate bonds	22,294	12,682
Gross investment securities	2,513,084	2,180,383
Less: Expected Credit Loss	(126)	(113)
Net in investment securities	2,512,958	2,180,270
Current	499,510	633,042
Non-current	2,013,448	1,547,228
	2,512,958	2,180,270

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 9.56% (2024: 9.5%). As at 31 December 2025, there were no treasury bills which were pledged as collateral. However, treasury bonds with a face value of TZS 185,247 million (2024: TZS 243,656 million) were pledged as security for borrowings from the Bank of Tanzania under the Agribusiness special loan program. Corporate bonds include Sukuk, which are sharia-compliant.

The movement in investment securities is summarized as follows:

	2025 TZS' Millions	2024 TZS' Millions
At 1 January	2,180,383	2,245,260
Interest income (Note 10)	228,570	208,287
Additions	941,568	537,565
Interest received	(190,422)	(216,723)
Proceeds from disposal	-	(20,000)
Matured securities	(647,015)	(575,587)
Realized gain on disposal credited to profit or loss	-	1,581
Gross investment securities	2,513,084	2,180,383
Less: Expected Credit Losses	(126)	(113)
Net investment insecurities	2,512,958	2,180,270

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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:

	2025 TZS' Millions	2024 TZS' Millions
At 1 January	78,339	28,345
Interest income (Note 10)	7,566	3,799
Realized gain on disposal of securities credited to profit*	1,986	2,544
Unrealized fair valuation gain to OCI (Note 39 (iii))	2,426	714
Additions	69,570	231,566
Interest received	(5,573)	(2,455)
Proceeds from disposal	(108,681)	(186,174)
At 31 December (Non-current)	45,633	78,339

24. (c) INVESTMENT SECURITIES AT FVTPL (GROUP AND BANK)

	2025 TZS' Millions	2024 TZS' Millions
At 1 January	10,154	-
Interest income (Note 10)	4,093	302
Realized gain on fair valuation credited to profit or loss	5,751	706
Additions	174,233	30,202
Interest received	(10,466)	(638)
Proceeds from disposal	(183,765)	(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 million 7,737 (2024: TZS 4,831 million)

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25. EQUITY INVESTMENTS

(a) GROUP

Investment at FVOCI	2025 TZS' Millions	% share	2024 TZS' Millions	% share
Company name				
Tanzania Mortgage Refinance Company Limited (TMRC)	4,233	9.51	4,233	9.51

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. As at 31 December 2025, the Bank had shares 2,700,000 (2024: 2,700,000) in TMRC. The dividend that was declared during the year amounted to TZS 45 million (2024: TZS 65 million).

(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	2025 TZS' Millions	% Share- holding	2024 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).

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25. EQUITY INVESTMENTS (CONTINUED)

(b) Bank (Continued)

(i) Investment in a subsidiary (Continued)

Summarized statement of financial position	2025 TZS' Millions	2024 TZS' Millions
Current		
Assets	24,954	20,007
Liabilities	(1,718)	(1,687)
Total net current assets	23,236	18,320
Non-current		
Assets	23,728	25,760
Total non-current net assets	23,728	25,760
Total net assets	46,964	44,080
Summarized statement of comprehensive income	2025 TZS' Millions	2024 TZS' Millions
Revenue	4,922	4,922
Cost of sales	(118)	(118)
Finance costs	1,433	1,075
Administrative expenses	(2,116)	(2,106)
Tax charge	(1,236)	(1,132)
Profit after tax	2,885	2,641
Allocated to non- controlling interest	394	361
Summarized cash flows	2025 TZS' Millions	2024 TZS' Millions
Net cash generated from operations	4,504	728
Net cash used in investing activities	(2,902)	-
Net cash used in financing activities	-	-
Net decrease in cash and cash equivalents	1,602	728
Cash and cash equivalents at start of the year	797	69
Cash and cash equivalents at end of the year	2,399	797

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25. EQUITY INVESTMENTS

(b) Bank (Continued)

(ii) Investment at fair value through other comprehensive income

Company name	2025		2024	
	TZS' Millions	% Share-holding	TZS' Millions	% Share-holding
Tanzania Mortgage Refinance Company Ltd	4,233	9.51	4,233	9.51

26. OTHER ASSETS

(a) GROUP

	2025 TZS' Millions	2024 TZS' Millions
Accepted letters of credit	399,855	-
Service fees receivable	1,765	3,034
Prepayments	54,924	33,271
Other receivables*	91,770	80,651
Staff imprests	126	174
Stationery stock	10,026	3,488
Bank card inventory	10,391	7,171
Wakala POS inventory	5,079	3,972
Balances due to related parties	4,758	1,520
Cheques and items for clearance	(670)	2,009
Balances with Mobile Network Operators (MNO's)	16,471	39,774
Less: Credit impairment charge of other receivables	(2,258)	(1,786)
	592,237	173,278
Current	445,543	109,544
Non-current	146,694	63,734
	592,237	173,278
The movement in credit/(charges) of other assets is as follows:		
At start of the year	(1,786)	(135)
Write off	523	598
Charge for the year (Note 12(b))	(995)	(2,249)
At end of year	(2,258)	(1,786)

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26. OTHER ASSETS (CONTINUED)

(b) Bank

	2025 TZS' Millions	2024 TZS' Millions
Accepted Letters of Credit	399,855	-
Service fees receivable	1,765	3,034
Prepayments	54,845	33,193
Other receivables	88,827	78,125
Staff imprest	126	174
Stationery Stock	10,026	3,488
Bank card Inventory	10,391	7,171
Balances due to related parties	4,758	1,520
Wakala POS Inventory	5,079	3,972
Cheques and items for clearance	(670)	2,009
Balances with Mobile Network Operators	16,471	39,775
Less: Credit impairment charge of other receivables	(2,258)	(1,786)
	589,215	170,675
Current	445,543	106,940
Non-current	143,672	63,735
	589,215	170,675

The movement in expected credit losses of other receivables is as follows:

At start of the year	(1,786)	(135)
Write off	523	598
(Charge) for the year (Note 12(b))	(995)	(2,249)
At end of the year	(2,258)	(1,786)

*Other assets have not been pledged as security for liabilities.

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27. PROPERTY AND EQUIPMENT

(a) GROUP

Year ended 31 December 2025	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 2025	137,721	110,470	27,075	267,430	20,073	562,769
Additions	186	859	10,643	43,101	23,156	77,945
Transfers from WIP	1,396	8,403	(1)	12,963	(22,761)	-
Disposal	-	-	(307)	(11,409)	-	(11,716)
At 31 December 2025	139,303	119,732	37,410	312,087	20,468	629,000
DEPRECIATION						
At 1 January 2025	65,365	75,394	20,468	218,881	-	380,110
Charge for the year	6,310	6,457	2,719	22,477	-	37,963
Disposal	-	-	(307)	(11,336)	-	(11,643)
At 31 December 2025	71,675	81,851	22,880	230,023	-	406,428
NET BOOK VALUE						
At 31 December 2025	67,628	37,881	14,530	82,065	20,468	222,572

* 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

(a) GROUP (CONTINUED)

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	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 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

(b) BANK

Year ended 31 December 2025	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 2025	94,700	110,469	27,075	267,432	20,074	519,750
Additions	186	860	10,643	43,101	23,155	77,945
Transfers	1,396	8,403	(1)	12,963	(22,761)	-
Disposal	-	-	(307)	(11,409)	-	(11,716)
At 31 December 2025	96,282	119,732	37,410	312,087	20,468	585,979
DEPRECIATION						
At 1 January 2025	48,103	75,393	20,468	218,881	-	362,847
Charge for the year	279	6,458	2,719	22,477	-	35,933
Disposal	-	-	(307)	(11,336)	-	(11,643)
At 31 December 2025	52,382	81,851	22,880	230,022	-	387,135
NET BOOK VALUE						
At 31 December 2025	43,900	37,881	14,530	82,065	20,468	198,844

* 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

(b) BANK (CONTINUED)

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 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 Software TZS' Millions	Work in progress TZS' Millions	Total TZS' Millions
2025			
Cost:			
At 1 January	115,152	41,432	156,584
Additions	2,566	42,060	44,626
Transfers	9,277	(9,277)	-
Adjustment -refund	-	(2,692)	(2,692)
At 31 December	126,995	71,523	198,518
Amortization			
At 1 January	90,695	-	90,695
Charge for the year	12,246	-	12,246
At 31 December	102,941	-	102,941
Net book value	24,054	71,523	95,577
2024			
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

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

	2025 TZS' Millions	2024 TZS' Millions
(a) RIGHT TO USE ASSETS GROUP		
At 1 January	22,382	25,232
Additions	3,703	2,382
Modification	12,195	4,847
Amortisation charge	(10,454)	(10,079)
At 31 December	27,826	22,382
(b) RIGHT TO USE ASSETS BANK		
At 1 January	54,557	60,325
Additions	3,703	2,382
Lease remeasurement	12,195	4,847
Amortisation charge	(13,251)	(12,997)
At 31 December	57,204	54,557
(c) LEASE LIABILITIES GROUP		
At 1 January	24,298	28,844
Additions	3,099	1,548
Termination	-	(10)
Interest expense	2,402	2,011
Lease remeasurement	10,318	3,394
Interest paid	(2,465)	(2,011)
Principal payment	(10,297)	(9,478)
At 31 December	27,355	24,298
Current	464	5,384
Non-current	26,891	18,914
	27,355	24,298

The maturity analysis for the Group lease liability is as follows

	2025 TZS' Millions	2024 TZS' Millions
Year 1	10,578	7,797
Year 2	7,777	6,342
Year 3	5,594	3,906
Year 4	3,699	2,225
Year 5	373	446
Onwards	2,369	3,799
Total undiscounted lease liability	30,390	24,515

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29. LEASES (CONTINUED)

	2025 TZS' Millions	2024 TZS' Millions
(d) LEASE LIABILITIES BANK		
At 1 January	58,693	65,193
Additions	3,099	1,548
Termination	-	(9)
Lease remeasurement	10,318	3,393
Interest expense	5,197	4,978
Interest paid	(5,260)	(4,971)
Principal payment	(12,422)	(11,439)
At 31 December	59,625	58,693
Current	5,197	6,004
Non-current	54,428	52,689
	59,625	58,693

The maturity analysis for the Bank lease liability is as follows

	2025 TZS' Millions	2024 TZS' Millions
Year 1	15,500	12,719
Year 2	12,669	11,263
Year 3	10,515	8,827
Year 4	8,620	7,146
Year 5	5,295	5,367
Onwards	26,976	33,328
Total undiscounted lease liability	79,575	78,650

Amounts recognized in profit and loss

(e) GROUP		
Amortisation of right-of-use assets - Note 17 (a)	10,454	10,079
Finance cost – included as interest expense - Note 11(a)	2,402	2,011
Expense relating to short-term leases - Note 16 (a)	95	118
Foreign exchange gain on leases liability – Note 29 (c)	1,877	1,463
	14,828	13,671
(f) BANK		
Amortisation of right-of-use assets - Note 17 (b)	13,251	12,997
Finance cost – included as interest expense - Note 11(b)	5,198	4,978
Expense relating to short-term leases - Note 16 (b)	95	118
Gain on modification – Note 29(b), Note 29(d)	1,877	1,463
	20,421	19,556

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29. LEASES (CONTINUED)

(f) BANK

All leases relate to properties used as office, branch or ATM outlets. Total cash out flow for leases in 2025 for Group and Bank amounted to TZS 12,761 million (2024: TZS 16,410 million) and TZS 17,682 million (2024: TZS 16,410 million) respectively. During the year there was an addition of TZS 3,703 million for both Group and Bank.

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:

	2025		
	Notional Amount TZS' Millions	Fair value Assets TZS' Millions	Liabilities TZS' Millions
Forward foreign exchange contracts	(71,755)	3,627	5

	2024		
	Notional Amount TZS' Millions	Fair value 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:

	2025 TZS' Millions	2024 TZS' Millions
At start of year	139,320	118,324
<i>Credit to profit or loss:</i>		
In respect to current year (Note 18(a))	13,212	(16,596)
In respect of prior year: over provision (Note 18(a))	(62)	37,806
<i>Debit to OCI:</i>		
In respect of current year	(728)	(214)
At the end of year	151,742	139,320

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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 2025	(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	8,394	(4,745)	-	-	3,649
Provisions for credit impairment	121,797	10,767	(62)	-	132,502
Other provisions	3,940	6,463	-	-	10,403
Other temporary differences	6,067	727	-	-	6,794
Impact to reserve					
Fair valuation gain – equity	(354)	-	-	-	(354)
Fair valuation gain – debt	(524)	-	-	(728)	(1,252)
	139,320	13,212	(62)	(728)	151,742

Year ended 31 December 2024	(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	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

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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:

Year ended 31 December 2025	As 1 January	(Charged) / credited to profit or loss	At 31 December
	Investment property	839	(299)
Total	839	(299)	540
Year ended 31 December 2024			
Investment property	857	(18)	839
Total	857	(18)	839

Deferred income tax liability and deferred income tax charge/credit to the profit or loss are attributed to the following items:

	2025 TZS' Millions	2024 TZS' Millions
Deferred tax liability recognized (Investment property)	540	839

32 DEPOSITS FROM CUSTOMERS

(a) GROUP

Deposits due to customers are composed of the following;

Current accounts	4,873,945	3,637,439
Personal accounts	5,702,016	4,533,432
Time deposit accounts	1,942,360	1,393,351
	12,518,321	9,564,222
Current	7,159,616	6,242,203
Non-current	5,358,705	3,322,019
	12,518,321	9,564,222

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32. DEPOSITS FROM CUSTOMERS (CONTINUED)

	2025 TZS' Millions	2024 TZS' Millions
(b) BANK		
Current accounts	4,876,345	3,650,332
Personal accounts	5,702,016	4,533,433
Time deposit accounts	1,957,360	1,393,351
	12,535,721	9,577,116
Current	8,312,076	6,242,203
Non-current	4,223,645	3,334,913
	12,535,721	9,577,116

33. DEPOSITS DUE TO OTHER BANKS (GROUP AND BANK)

Deposits from other banks (Current)	1,230	73
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34. OTHER LIABILITIES

	2025 TZS' Millions	2024 TZS' Millions
(a) GROUP		
Accepted Letters of Credit*	399,855	-
Accrued expenses	20,413	18,719
Bonus payable	13,479	15,372
Deferred processing fees	91,930	67,184
Bills payable	766	1,879
Statutory liabilities	49,047	29,569
Provisions for TRA assessments	10,092	11,147
Insurance premium payable	17,413	12,472
Commission payable to NMB agents	6,208	5,836
Provisions	5,681	9,822
Commission received in advance; LCs and Guarantees	3,312	1,778
Sundry liabilities	43,279	36,877
Expected credit losses for off-balance sheet items (Note 9.1.4.1 e)	291	984
Total	661,766	211,639
Current	516,462	95,975
Non-current	145,304	115,664
	661,766	211,639

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34. OTHER LIABILITIES (CONTINUED)

	2025 TZS' Millions	2024 TZS' Millions
(b) BANK		
Accepted Letters of Credit*	399,855	-
Accrued expenses	20,413	18,720
Bonus payable	13,479	15,372
Deferred processing fees	91,930	67,184
Bills payable	766	1,879
Statutory liabilities	49,047	29,569
Provisions for TRA assessments	10,092	11,147
Insurance premium payable	17,413	12,472
Commission payable to NMB agents	6,208	5,836
Cheques and items for clearance	-	8,529
Provisions	5,681	9,822
Commission received in advance; LCs and Guarantees	3,312	1,778
Sundry liabilities	48,702	33,982
Expected credit losses on off-balance sheet items (Note 9.1.4.1 e)	291	984
Total	667,189	217,274
Current	516,465	104,072
Non-current	150,724	113,202
	667,189	217,274

* Accepted letters of credit pertain to letters of credit that are in the post-acceptance phase and are issued by the issuing bank. The liability is acknowledged in the financial position statement only after the bank has received payment instructions and shipment documents from the confirming bank. The value of the financial liability recorded is equivalent to the value of the collections that are expected to be received.

35. PROVISIONS (GROUP AND BANK)

	2025 TZS' Millions	2024 TZS' Millions
Provision for losses from legal cases	1,521	2,779
Movement in provision		
At the start of year	2,779	2,431
Charged during the year	(1,258)	348
At end of year	1,521	2,779

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 2025.

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36. BORROWINGS (GROUP AND BANK)

	2025 TZS' Millions	2024 TZS' Millions
Borrowings:		
EIB Loan (i)	109,428	117,571
FMO Loan (ii)	186,900	245,900
Debt securities in issue (iii)	541,482	466,718
TMRC (iv)	16,700	16,700
IFC (v)	249,775	271,490
BOT (vi)	185,000	242,874
Accrued interest	9,202	8,251
	1,298,487	1,369,504
Current	915,419	669,345
Non-current	383,068	700,159
	1,298,487	1,369,504

As at 31 December 2025, the Group had no borrowing at default and was in compliance with all covenants.

(i) European Investment Bank (EIB) loan

As at 31 December 2025, the Bank had outstanding balance of TZS 109 billion (2024: TZS 118 billion). The loan is part of EUR 100 million Gender and Blue Economy financing that can be drawn down in either EUR, USD, or TZS.

The TZS loan is payable semi-annually for five years in equal installments started in April 2025 and is at a fixed rate 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 + a margin.

(ii) Financierings-Maatschappij voor Ontwikkelingslanden N.V (FMO) loan

In December 2022, the Bank had unsecured loan of USD 125 million repayable semi-annually within six years and carries a floating rate based on six months Term SOFR plus a margin. The outstanding balance as at 31 December 2025 was USD 75 million equivalent to TZS 186,900 million (2024: USD 100 million equivalent to TZS 245,900 million).

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36. BORROWINGS (GROUP AND BANK) (CONTINUED)

(iii) Debt securities in issue

Social Bond

In November 2025, the Bank successfully issued the second tranche under the NMB Multicurrency Medium Term Note (MTN) Program, the NMB Social Bond. The Bank issued TZS 80 billion through a 5-year bond targeted primarily at offshore institutional investors. The bond was issued at par, offering a gross coupon rate of 12% per annum, with interest payable on a semi-annual basis. The offer period closed on 14 November 2025, attracting strong investor interest and exceeding market expectations. The issuance was oversubscribed by 83%, with total applications reaching TZS 146.625 billion, underscoring strong investor confidence in the Bank's credit profile and sustainable financing strategy.

The bond is unsecured and listed on the Dar es Salaam Stock Exchange (DSE), providing liquidity and tradability to investors.

The NMB Social Bond was issued under the Bank's Sustainable Financing Framework, which is aligned with internationally recognized standards, including the Green Bond Principles 2025, Social Bond Principles 2025, Sustainability Bond Guidelines 2021, Green Loan Principles 2025, and Social Loan Principles 2025. The Framework has been independently reviewed and supported by a Second Party Opinion (SPO) issued by Sustainalytics.

Use of Proceeds: An amount equivalent to the net proceeds from this tranche has been allocated to finance and/or refinance, in whole or in part, eligible social assets and loans in accordance with the eligibility criteria outlined under the social categories of the NMB Sustainable Finance Framework, most recently updated in October 2025.

As of 31 December 2025, TZS 453 billion remained unissued under the Bank's Multicurrency Medium Term Note (MTN) Programme. The Bank will issue subsequent tranches in line with its funding requirements and prevailing market conditions.

The MTN Programme forms part of the Bank's broader strategy to diversify its funding base and strengthen long-term capital sources

Jamii Bond (Sustainability Bond)

In November 2023, the Bank issued the inaugural tranche of its NMB Multicurrency Medium Term Note (MTN) Programme, the Jamii Sustainability Bond, with a total issued amount of TZS 400 billion. Under this tranche, the Bank issued two 3-year bond series denominated in TZS and USD.

The TZS 75 billion bond, targeted at retail and institutional investors, offered a 9.5% coupon payable quarterly and was oversubscribed by 284%, with applications reaching TZS 212.94 billion. The USD 10 million bond, targeted at offshore institutional investors and priced at 6-Month Term SOFR + 2.50% with semi-annual coupon payments, was oversubscribed by 730%, attracting USD 73 million in investor demand.

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36. BORROWINGS (GROUP AND BANK) (CONTINUED)

(iii) Debt securities in issue (Continued)

Jamii Bond (Sustainability Bond) (Continued)

Both bonds are unsecured and listed on the Dar es Salaam Stock Exchange (DSE) and have also been cross listed on the London Stock Exchange (LSE) and the Luxembourg Stock Exchange (LuxSE), enhancing their visibility and accessibility to international investors. The Jamii Bond was issued under the Bank's Sustainable Financing Framework, which is aligned with ICMA and Multilateral Development Bank principles, and is supported by an independent Second Party Opinion from Sustainalytics.

Use of Proceeds: The net proceeds were allocated to finance and refinance eligible green and social projects in line with the Bank's Sustainable Finance Framework.

Jasiri Bond (Gender Bond)

The Jasiri Bond, which represented the fourth and final tranche under the Bank's 2016 MTN program, was issued on 28 March 2022 as a 3-year bond at par, offering a gross coupon rate of 8.5% per annum, with interest payable quarterly. The issuance attracted strong investor demand, with total applications reaching TZS 74.3 billion. It marked the Bank's inaugural Gender Bond and the first of its kind in Sub-Saharan Africa (SSA), issued under a framework aligned with the Social Bond Principles administered by the International Capital Market Association (ICMA). The bond matured on 28 March 2025, and the Bank fully and timely honored all its obligations to investors.

As the debut issuance under the Bank's Social Bond Framework, the Jasiri Bond was aimed at promoting gender equality and women's economic empowerment (SDG 5). Proceeds were allocated to support women-owned and women-led businesses, as well as enterprises whose products and services directly benefit women, while also contributing to broader sustainable development objectives through SME financing

(iv) Tanzania Mortgage Refinance Company Limited

As at 31 December 2025 the balance was TZS 16.7 billion (2024: 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)

During the year 2025, the Bank rolled over the unsecured loan of USD 100 million being a COVID-19 Working Capital Solution Facility. The loan is repayable in 1 year 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 while the TZS portion carries a fixed interest rate. As at 31 December 2025, the Bank had outstanding amounts of USD 75 million and TZS 62,875 million of this loan

(vi) Bank of Tanzania (BOT)

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 2024, 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:

	2025	2024
	TZS' Millions	TZS' Millions
At 1 January	1,369,504	1,380,193
Interest expense	93,502	116,594
Loans received	146,625	170,073
Interest paid	(90,995)	(117,971)
Principal payment	(227,918)	(159,035)
Foreign exchange (loss)/gain	7,769	(20,350)
At 31 December	1,298,487	1,369,504

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37. NET DEBT ANALYSIS

	Group		Bank	
	2025 TZS' Millions	2024 TZS' Millions	2025 TZS' Millions	2024 TZS' Millions
Cash and cash equivalents	2,780,802	1,779,161	2,780,802	1,779,161
Borrowings repayable:				
- One year	(915,419)	(669,344)	(915,419)	(669,344)
- After one year	(383,068)	(700,159)	(383,068)	(700,159)
Lease liabilities due				
- After 1 year	(26,891)	(14,658)	(59,161)	(63,872)
- Within 1 year	(464)	(7,271)	(464)	(12,192)
Net debt	1,481,851	387,729	1,422,690	333,594
Cash and cash equivalents	2,780,802	1,779,161	2,780,802	1,779,161
Gross debt – fixed interest rate	(681,604)	(696,769)	(713,997)	(731,164)
Gross debt – variable interest rate	(644,115)	(697,033)	(644,115)	(697,033)
Net debt	1,455,083	385,359	1,422,690	350,964

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 88% 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.

	2025 TZS' Millions	2024 TZS' Millions
Upanga Joint Venture Company (UJVC) Limited		
At 1 January	4,804	4,441
Share of profit for the year	394	363
At 31 December	5,198	4,804

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

39. CAPITAL AND RESERVES (CONTINUED)

	2025 TZS' Millions	2024 TZS' Millions
(i) Share capital		
Authorized		
625,000,000 ordinary shares of TZS 40 each	25,000	25,000
Called up and fully paid		
500,000,000 ordinary shares of TZS 40 each	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:

	2025 TZS' Millions	2024 TZS' Millions
At 1 January	2,050	1,550
Fair valuation gain (Note 24(b))	2,426	714
Deferred tax on fair valuation gain (Note 31(a))	(728)	(214)
At 31 December	3,748	2,050

40. CASH AND CASH EQUIVALENTS (GROUP AND BANK)

	2025 TZS' Millions	2024 TZS' Millions
Cash and balances with Bank of Tanzania (Note 21)	1,780,949	1,450,570
Less: Statutory Minimum Reserves (Note 21)	(740,892)	(577,137)
Placement and balances with other banks (Note 22)	1,740,745	905,728
	2,780,802	1,779,161

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

	Note	2025 TZS' Millions	2024 TZS' Millions
(a) GROUP			
Operating activities			
Profit before tax		1,066,731	931,290
<i>Adjustment for:</i>			
Depreciation and amortization	17(a)	60,664	56,037
Gain on modification of lease	29(f)	(1,877)	(1,463)
Profit on disposal of property and equipment	14(b)	(193)	(240)
Realised gain on government security - FVOCI	24(b)	(1,986)	(2,544)
Realised gain on government security - FVPL	24(c)	(5,751)	(706)
Realised gain on disposal of investment securities at amortized cost	24(a)	-	(1,581)
Interest income from government security - FVOCI	24(b)	(7,566)	(3,799)
Interest income from government security amortised at cost	24(a)	(228,570)	(208,287)
Interest income on government securities - FVPL	24 (c)	(4,093)	(302)
Interest expense on lease	11(a)	2,402	2,011
Interest expense on borrowings	36(vi)	93,502	116,594
Foreign exchange loss on borrowings	36(vi)	7,769	(20,350)
Impairment charge	12	81,267	87,471
Dividend income	14	(45)	(65)
Provision	35	1,258	348
		1,063,512	954,414
<i>Movement in working capital:</i>			
Statutory Minimum Reserve		(163,756)	(71,646)
Net investment in securities at FVOCI		39,111	(45,392)
Net investment in securities at FVPL		9,532	(9,784)
Loans and advances to customers		(2,012,684)	(876,820)
Derivative financial instrument assets		11,094	(14,721)
Derivative financial instrument liabilities		(2,951)	2,956
Other assets		(418,959)	(33,051)
Deposits from customers		2,954,099	1,098,613
Deposits due to other banks		1,157	(14,935)
Other liabilities		450,127	16,998
Cash generated/(used in) from operations		1,930,282	1,006,632

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41. NOTES TO THE STATEMENT OF CASH FLOWS

	Note	2025 TZS' Millions	2024 TZS' Millions
(b) BANK			
Operating activities			
Profit before tax		1,061,817	926,554
<i>Adjustment for:</i>			
Depreciation and amortization	17(b)	61,429	56,924
Gain on modification of lease contract	29(f)	(1,877)	(1,463)
Profit on disposal of property and equipment	14	(193)	(240)
Realized gain on government security - FVOCI	24(b)	(1,986)	(2,544)
Realised gain on government security - FVPL	24(c)	(5,751)	(706)
Realized gain on disposal of investment securities at amortized cost	24(a)	-	(1,581)
Interest income from government security - FVOCI	24(b)	(7,566)	(3,799)
Interest income from government security amortized at cost	24(a)	(228,570)	(208,287)
Interest income on government securities - FVPL	24(c)	(4,093)	(302)
Interest expense on lease	11(b)	5,197	4,978
Interest expense on borrowings	36(vi)	93,502	116,594
Foreign exchange (gain)/loss on borrowings	36(vi)	7,769	(20,350)
Impairment charge	12(b)	81,267	87,471
Dividend income	14(b)	(45)	(65)
Provision	35	1,258	348
		1,062,158	953,532
<i>Movement in working capital:</i>			
Statutory Minimum Reserve		(163,756)	(71,646)
Net investments in securities at FVOCI		39,111	(45,392)
Net investments in securities at FVPL		9,532	(9,784)
Loans and advances to customers*		(2,012,684)	(876,820)
Derivative financial instrument assets		11,094	(14,721)
Derivative financial instrument liabilities		(2,951)	2,956
Other assets		(418,540)	(32,886)
Deposits from customers*		2,958,605	1,102,438
Deposits due to other banks		1,157	(14,935)
Other liabilities		449,915	16,985
Cash generated/(used in) from operations		1,933,641	1,009,727

* Interest received from loans and advances to customers amounted to TZS 1,233 billion (2024: TZS 1,099 billion) and interest paid on deposits from customers amounted to TZS 225 billion (2024: TZS 179 billion).¹

¹ Interest received for loans and advances to customers and interest paid for deposits from customers not previously disclosed in 2024 has been added to comply with IAS 7.

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42. FINANCIAL INSTRUMENTS BY CATEGORY (GROUP & BANK)

	2025 TZS' Millions	2024 TZS' Millions
Financial liabilities at amortised cost (Group)		
Deposits from customers	12,518,321	9,564,222
Deposits due to other banks	1,230	73
Borrowings	1,298,487	1,369,504
Lease liabilities	27,232	24,298
Other liabilities (excluding non-financial liabilities) **	98,437	154,665
	13,943,707	11,112,762

	2025 TZS' Millions	2024 TZS' Millions
Financial liabilities at amortised cost (Bank)		
Deposits from customers	12,535,721	9,577,116
Deposits due to other banks	1,230	73
Borrowings	1,298,487	1,369,504
Lease liabilities	59,625	58,693
Other liabilities (excluding non-financial liabilities) **	98,437	154,665
	13,993,500	11,160,051

* 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 2025, 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: -

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43. CONTINGENT LIABILITIES AND COMMITMENTS (GROUP AND BANK) (CONTINUED)

(a) Loan commitments guarantee and other financial facilities

	2025 TZS' Millions	2024 TZS' Millions
<i>Commitments</i>		
Guarantees and indemnities	3,283,796	1,536,424
Undrawn commitments	291,818	225,042
Acceptances and letters of credit	604,342	707,859
	4,179,956	2,469,325

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 2025, the Bank had capital commitments of TZS 181,208 million (2024: TZS 148,148 million). The expenditure contracted as at the end of reporting period but not yet incurred is as follows:

	2025 TZS' Millions	2024 TZS' Millions
Information Technology	52,300	46,042
Branch and business centers remodeling	26,198	23,231
Others including equipment, vehicles and furniture	102,710	78,875
	181,208	148,148

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 2025, the Group and Bank had short term lease commitments of TZS 122 million (2024: TZS 160 million).

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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 2025 were as follows:

	2025 %	2024 %
Investment securities	9.56	9.64
Placements and balances with other banks	2.14	4.15
Loans and advances to customers	12.19	13.78
Deposits from customers	2.09	1.87
Deposits due to other banks	10.49	7.47
Borrowings	7.20	7.20

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 2025 there were no loans issued to companies controlled by the Directors or their families. Advances to customers as of 31 December 2025 include loans to key management personnel and Directors as follows:

GROUP AND BANK	2025 TZS' Millions	2024 TZS' Millions
<i>Key management personnel and Directors</i>		
At start of year	11,973	8,668
Advanced during the year	7,760	4,447
Repaid during the year	(1,140)	(1,142)
At end of year	18,593	11,973
Interest income earned	404	313

Provision recognized in respect of loans given by the Group and Bank to key management personnel amounted to TZS 9 million (2024: TZS 66 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 15%. As of 31 December 2025, the Group and Bank held collateral valued at TZS 6,369 million (2024: TZS 23,633 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 9,014 million as at 31 December 2025 (2024: TZS 269 million), which were charged at market (commercial) interest rate.

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45. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Deposits from related parties

GROUP	Directors and key Management personnel	
	2025 TZS' Millions	2024 TZS' Millions
Deposits at the beginning of the year	(3,518)	(1,056)
Deposits received during the year	17,535	7,681
Deposits repaid during the year	(16,748)	(10,143)
Deposits as at the end of the year	(2,731)	(3,518)
Interest expense	8	17

BANK	Directors and key Management personnel		Related companies	
	2025 TZS' Millions	2024 TZS' Millions	2025 TZS' Millions	2024 TZS' Millions
Deposits at the beginning of the year	(2,212)	250	21,886	9,060
Deposits received during the year	17,535	7,681	51,913	15,125
Deposits repaid during the year	(16,748)	(10,143)	(49,865)	(2,299)
Deposits as at the end of the year	(1,425)	(2,212)	23,934	21,886
Interest expense	8	17	1,201	-

The above deposits are unsecured, carry variable interest rate and are repayable on demand. Related company 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 NIL million (2024: TZS 14 million) was paid to Rabobank during the year as management and technical assistance expenses. Management fees payable as at year-end was TZS 234 million (2024: TZS 267 million).

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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 (2024: TZS 5 billion) and interest payment of TZS 1.4 billion (2024: TZS 1 billion) to Upanga Joint Venture Limited (2024: TZS 5 billion). The Bank charged management fee in the sum of TZS 27.65 million (2024: 27.65 million). As at 31 December 2025 the balance payable to the Bank for the management fee amounted to TZS 221 million (2024: TZS 193.95 million).

The Bank occasionally settles expenses on behalf of UJVC. As of December 31, 2025, the Bank's receivables from UJVC was TZS 1.53 billion (2024: TZS 1.53 billion), whereas ECL was TZS 0.159 million (2024: TZS 0.157 million).

(e) Key management compensation

(GROUP AND BANK)	2025 TZS' Millions	2024 TZS' Millions
Salaries and other short-term benefits	15,331	10,211
Post-employment benefits - defined contribution plan	1,125	1,008
	16,456	11,219

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% (2024: 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 2,490,690 million (2024: TZS 2,268,877 million). Interest earned from investment in government securities during the year was TZS 238,035 million (2024: TZS 211,298 million), Service fee earned from the government due to transactional services performed amounted to TZS 1,213 million (2024: TZS 1,377 million). For balances outstanding as at 31 December 2025 stands at TZS 1,999 million (2024: TZS 2,840 million) expected credit loss provided stood at TZS 256 million (2024: TZS 698 million). 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 2,094 million (2024: TZS 1,826 million). Details of payment to individual Directors will be tabled at the Annual General Meeting.

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46. BANCASSURANCE

The revenue generated from bancassurance services for the year ended 31 December 2025 amounted to TZS 24,391 million (2024: TZS 29,849 million) while costs incurred amounted to TZS 3,914 million (2024: TZS 3,099 million) resulting in a net income of TZS 20,429 million (2024: TZS 26,750 million). The income from 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 a material impact on the consolidated and Bank financial statements.

Company Information



NOTICE OF THE 26TH ANNUAL GENERAL MEETING OF THE MEMBERS OF NMB BANK PLC

THE NOTICE OF THE TWENTY SIXTH (26TH) ANNUAL GENERAL MEETING OF NMB BANK PLC SHAREHOLDERS TO BE HELD PHYSICALLY AT THE JULIUS NYERERE INTERNATIONAL CONVENTION CENTRE (JNICC), DAR ES SALAAM ON WEDNESDAY, 10TH JUNE 2026 AT 10:00 A.M.

The agenda will be as follows:

- 26.1 NOTICE AND QUORUM
- 26.2 ADOPTION OF THE AGENDA
- 26.3 CONFIRMATION OF MINUTES OF THE 25TH ANNUAL GENERAL MEETING HELD ON 05TH JUNE 2025
- 26.4 MATTERS ARISING FROM THE PREVIOUS MEETING
- 26.5 TO RECEIVE, CONSIDER AND ADOPT THE DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2025
- 26.6 DIVIDEND DECLARATION FOR THE FINANCIAL YEAR 2025
- 26.7 TO RECEIVE AND APPROVE THE PROPOSAL FOR DIRECTORS' REMUNERATION
- 26.8 RESIGNATION AND APPOINTMENT OF DIRECTORS
- 26.9 TO RECEIVE AND APPROVE APPOINTMENT OF EXTERNAL AUDITORS FOR THE FINANCIAL YEAR 2026
- 26.10 APPROVAL FOR THE FORMATION OF SUBSIDIARIES
- 26.11 APPROVAL OF PROPOSED STRUCTURAL ADJUSTMENT
- 26.12 ANY OTHER BUSINESS

Key Contacts

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Network Distribution

DSM Zone				
Branch Name	Region	District	Street/ Road	Telephone
Airport	Dar es Salaam	Ilala	Nyerere road	022-232-4200
Bank House	Dar es Salaam	Ilala	Samora ave/Pamba road	022-232-4128
Bunju	Dar es Salaam	Kinondoni	Bunju mwisho along Bagamoyo road	022-232-4539
Chanika	Dar es Salaam	Ilala	Chanika	022-232-4976
Congo Street	Dar es Salaam	Ilala	Congo street	022-232-4154
Dar Village	Dar es Salaam	Kinondoni	Rose Garden rd	022-232-3029
Gezaulole	Dar es Salaam	Kigamboni	Gezaulole / KMC road	022-232-4744
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
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
Kinyerezi	Dar es Salaam	Ilala	Kinyerezi road	022-232-4978
Kurasini	Dar es Salaam	Temeke	Engaruka	022-232-4166
Magomeni	Dar es Salaam	Kinondoni	Morogoro road	022-232-4108
Mandela Road	Dar es Salaam	Ilala	Mandela Rd, TOT Tabata area	022-232-4157
Mbezi	Dar es Salaam	Kinondoni	Bagamoyo Road	022-232-4163
Mbezi Louis	Dar es Salaam	Ubungo	Mbezi Louis area opp. Old Morogoro road	022-232-4212
Mlimani City	Dar es Salaam	Kinondoni	Sam Nujoma road	022-232-4120
Morogoro Road	Dar es Salaam	Ilala	Morogoro road/ Mshihiri	022-232-4104
Msasani	Dar es Salaam	Kinondoni	Kimweri Avenue	022-232-4190
Muhimbili	Dar es Salaam	Ilala	Kalenga	022-232-4141
Mwenge	Dar es Salaam	Kinondoni	Afrikasana road	022-232-4184
Ohio	Dar es Salaam	Ilala	Ohio/Ali Hassan Mwinyi	022-232-2726
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
Tandika	Dar es Salaam	Temeke	Bus stand, Ugweno Street	022-232-4194
Tegeta	Dar es Salaam	Kinondoni	Bagamoyo Road	022-232-4132
Temeke	Dar es Salaam	Temeke	Temeke street/Mbagala road	022-232-4100
TPA Bandari	Dar es Salaam	Temeke	TPA, Mandela Rd	022-232-4126
Ubungo	Dar es Salaam	Kinondoni	Morogoro road	022-232-4203
University	Dar es Salaam	Kinondoni	University road	022-232-4168
Mkuranga	Pwani	Mkuranga	Bank street	022-232-4270
Mafia	Pwani	Mafia	Kilindoni	022-232-4197
Bagamoyo	Pwani	Bagamoyo	Bank street	022-232-4267
Chalinze	Pwani	Bagamoyo	Chalinze-Dar RD, Chalinze area	022-232-4227
Kibaha	Pwani	Kibaha	Maili moja- mkoani	022-232-4261
Kibiti	Pwani	Rufiji	Lindi-kibiti rd	022-232-4273
Kisarawe	Pwani	kisarawe	Sokoni	022-232-4264
Mafia	Pwani	Mafia	Kilindoni	022-232-4197
Mkuranga	Pwani	Mkuranga	Bank street	022-232-4270
Mlandizi	Pwani	Kibaha	Morogoro road, Mlandizi stand	022-232-4276

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
Ilula	Dodoma	Closed in 2024	Kilwa road	022-232-4135
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
Mtumba	Dodoma	Dodoma MC	Madukani Street, Along Mji wa Serikali Road	022-232-3155
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
Mikumi	Morogoro	Kilombero	Kidoma area along Morogoro to Iringa road	022-232-4162
Mlimba	Morogoro	Kilombero/Mlimba	Mlimba A, Kituo cha afya road	022-232-4294
Morogoro Business Center	Morogoro	Morogoro MC	Madaraka street Opp. MorogoroMC 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
Mvomero DC	Morogoro	Mvomero	Dakawa	022-232-4266
Mvuha	Morogoro	Morogoro DC	Changarawe street	022-232-4490
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
Kisongo	Arusha	Arusha Rural	Ngorbob, Kisongo	022 232 3116
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
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
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

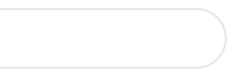
Branch Name	Region	District	Street/ Road	Telephone
Buhongwa	Mwanza	Nyamagana	Buhongwa	022-232-4573
Buzuruga	Mwanza	Mwanza Nyamagana	Musoma rd	022-232-4440
Igoma	Mwanza	Nyamagana	Musoma rd / Kwa Gachuma	022-232-4555
Ilemela	Mwanza	Ilemela	Ardhi street at Ilemela DC offices	022-232-4552
Kenyatta Road	Mwanza	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
Buchosa	Mwanza	Buchosa	Nyehunge	022-232-4562
Bukombe	Geita	Bukombe	Ushilombo	022-232-4600
Chato	Geita	Chato	Bukoba road	022-232-4443
Geita	Geita	Geita	Street Bank	022-232-4510
Katoro	Geita	Geita	Stamico street	022-232-4480
Mbogwe	Geita	Mbogwe	Masumbwe	022-232-4600
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
Mtama	Lindi	Lindi	Lindi District Council offices	022-232-4741
Ruangwa	Lindi	Ruangwa	Bomani	022-232-4827
Kigonsera	Ruvuma	Mbinga DC	Juhudi - Kigonsera	022-232-3032
Litembo	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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