Tanzania Banking Sub-Sector Report 2025

07 August 2026

Shape the future with confidence

Contents

EY Parthenon

01 Executive Summary

Foreword

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Country Leader
EY Tanzania

It is my pleasure to present the EY Tanzania Banking Sub-Sector Report 2025, providing an overview of the performance, key developments, and emerging trends shaping Tanzania's banking industry.

In 2025, Tanzania's resilient economic growth continued to support expansion across the banking sector, with sustained growth in assets, deposits, and lending, underpinned by greater financial inclusion and increasing adoption of digital financial services. Banks demonstrated resilience by maintaining strong capital positions, improving asset quality, and enhancing operational efficiency while supporting businesses and economic development.

This year's report highlights the rapid evolution of digital banking and the growing influence of Artificial Intelligence (AI) in transforming customer experience, risk management, and operational excellence. Institutions investing in technology, data, governance, and talent will be well positioned to capture future opportunities.

Drawing on publicly available information and EY's industry experience, this report offers insights to support informed decision-making by banking leaders, investors, regulators, policymakers, and other stakeholders. We extend our sincere appreciation to all contributors whose commitment made this publication possible.

The 2025 Journey

2025

Milestones	January-March	April-June	July-September	October-December
Regulatory & Monetary Policy Developments	**January** Bank of Tanzania (BoT) launched the Fintech Regulatory Sandbox, opening applications to financial institutions and fintechs to test innovative products under regulation. **February** BoT sold USD 52.3 million in the foreign exchange to support importers and stabilize shilling.	**June** BoT launched its Strategic Plan 2025-2030 targeting a medium-term inflation of 3% - 5% inflation and expand financial inclusion to 87% of adults. **May** CMSA introduced the Capital Markets and Securities (Corporate and Subnational Bonds) Regulations, 2025 (GN No.302).	**July** BoT reduced the central bank rate (CBR) from 6.0% to 5.75% to support economic growth as inflation remained stable. **September** BoT opened the second cohort of the Fintech Sandbox, supporting entry of new fintech-led financial service models.	
Capital Markets & Institutional Expansion	**January** Azania Bank Plc launched Bondi Yangu, 4-year senior unsecured bond with a 12.5% annual coupon rate.	**May** Zanzibar Sukuku bond tranche 1 issued a 7 years Sukuk, Quasi-sovereign bond, with a coupon rate of 10.5%, aimed at promoting financial inclusion and supporting national development projects.	**August** Long-term treasury bonds attracted record bids exceeding TZS 1.2 trillion, highlighting strong investor confidence.	**October** CRDB Bank issued and explored additional bond instruments (including green and Al Barakah sukuk bonds) following strong investor appetite. **November** Tanzania Commercial (TCB) Plc launched the TCB Stawi Bond, a 5-year bond offering a 13.5% annual coupon paid quarterly with a minimum investment of TZS 500,000. **November** NMB Bond tranche 2 issued the social bond, a 5 years bond, offering 12% annual coupon rate.

EY Parthenon

Sector overview

Sector total assets

TZS
77.4
Trillion

Sector customer deposits

TZS
51.7
Trillion

20.1% ROAE

Industry median
post-tax profit upon equity

Down by 3.5% from 23.6% in 2024

3.1% ROAA

Industry median
post-tax profit upon assets

Down by 0.5% from 3.6% in 2024

7.7% NIM

The median y-o-y percentage change in net interest margin

Down by 0.5% from 8.2% in 2024

36.1% CIR

Ratio of non-interest expense to gross income (Cost to income ratio)

Down by 1.3% from 37.4% in 2024

89.6% LDR

Ratio of gross loans to deposits

Down by 2.4% from 92.0% in 2024

3.0% NPLs

The median y-o-y percentage change in NPLs

Down by 0.2% from 3.2% in 2024

Segmentation

14	17	6	2
Large	Medium	Regional and Small	DFBs

Overview

- According to Bank of Tanzania (BOT's Annual Report 2024/2025), as at the end of June 2025, the number of supervised financial institutions was 111. The supervised financial institutions comprised 42 banking institutions and 69 other financial institutions. Banking institutions (deposit taking) comprised of 35 commercial banks, 2 community banks, 3 microfinance institutions and 2 development finance banks.
- Our review does not include microfinance banks and other financial institutions.
- Our review covered 39 licensed institutions comprising of 35 commercial banks, 2 development finance banks and 2 community banks, all categorized as large, medium, regional and small, and development finance banks in our review.
- We have relied on financial statements at bank-level only, excluding all operations of subsidiary entities and/or at a group level.
- Our segmentation and categorization of banking institutions is based on the market value of total assets as at the end of 2025.
- Our analysis is based on the review of audited financial statements for the year ended 31st December 2025. Additionally, we have relied on the 2024 audited financial statements (income statement) of GTB Bank. As such, our analysis only presents indicative figures for the sector.
- The legal names for the adjacent entities are presented in the abbreviations section in appendices.

Large

ABSA
Azania
CRDB
Citibank
DTB
Exim
Equity
KCB
NBC
NMB
PBZ
Standard Chartered
Stanbic
TCB

Medium

Akiba
Amana
Access
BOA
BOB
BOI
China Dasheng
DCB
Ecobank
Habib
I&M
Letshego
Maendeleo
Mwanga Hakika
Mkombozi
NCBA
UBA

Regional & Small

COOP
GTB
ICB
MCB
MUCOBA
Uchumi

DFBs

TADB
TIB Development

Cashless Economy in Tanzania

- For decades, cash was the dominant medium of exchange in Tanzania and across the world. However, rapid advancements in technology, increasing mobile phone penetration, urbanization, and improvements in financial inclusion have transformed how people transact. Tanzania is gradually transitioning from a cash-dependent economy towards a digital financial ecosystem where payments can be made electronically through banks, mobile money providers, and other digital platforms.
- A cashless economy is an economy in which digital transactions replace the use of physical cash and coins. According to Tanzania's Digital Economy Strategic Framework (2024-2034), a cashless economy relies on payment methods such as internet banking, mobile banking, digital wallets, debit cards, credit cards, and other electronic payment solutions instead of traditional cash-based transactions. Common cashless payment methods include:

Cashless Method	Examples
Card Payments	Visa, Mastercard
Mobile Money	M-Pesa, Airtel Money, Mixx by Yas, Halopesa, Azam Pesa, Mobile banking applications
Digital Wallets	Apple Pay, Google Pay, Samsung Pay, Alipay
Online Payment Platforms	PayPal, Stripe, Skrill, Wise, Payoneer
QR Code Payments	M-Pesa QR, Alipay QR, WeChat Pay QR
Standing Orders	Rent payments, utility bills, loan repayments
Contactless Payments	Visa PayWave, Mastercard Contactless
Cryptocurrency Payments	Bitcoin, Ethereum, USDT

- Banks have played a significant role in enabling these services. Today, commercial banks, microfinance banks and other financial institutions offer mobile banking applications and internet banking platforms that allow customers to transfer money, pay bills, purchase and services and Government and business payments.
- These platforms are mainly used for: Sending and receiving money; Paying utility bills; Purchasing airtime; Online shopping; Paying merchants for goods, manage accounts, repay loans and make payments without visiting a branch.
- Tanzania has made significant progress toward becoming a cash-lite economy. The FinScope Tanzania 2023 Report indicates that formal financial inclusion increased from 65% in 2017 to 76% in 2023, demonstrating that more Tanzanians are now accessing regulated financial services such as banks, mobile money, insurance and pension schemes.
- This trend is further evidenced by the rapid growth in digital payment usage. According to TCRA quarterly reports, mobile money transactions processed by Mobile Network Operators (MNOs) increased by 84.8% over the past five years, rising from 3.4b transactions in 2020 to 6.3b transactions in 2025 highlighting the increasing adoption of digital payment channels.

Cashless Economy in Tanzania

- The Bank of Tanzania (BoT) has actively supported digital payments through national payment infrastructures such as: Tanzania Interbank Settlement System (TISS); Tanzania Automated Clearing House (TACH); Tanzania Instant Payment System (TIPS); Electronic card payment systems. Over 453 million interoperable transactions worth approximately TZS 29.9 trillion were processed through the Tanzania Instant Payment System (TIPS) during 2024.
- To further encourage adoption, the BoT has reduced certain interbank transaction fees, capped charges and prohibited merchant surcharges on card payments, making digital transactions more affordable for consumers and businesses.
- Furthermore, Tanzania possesses one of Africa's largest financial-service-agent networks, with over 1.4 million banking and mobile money agents, significantly expanding access to financial services even in rural areas.

The transition towards a cashless economy offers several benefits:

- Simplified payments through mobile numbers, wallet IDs, and other digital identifiers.
- Faster settlement of funds and improved liquidity management as there is faster and real-time payment processing.
- Enhanced fraud detection and prevention mechanisms.
- Improved regulatory oversight and monitoring of financial transactions.
- Greater financial inclusion through broader access to digital financial services.
- Improved traceability and auditability of financial transactions
- Additionally, from a banking perspective, increased digital payments can strengthen the deposit base of banks as salaries, merchant collections and business transactions remain within the formal financial system. This can provide more stable funding for lending activities and support long-term economic growth.

Despite the progress achieved, several obstacles continue to hinder wider adoption:

- Taxes and levies imposed on digital transactions increase transaction costs, discouraging frequent usage.
- Limited merchant and service provider acceptance of cashless payment options.
- Exposure to fraud and financial scams.
- Inadequate infrastructure supporting digital payments.
- Limited user knowledge and digital literacy.
- Another challenge is that many users continue to withdraw funds immediately after receiving them digitally. As a result, digital platforms are often used as temporary storage rather than as complete payment ecosystems. The widespread availability of ATMs and bank branches, while improving access to cash, can inadvertently reinforce cash-based behaviour.

Cashless Economy in Tanzania

Within East Africa, Kenya is widely regarded as the most advanced cashless economy, primarily due to the success of M-Pesa and its extensive mobile-money ecosystem.

- Kenya has achieved very high levels of mobile payment adoption across households, small businesses and merchants, with mobile wallets deeply integrated into everyday economic activity.
- South Africa is also highly advanced but follows a different model characterized by stronger reliance on traditional banking services, debit cards, credit cards and contactless payments.

Kenya's success stems from several factors:

- Early adoption of mobile money services.
- Strong integration of mobile payments into daily life.
- Extensive merchant acceptance.
- Continuous fintech innovation.
- High customer trust in mobile payment systems.
- Effective collaboration between telecom companies and financial institutions.

- Tanzania is following a slightly different path. While mobile money remains dominant among the unbanked population, the country has also invested heavily in interoperability through TIPS, QR-code payments and integration between banks and non-bank financial institutions.
- Tanzania's strategy is therefore becoming a hybrid model that combines telecom-driven mobile money with bank-led digital payment infrastructure.

Although significant progress has been made, there are still considerable opportunities for banks to support Tanzania's cashless transition. Banks can:

- Develop lower-cost digital payment products.
- Expand QR-code and merchant acceptance networks.
- Leverage agency banking networks to reach underserved communities and improve digital financial literacy among customers.
- Strengthen cybersecurity and fraud prevention.
- Promote digital payments over cash withdrawals.
- Integrate more closely with mobile money providers.
- Offer innovative digital savings, lending and investment products.
- Leverage agency banking networks to reach underserved communities.

The future of Tanzania's cashless economy will likely depend on strong collaboration between financial institutions, telecom operators, fintech companies and the government.

Assessing Maturity of AI adoption in Tanzania

- Artificial Intelligence (AI), particularly Generative AI (Gen AI), is emerging as a transformative force in financial services, reshaping how banks operate, compete and deliver value. It is redefining both operational efficiency and customer engagement, while creating new opportunities for innovation and growth across the banking sector.
- AI is transforming banking at both the operational and customer service levels.
    - Internally, banks are leveraging AI to enhance credit scoring, transaction monitoring, fraud detection, anti-money laundering (AML) controls, cybersecurity, forecasting, collections, and process automation.
    - Externally, AI enables digital onboarding, intelligent virtual assistants, personalized product recommendations, real-time financial insights, and faster resolution of customer inquiries, resulting in improved customer experiences and service delivery.
- Tanzania's banking sector is at a pivotal stage in its digital transformation journey, where AI has the potential to fundamentally reshape banking, capital markets, financial inclusion, and mobile money ecosystems. Supported by continued growth in mobile money adoption, banking assets, and capital market development, Tanzania presents a significant opportunity for AI-driven innovation that can enhance financial access, improve efficiency, and accelerate economic growth.
- Despite this potential, the overall level of AI adoption within Tanzania's banking sector remains at an early to intermediate stage of maturity. Most banks have successfully progressed through digitalization by investing in mobile banking platforms, internet banking services, digital payments, and automated customer channels. However, only a limited number of institutions have advanced toward enterprise-wide AI adoption.
- Increasing demand for cloud capacity, Natural Language Processing (NLP) limitations and low levels of staff and customer digital literacy continue to constrain the banking sector's progression towards fully embedded AI adoption.
- The transition from digital banking to AI-enabled banking will require institutions to move beyond isolated use cases and establish the foundational capabilities necessary for scaled adoption. This includes strengthening data governance, improving data quality and accessibility, implementing robust AI governance frameworks, investing in scalable technology infrastructure, and developing the specialized skills required to design, deploy, and manage AI solutions responsibly.
- Banks that successfully address these foundational requirements will be better positioned to unlock greater value from AI through enhanced efficiency, improved risk management, deeper customer insights, and more personalized financial services.

Assessing Maturity of AI adoption in Tanzania

STAGES FOR AI MATURITY IN BANKS

LEARN

1. EXPLORATION

Banks learn about AI and test small use cases or proofs of concept.

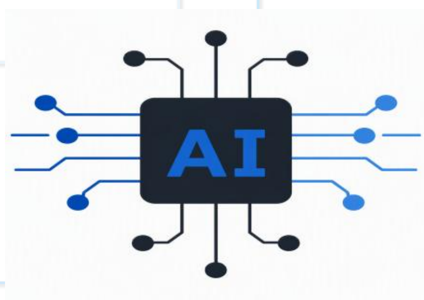
- No formal AI strategy
- Limited experimentation
- Business value not yet proven

PROVE

2. PILOT

Selected applications demonstrate value but remain isolated from the wider bank.

- Chatbots or fraud detection
- Point solutions and pilots
- Limited core-system integration



INTEGRATE

3. SCALING

AI expands across functions and begins to generate measurable business outcomes.

- Multiple departments
- Core-platform integration
- Centralized data and governance

TRANSFORM

4. FULLY EMBEDDED

AI becomes part of the bank's operating model, products and strategic decisions.

- Real-time decision support
- Enterprise-wide innovation
- Strong policies and oversight
- AI for everything, everywhere and everyone in the banking operations

Assessing Maturity of AI adoption in Tanzania

The Way Forward

In order to reap AI benefits, Tanzania banks should adopt a structured implementation strategy as follows:

- Developing a clear AI strategy that aligns with each bank's business objectives. Banks should identify priority areas where AI can deliver immediate value and invest in modern digital infrastructure, secure cloud computing and premium data management systems since AI performs best when supported by accurate, complete and reliable data.
- Conducting pilot tests; these tests will allow banks to evaluate performance, measure ROI, identify implementation challenges, gain experience with AI technologies while minimizing financial and operational risks. Once pilot projects demonstrate are measurable, banks can gradually extend AI solutions to other operations.
- AI and NLP training for staff; AI should be viewed as a tool that complements employees rather than replacing them. Banks should start and continue training their staff, so they understand how AI systems operate, interpret AI-generated insights, as well as responsible use of clients' private data with AI tools.
- IT experts should train AI tools in banking terminology in Swahili and, English to improve customer understanding and service accessibility.
- Strategic partnerships allow banks to access expertise, technology and resources that may not available internally. This could be witnessed by partnerships of global technology companies with some of the leading banks listed in this report. Banks could also team up with global cloud technology companies such as Google Cloud, Microsoft azure as well as AI tools such as Claude AI and OpenAI.
- The BoT could issue sector-specific AI guidelines covering cybersecurity, data privacy, algorithmic transparency and ethical use. Adoption could be accelerated through targeted incentives, including tax relief for AI infrastructure, innovation grants and funding for bank-university research.
- The BoT could establish a secure platform for banks to share anonymised fraud data, improving sector-wide fraud detection while protecting customer privacy. Partnerships with institutions such as universities and learning institutions could deliver specialized AI certification programmes, AI modules and even AI degree programmes for banking and non-banking professionals. Together, these measures would expand local expertise, support the responsible scaling of AI and improve financial inclusion, operational efficiency and customer trust across Tanzania's banking sector.

02 Sector Overview

Balance Sheet

Amounts in TZS million	2021	2022	2023	2024	2025
Cash and balances with BOT	4 584 232	5 037 336	5 159 845	6 562 085	7 625 098
Balances w/other banks	2 466 953	1 923 223	3 022 525	3 016 824	4 347 506
Investment in government & debt securities	6 899 294	8 081 892	8 372 899	8 146 465	9 407 561
Loans, advances and overdrafts (net)	20 787 935	26 067 749	32 055 627	37 022 652	45 484 504
Other assets	4 451 161	4 842 451	5 510 611	7 401 589	10 498 980
Total assets	39 189 575	45 952 651	54 121 507	62 149 615	77 363 649
Customer deposits	27 519 786	30 648 061	36 075 070	41 080 796	51 667 582
Deposits from other banks	1 331 762	2 387 219	1 758 044	1 844 241	2 480 690
Other liabilities	4 163 579	5 992 889	8 258 068	9 385 706	11 539 682
Total liabilities	**33 015 126**	**39 028 169**	**46 091 182**	**52 310 743**	**65 687 955**
Paid up share capital	2 214 272	2 358 096	2 559 233	2 699 675	2 898 265
Retained earnings	2 202 250	2 938 494	3 387 800	4 456 251	6 104 648
Profit & loss account	527 037	929 267	1 470 325	1 992 614	1 815 370
Others	1 230 891	698 625	612 968	690 332	857 412
Total shareholders' funds	**6 174 449**	**6 924 482**	**8 030 326**	**9 838 872**	**11 675 694**
Total liabilities and shareholders funds	39 189 575	45 952 651	54 121 507	62 149 615	77 363 649
Key Metrics					
Asset growth	*14.6%*	*17.3%*	*17.8%*	*14.8%*	*24.5%*
Customer deposit growth	*17.1%*	*11.4%*	*17.7%*	*13.9%*	*25.8%*
Shareholder fund growth	*14.5%*	*12.1%*	*16.0%*	*22.5%*	*18.7%*
Loans to total asset	*53.0%*	*56.5%*	*59.2%*	*59.6%*	*58.8%*
Customer deposits to total liabilities	*83.4%*	*78.5%*	*78.3%*	*79.7%*	*78.7%*

Key highlights

- In 2025, assets significantly grew to 24%, extremely driven by increased loans, advances, and overdrafts, supported by technology platforms enabling easy credit access and partnerships with MNOs for microloans.
- Customer deposits grew to 25.8%, reflecting strong mobilization efforts, an expanded customer base.
- Asset growth was also funded through capital market participation, particularly bond issuances, as witnessed at Azania, TCB, NMB, and CRDB.

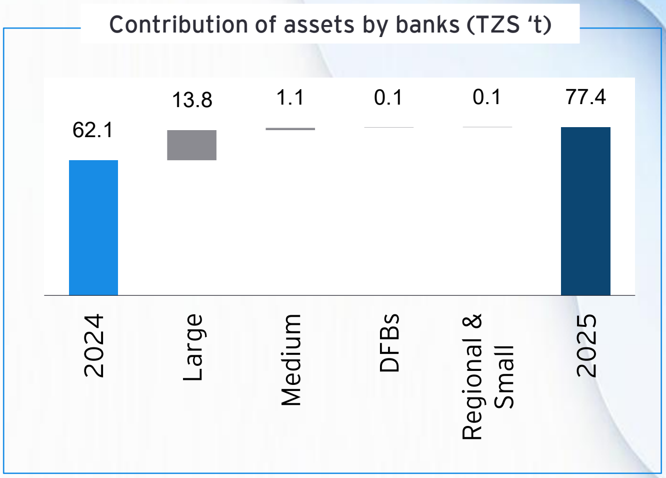
Income Statement

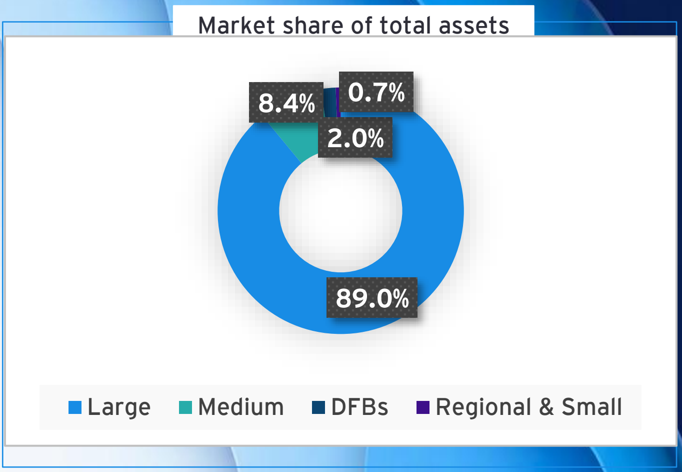
Amounts in TZS million	2021	2022	2023	2024	2025
Interest income	3 234 229	3 726 982	4 655 696	5 653 285	6 621 712
Interest expense	(760 177)	(934 249)	(1 293 120)	(1 631 516)	(2 089 274)
Net interest income	**2 474 052**	**2 792 733**	**3 362 575**	**4 021 769**	**4 532 438**
Bad debt provisions and write offs	(376 369)	(400 920)	(356 085)	(269 498)	(554 295)
Net income after provisions	**2 097 683**	**2 391 813**	**3 006 491**	**3 752 271**	**3 978 148**
Foreign exchange gain/loss	232 209	357 880	498 330	599 006	689 717
Fees, commissions & other income	811 125	797 187	1 104 193	1 316 044	1 526 736
Other Income	113 770	208 145	227 702	262 532	240 948
Non-interest income	**1 157 104**	**1 363 212**	**1 830 225**	**2 177 582**	**2 457 402**
Gross income	**3 254 787**	**3 755 025**	**4 836 716**	**5 929 853**	**6 435 629**
Non-interest expense	(2 199 827)	(2 298 228)	(2 600 623)	(2 932 274)	(3 273 570)
Profit/(loss) before tax	**1 054 959**	**1 456 797**	**2 236 093**	**2 996 752**	**3 162 058**
Income tax provision	(378 096)	(581 770)	(736 074)	(884 716)	(988 956)
Net income after income tax	**676 863**	**875 027**	**1 500 019**	**2 112 863**	**2 165 542**
Key Metrics					
Net Interest Margin (NIM)	*8.3%*	*8.0%*	*7.9%*	*8.2%*	*7.7%*
Interest Margin to Gross Income	*56.3%*	*54.9%*	*51.8%*	*51.4%*	*49.9%*
Cost-to-Income Ratio	*50.1%*	*45.2%*	*40.1%*	*37.4%*	*36.1%*
ROAA	*1.8%*	*2.1%*	*3.0%*	*3.6%*	*3.1%*
ROAE	*11.7%*	*13.4%*	*20.1%*	*23.6%*	*20.1%*
Number of employees	*16 448*	*16 731*	*17 407*	*18 084*	*19 990*
Number of branches	*919*	*906*	*902*	*935*	*950*

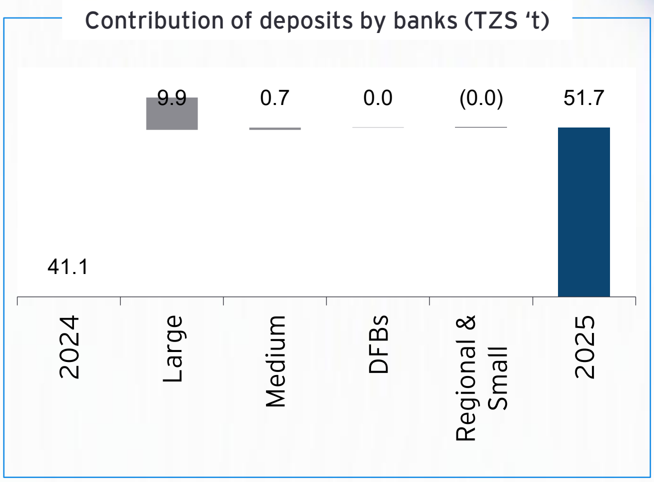
Key highlights

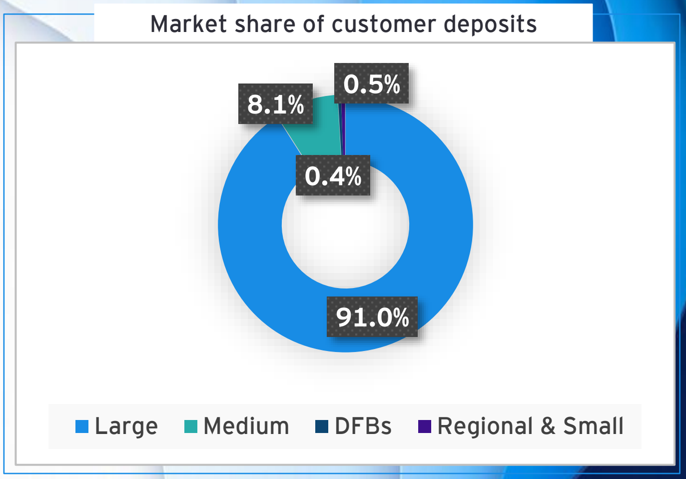
- The sector's profit after tax grew by 2.5% in 2025, despite a decline in NIM, mainly due to a reduction in CIR from 37.4% in 2024 to 36.1% in 2025.
- The branch network grew by only 31 branches (2021-2025), reflecting a strategic balance between physical expansion and digital channels such as mobile and agent banking, which enhanced reach and operational efficiency.

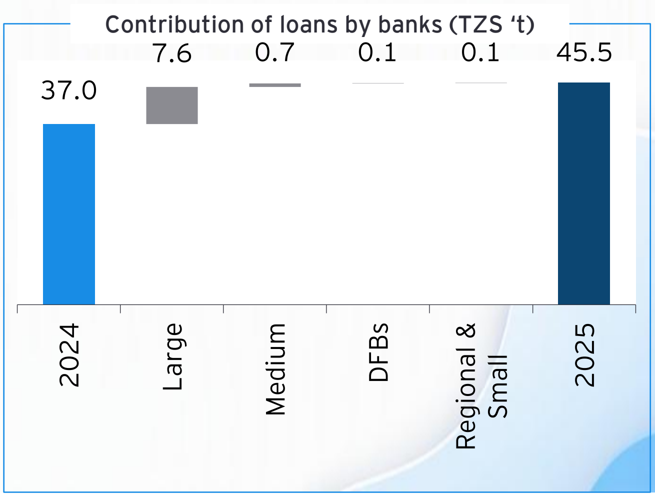
Competitive Landscape

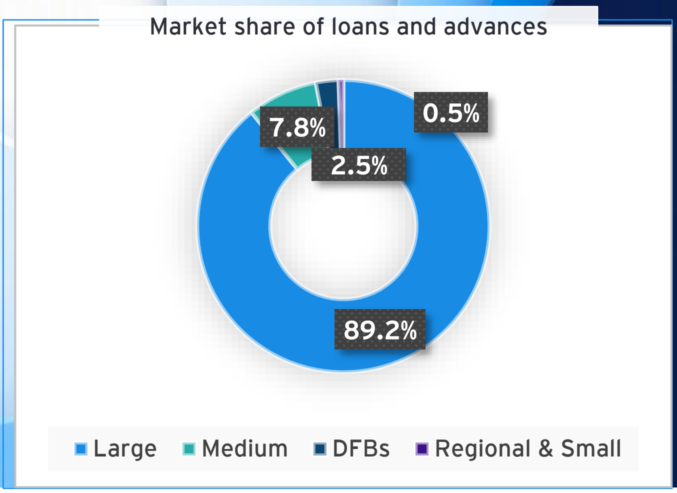










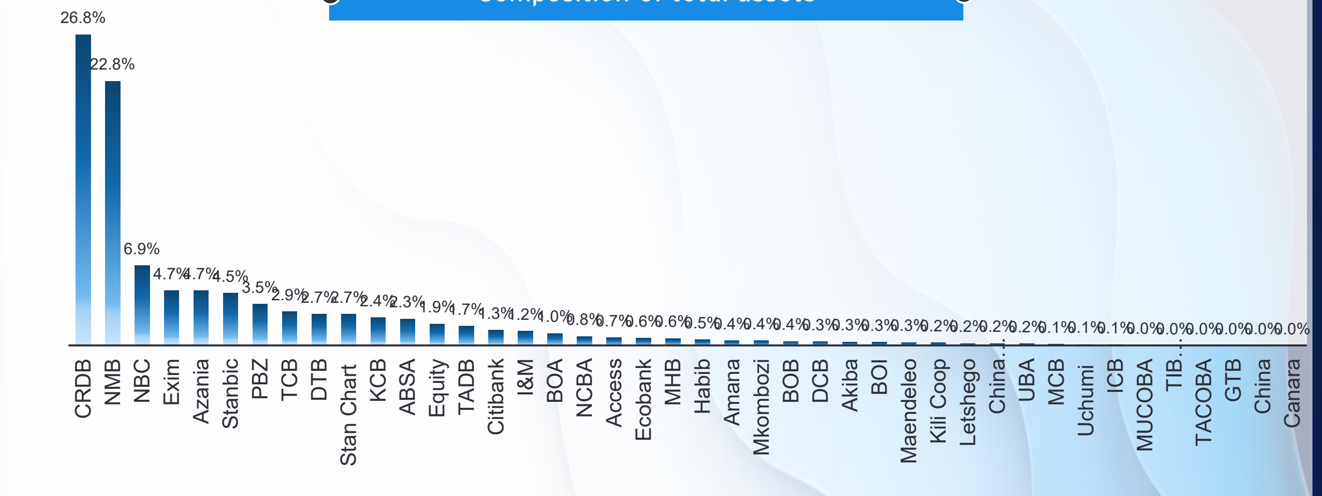


Key highlights

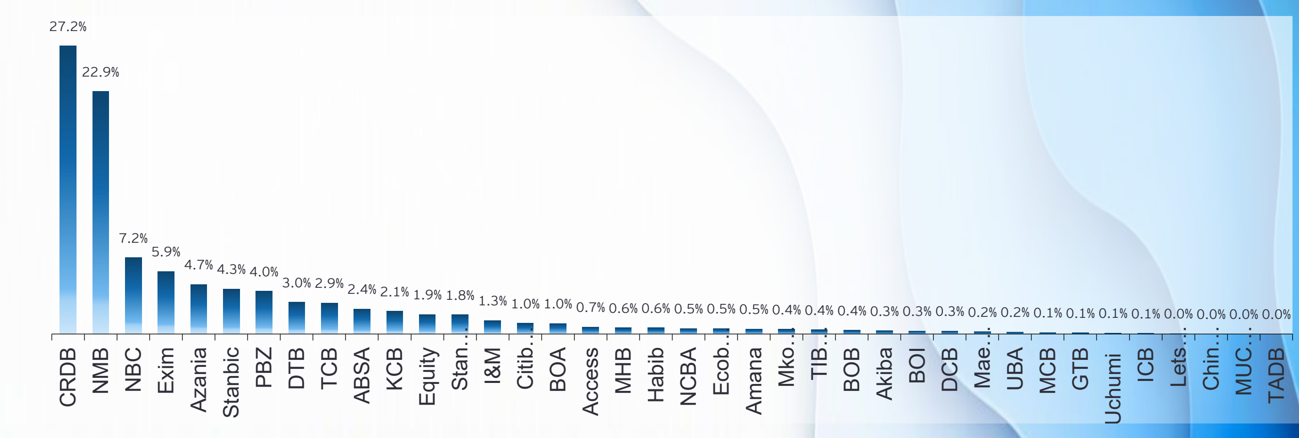
- The contribution of medium banks to total assets fell from 8.6% in 2024 to 8.3% in 2025. Medim banks also experienced a growth of 0.7 trillion in total customer deposits, compared to last year where it was a decline of 1.3 trillion.

Competitive Landscape

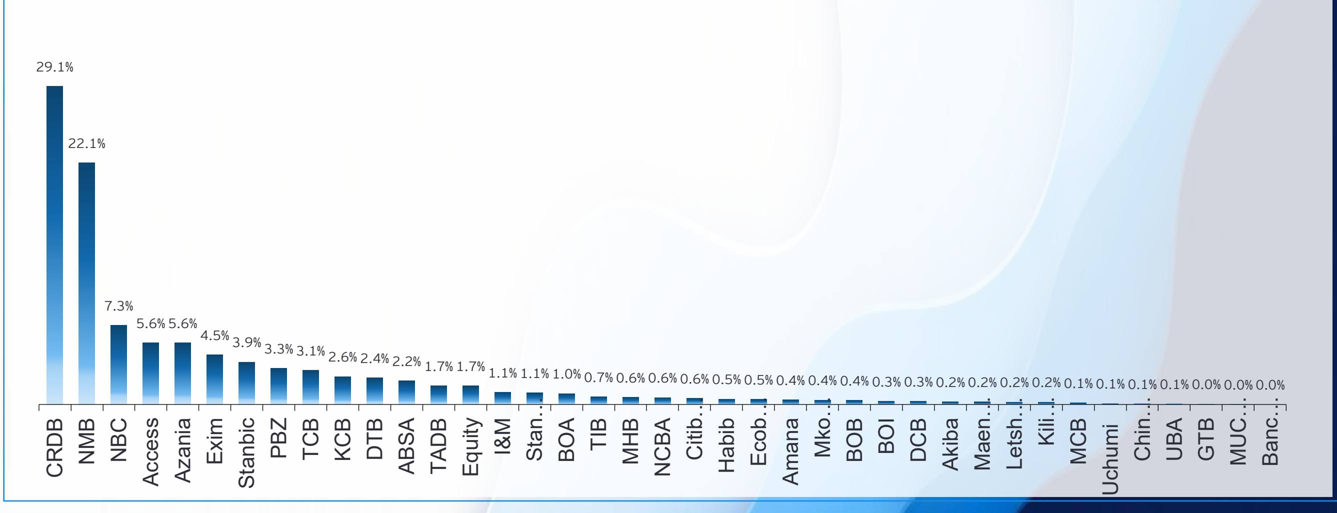
Composition of total assets



Market share of customer deposits



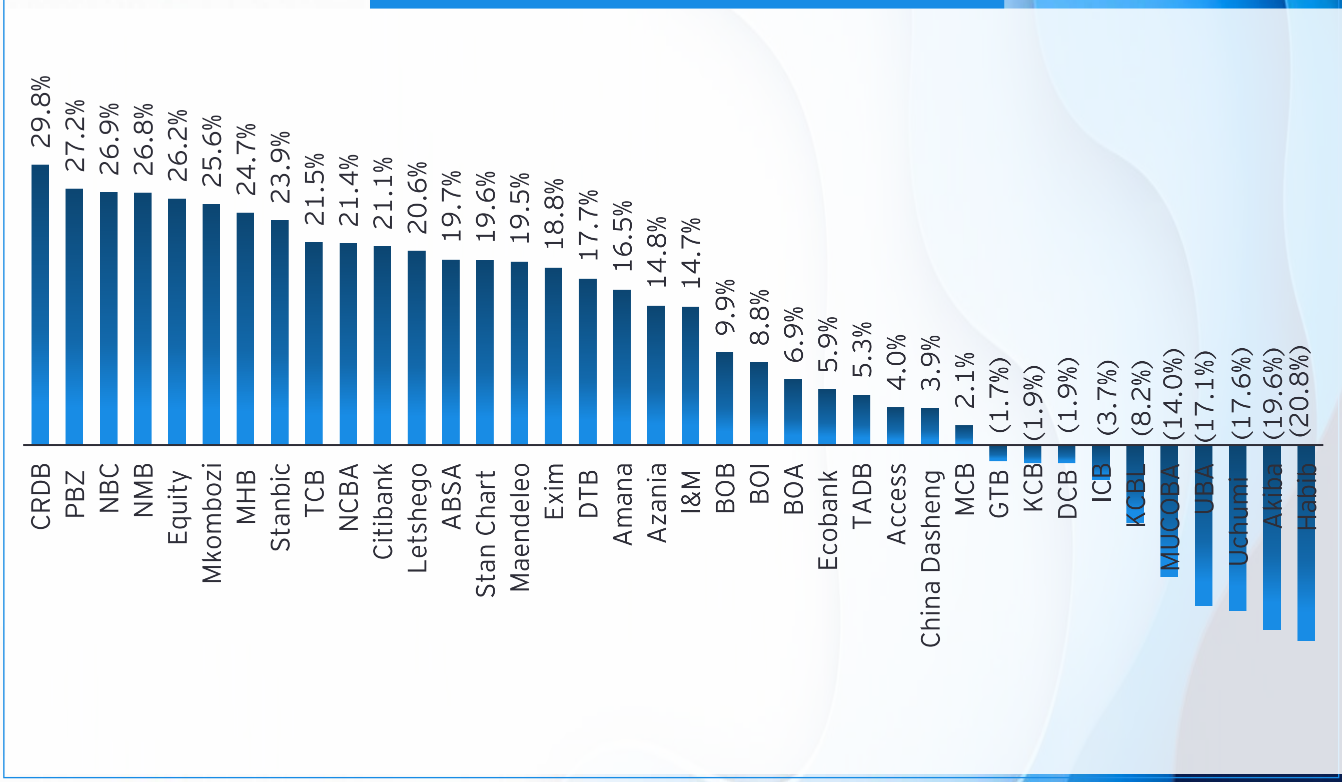
Market share of customer loans and advances



Competitive Landscape

Cost to Income ratio (CIR)

Return on Average Equity (ROAE)

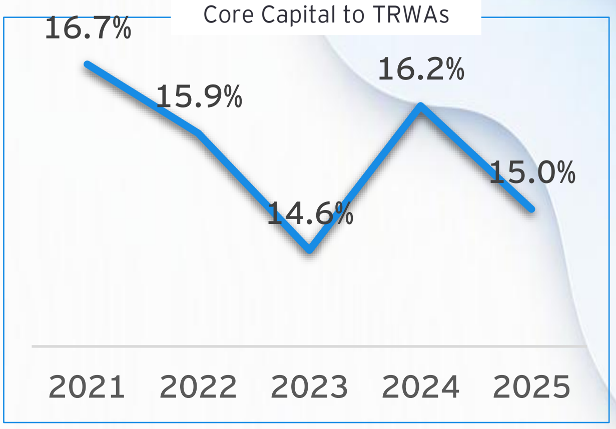


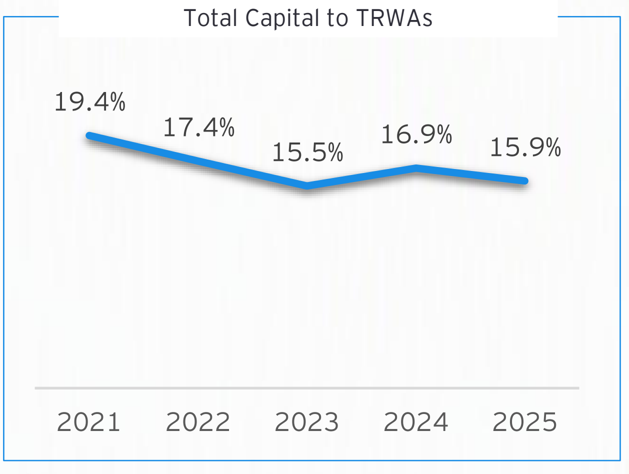
Note: TIB Development is not included in this analysis.

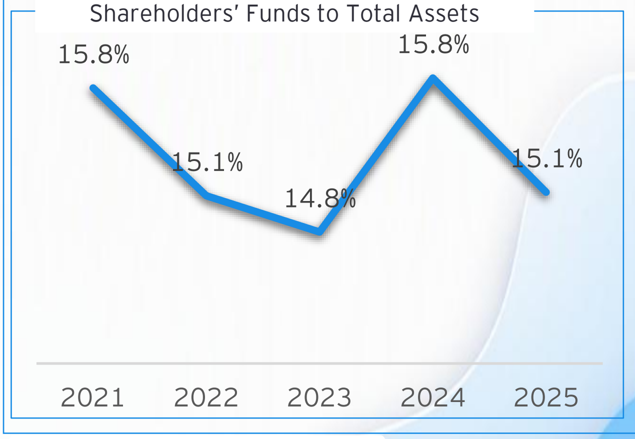
03 Sector Analysis

Capital Adequacy

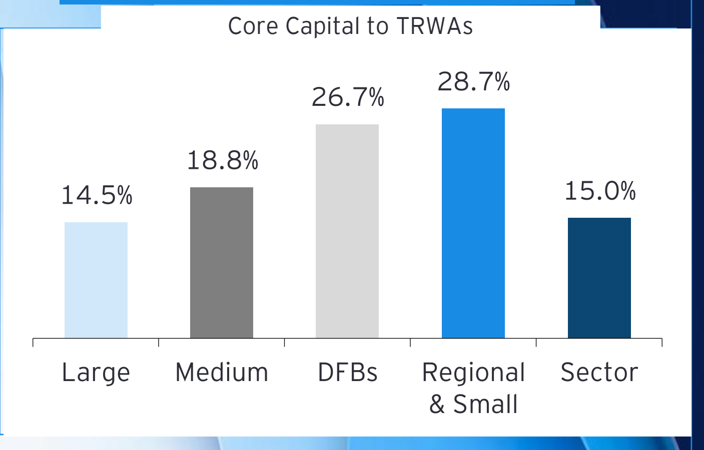
Capital Adequacy Ratios

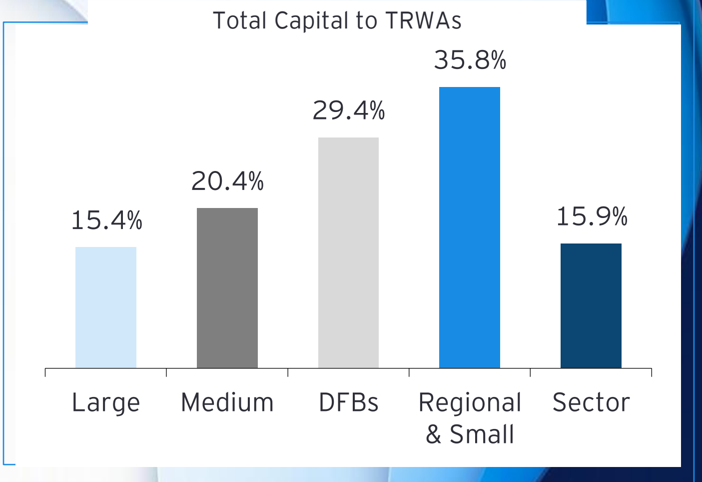


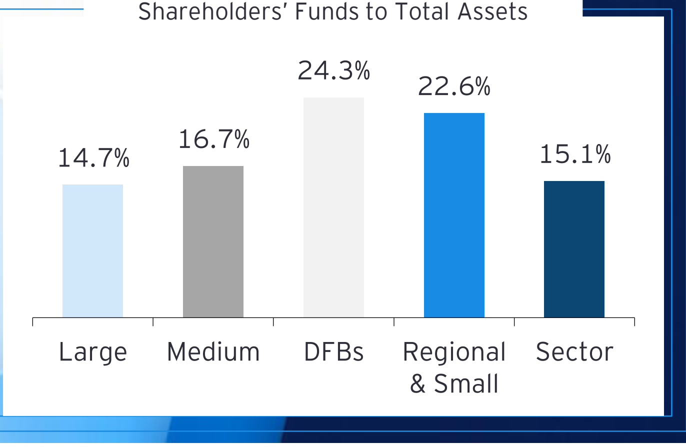




Capital Adequacy Ratios (2025)





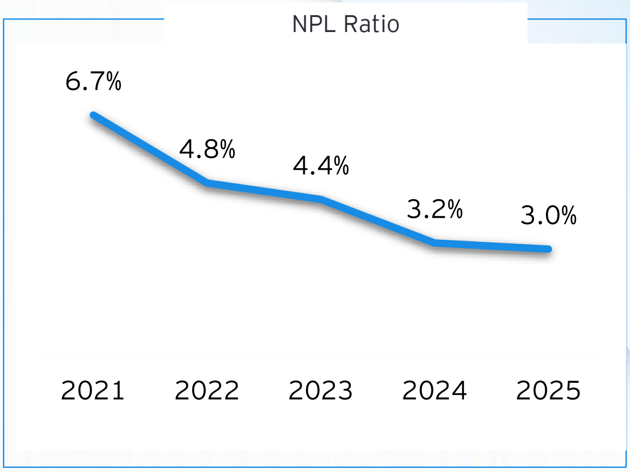


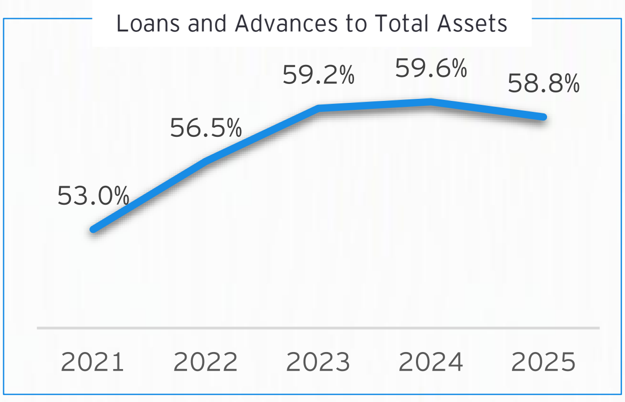
Key highlights

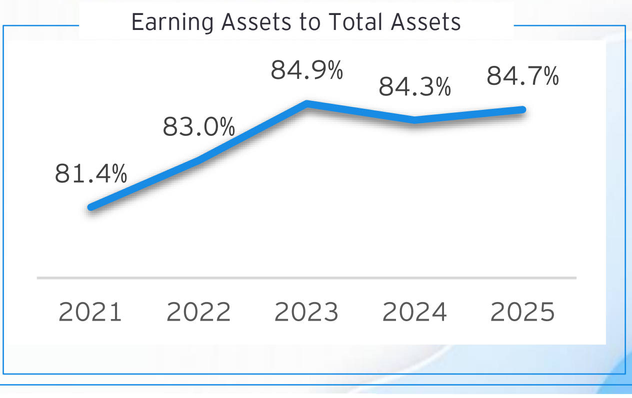
- In 2025, the Capital Adequacy Ratio (CAR) fell to 15.0% from 16.2%,
- While the ratios remains above the minimum regulatory requirements, questions remain whether the sector is sufficiently capitalized to support large scale lending for infrastructure projects and to finance investors in the manufacturing sector, aligned with the government's development vision.

Asset Quality

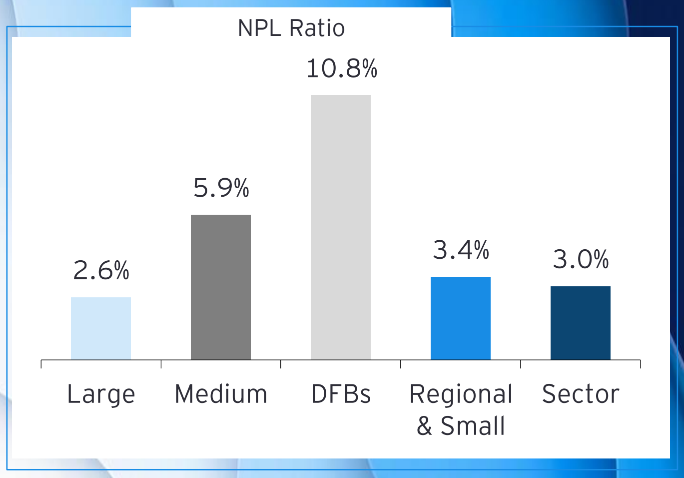
Asset Quality

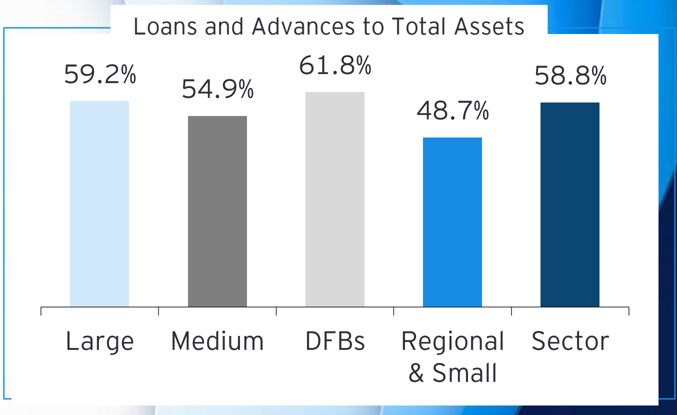


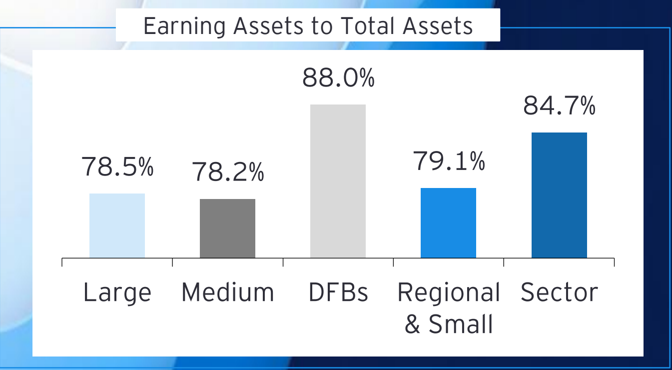




Asset Quality (2025)







Key highlights

- The NPL ratio improved from 3.2% in 2024 to 3.0% in 2025, reflecting a reduction in non-performing loans, large banks recorded the lowest NPL ratio at 2.6%, indicating stronger loan performance, while the DFBs had the highest at 10.8%, signaling credit risk in the sector.
- This underscores the need for DFBs to re-evaluate their credit quality and lending practices to ensure sustainability and reduce exposure to potential loan defaults.

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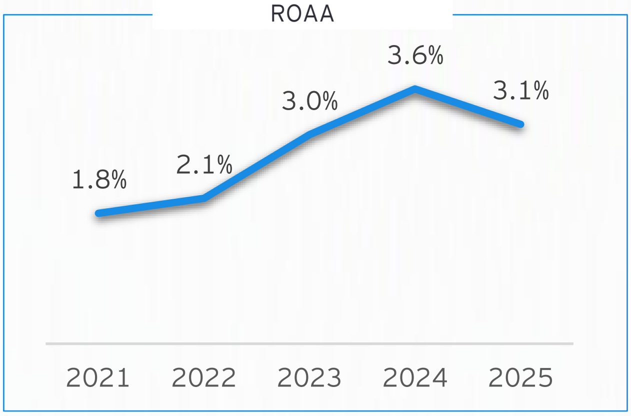
Earnings Quality

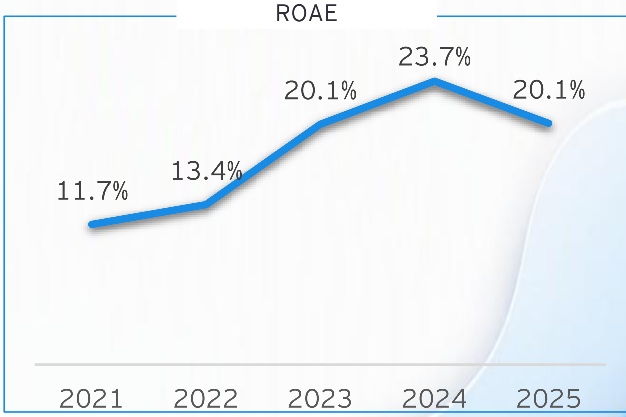
Probability Ratios

Net Interest Margin

ROAA

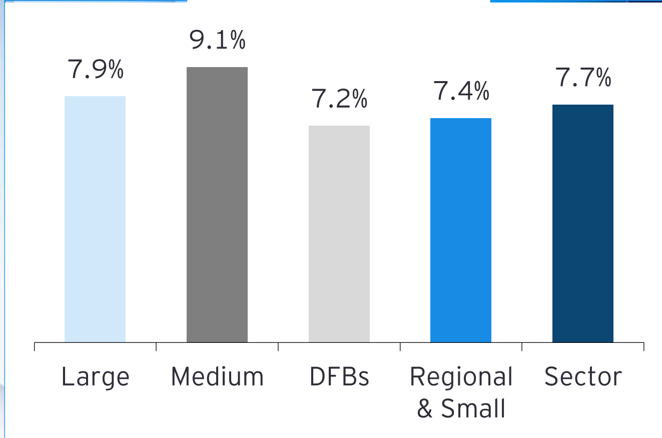


ROAE

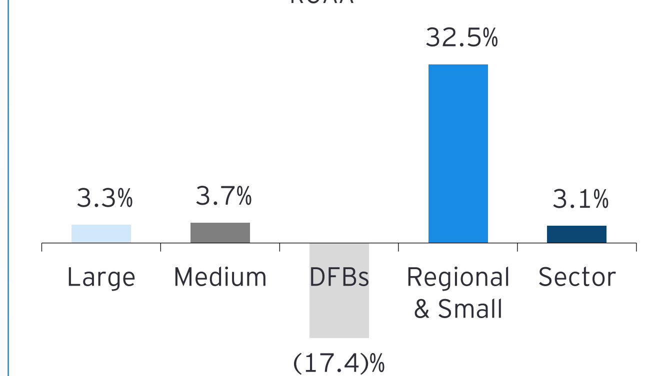


Probability Ratios (2025)

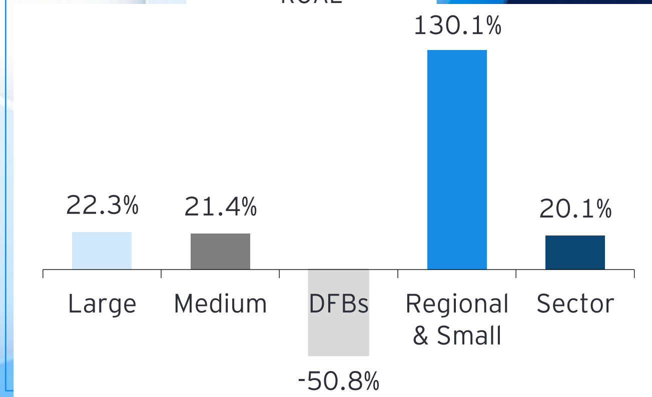
Net Interest Margin



ROAA



ROAE



Key highlights

- The return on average assets (ROAA) slightly decreased from 3.6% (2024) to 3.1% (2025), indicating a decline in profitability across the sector. DFBs lagged again with a low ROAA of (17.4)% (2025), whereas Regional & Small banks achieved the highest ROAA at 32.5%, signaling efficient profit generation from their assets. This strongly highlights the need for DFBs to strengthen operational efficiency and asset utilization to improve profitability.
- The return on average equity (ROAE) also slightly decreased from 23.7% in 2024 to 20.1% in 2025, reflecting a fall in shareholder returns across the sector.

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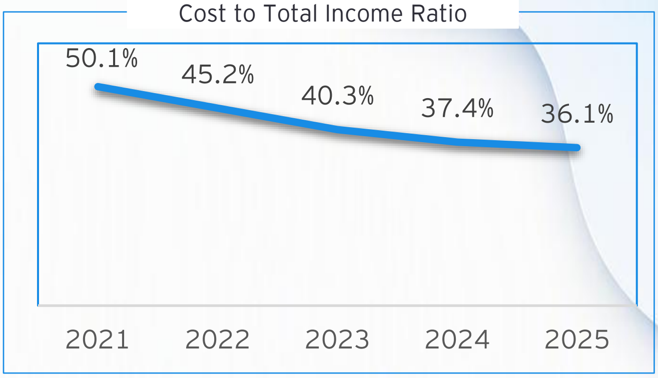
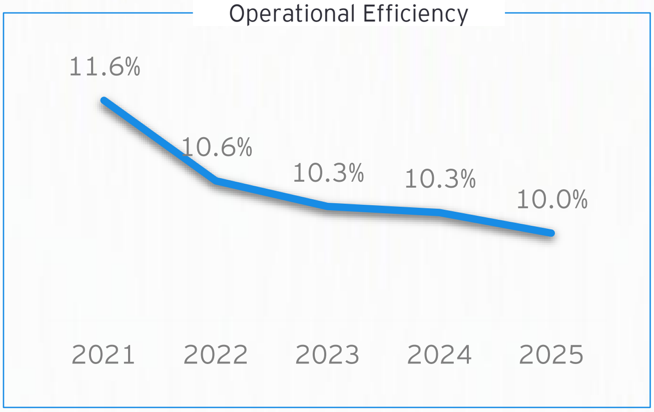
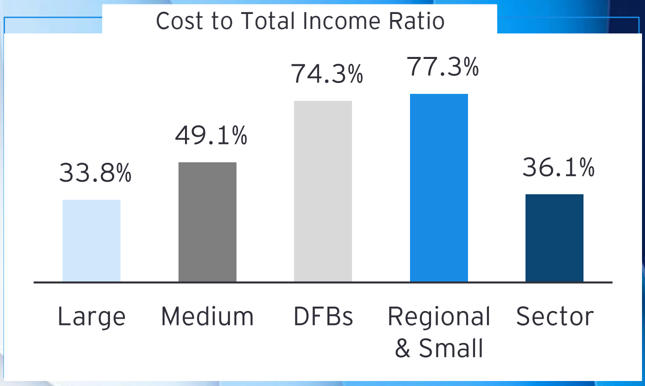
Efficiency

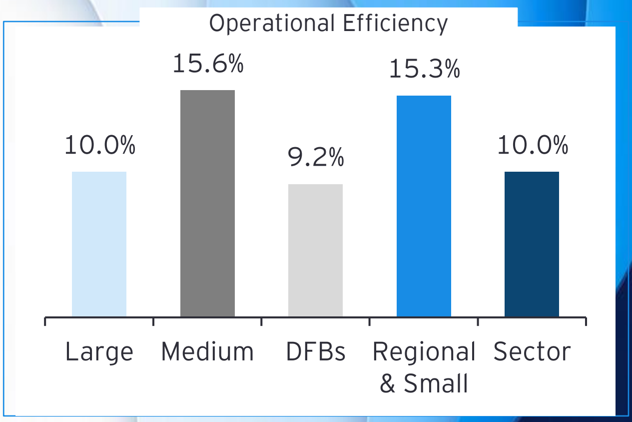
Efficiency Ratios

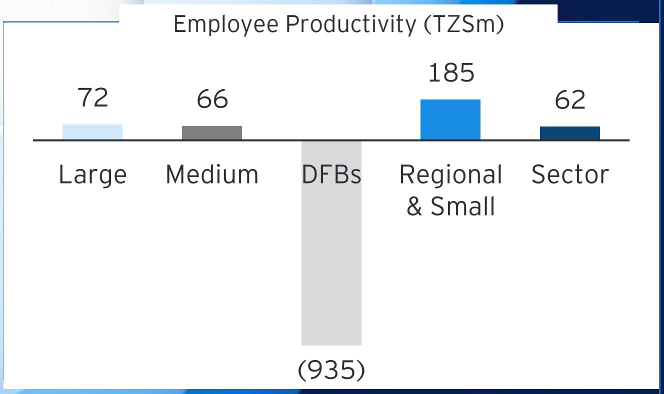




Efficiency Ratios (2025)







Key highlights

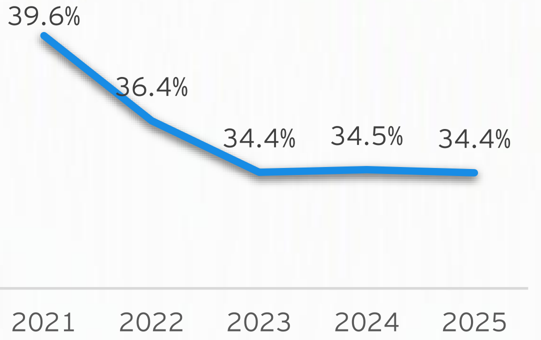
- Overall efficiency slightly decreased in 2025, with key metrics reflecting dropping operational and productivity gains across the financial sector. The cost to total income ratio fell, indicating decline cost management and income generation.
- Employee productivity saw significant fall, reflecting decline output per employee, particularly in development finance banks. However, there remains a gap between large and smaller banks.

Liquidity

Liquidity Ratios

Liquid Assets to Customer Deposits

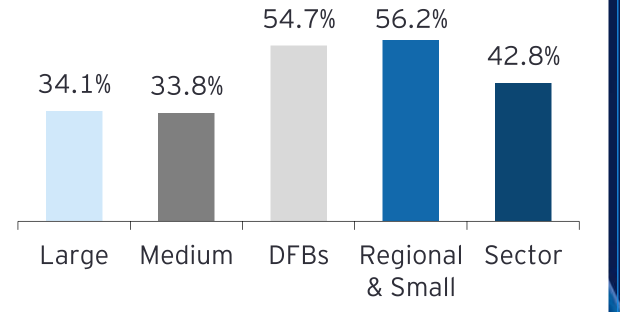
Liquid Assets to Total Assets



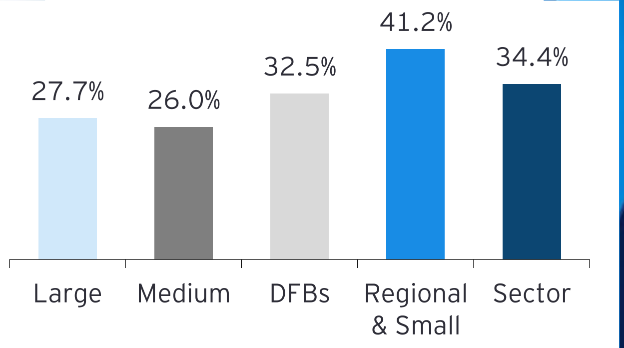
Gross Loans to Customer Deposits

Liquidity Ratios (2025)

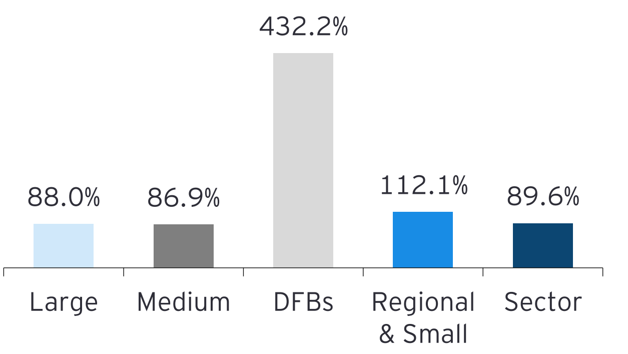
Liquid Assets to Customer Deposits



Liquid Assets to Total Assets



Gross Loans to Customer Deposits



Key highlights

- The liquid assets to customer deposits ratio remained stable at 42.8% in 2025, slightly fell from 49.9% in 2024, reflecting sustained liquidity across the sector. Large banks recorded the low ratio at 34.1%, indicating relatively tighter liquidity in the sub-sector.
- The gross loans to customer deposits ratio decreased from 92.1% in 2024 to 89.6% in 2025, demonstrating lower lending activity, while medium banks had the lowest ratio at 86.9%, indicating a more conservative lending approach relative to deposits.

04 Appendix

Appendix A: List of financial institutions

S/N	Institution	Name of the Institution
1	ABSA	Absa Bank Tanzania Limited
2	Access	Access Bank Tanzania Limited
3	Akiba	Akiba Commercial Bank Limited
4	Amana	Amana Bank Ltd
5	Azania	Azania Bank Ltd
6	BOA	BOA Bank (T) Limited
7	BOB	Bank of Baroda (T) Limited
8	BOI	Bank of India (T) Limited
9	BOT	Bank of Tanzania
10	China Dasheng	China Dasheng
11	Citibank	Citibank Tanzania Ltd
12	COOP	Co-operative Bank of Tanzania
13	CRDB	CRDB Bank PLC
14	DCB	Dar es Salaam Community Bank
15	DTB	Diamond Trust Bank (T) Limited
16	Ecobank	Ecobank (T) Limited
17	Equity	Equity Bank Tanzania Limited
18	Exim	Exim Bank (T) Limited
19	GTB	Guaranty Trust Bank (T) Limited
20	Habib	Habib African Bank Limited
21	ICB	International Commercial Bank (T) Limited
22	I&M	I&M Bank (T) Limited
23	KCB	Kenya Commercial Bank (T) Limited
24	Letshego	Letshego Bank (T) Limited
25	MUCOBA	MUCOBA Community Bank Ltd
26	Maendeleo	Maendeleo Bank PLC
27	MCB	Mwalimu Commercial Bank
28	MHB	Mwanga Hakika Bank
29	Mkombozi	Mkombozi Commercial Bank PLC
30	NBC	National Bank of Commerce Limited
31	NCBA	NCBA Bank Tanzania Limited
32	NMB	National Microfinance Bank (T) PLC
33	PBZ	The People's Bank of Zanzibar Limited
34	Stan Chart	Standard Chartered Bank (T) Limited
35	Stanbic	Stanbic Bank (T) Limited

Appendix A: List of financial institutions

S/N	Institution	Name of the Institution
35	Stanbic	Stanbic Bank (T) Limited
36	TADB	Tanzania Agriculture Development Bank Limited
37	TIB Development	TIB Development Bank Limited
38	TCB	Tanzania Commercial Bank Ltd
39	TMRC	Tanzania Mortgage Refinance Company
40	UBA	United Bank for Africa (T) Limited
41	Uchumi	Uchumi Commercial Bank Ltd

Appendix B: Abbreviations

S/N	Abbreviation	Description
1	AI	Artificial Intelligence
2	AML	Anti-Money Laundering
3	ATM	Automated Teller Machine
4	BOT	Bank of Tanzania
5	CAR	Capital Adequacy Ratio
6	CBR	Central Bank Rate
7	CIR	Cost-to-Income Ratio
8	CIS	Collective Investment Schemes
9	CMSA	Capital Market and Security Authority
10	DFB	Development Finance Banks
11	GePG	Government e-Payment Gateway
12	GDP	Gross Domestic Product
13	LDR	Loan to deposit Ratio
14	MNO	Mobile Network Operators
15	MOU	Memoranda of Understanding
16	MPC	Monetary Policy Committee
17	NBFIs	Non-Banking Financial Institutions
18	NIM	Net Interest Margin
19	NPLs	Non-Performing Loans
20	NSFR	Net Stable Funding Ratio
22	PDPC	Personal Data Protection Commission
23	POS	Point Of Sale machine
24	ROA	Return on Assets
25	ROAA	Return on Average Assets
26	ROAE	Return on Average Equity
27	ROE	Return on Equity
28	TACH	Tanzania Automated Clearing House
29	TRWAs	Total Risk Weighted Assets
30	T-Bill(s)	Treasury Bills
31	T-Bond(s)	Treasury Bonds
32	TICGL	Tanzania Investment and Consultant Group Limited
33	TIPS	Tanzania Instant Payment System
34	TISS	Tanzania Interbank Settlement System
35	TZS	Tanzania Shillings
36	TZSb	Tanzania Shillings in Billions
37	TZSm	Tanzania Shillings in Millions
38	TZSt	Tanzania Shillings in Trillions
39	USD	United States Dollar

Appendix C: Definition of selected ratios

Capital Adequacy Ratios

- Core Capital to Total Risk-Weighted Assets (%): This is also referred to as Core Capital to Risk Weighted Assets plus Off-Balance Sheet Exposures. The ratio shows the degree to which creditors are covered first, by Total capital and then by Core Capital only.
- Total Capital to Total Risk-Weighted Assets (%): This ratio is calculated by dividing a bank's total capital (Core Capital plus Supplementary Capital) by its risk-weighted assets.
- Shareholders' Funds to Total Assets (%): Show the proportion share of shareholders' total equity relative to the bank's total assets.

Asset Quality Ratios

- Non-Performing Loans Ratio (NPL) (%): Non-performing loans/loans and advances + probable losses. Tells how well the bank is managing its loan portfolio. The lower the % the better managed the portfolio.
- Loans and Advances to Total Assets (%): Loans and Advances as a % of total assets
- Earning Assets to Total Assets (%): This ratio is used to show the composition of the bank's earning assets and if most of them are earning assets and how efficiently and productively the bank uses those earning assets.

Profitability and Earnings Ratios

- Net Interest Margin (%): This is also known as the Interest Margin to Earning Assets (%) and is Interest Income-Interest Expense/Average Earning Assets. Shows the net interest income earned on the bank's earning assets.
- Return on Average Assets (%): Using profit after tax, to show the returns generated by the bank's assets.
- Return on Average Equity (%): Using Shareholders' funds, to show the return to Shareholders from the bank's operations.

Efficiency Ratios

- Cost to Total Income Ratio (%): This ratio is also known as Non-Interest Expense to Gross Income. The ratio is used to show the extent to which non-interest expense would 'eat' into total income.
- Operational Efficiency Ratio (%): Non-Interest Expense + Interest Expense/Loans and Advances (including inter-bank) + Probable Losses. To determine how efficient the bank has been in making its loans i.e., keeping its costs down. The lower the % the more efficient the bank.
- Employee Productivity (TZS million): This ratio is also termed as Earnings Per Employee or Income to Staff. It is calculated by taking profit before tax divide by the number of staff. The ratio is used to show, again theoretically, how much each staff has contributed to the bank's earnings.

Liquidity Ratios

- Liquid Assets to Customer Deposits (%): This shows the contribution of liquid assets to the banks' customer. The ratio is used to show the extent of the bank's liquidity.
- Liquid Assets to Total Assets (%): This shows the contribution of liquid assets to the banks' total assets. The ratio is used to show the extent of the bank's liquidity.
- Gross Loans to Customer Deposits (%): Loans and Advances + Probable Losses/Customer deposits.
- Note that some of the ratios may not adhere to the exact definition per the Bank of Tanzania regulations and prudential guidelines. Furthermore, ratios in the review may be limited by the level of detail of information disclosed by banks. The definitions are as outlined below:
- Core Capital = Paid up share capital + share premium + preference shares + retained earnings + profit and loss account
- Total Capital = Total shareholder's funds

Appendix C: Definition of selected ratios

- Off Balance Sheet Exposures = Contingent liabilities and contingencies
- TRWAs – Risk Weighted Assets is a 'minimum' amount of capital that banks should hold. This minimum capital is a percentage of the total capital of a bank, which is also called the minimum risk-based capital adequacy. Indeed, RWAs calculated as: cash * 0% +Balance with BoT*0 + (Balances with other banks + Interbank loans and receivables) * 20% + (investment in Government securities + investment in debt securities) * 0% +cheques and items for clearing*0.5+loans, advances and overdrafts * 100% + Accounts receivable*100+Bills negotiated*100%+Equity investment*100+Fixed Assets*100%+ customers liabilities acceptable*100% + Interbranch suspense*100%+Other assets*100
- Liquid assets - An asset is said to be liquid if it can be sold quickly without significant losses and has low risk with short maturity period (less price sensitive to interest rate movements with unlikely capital losses). Typical examples of bank assets are cash, reserves, securities (Government debt and commercial paper) and inter-bank loans. The calculation for liquid assets: Cash + Balances with Bank of Tanzania + Balances with other banks + Inter-bank loans and receivables + Cheques and items for clearing + Investment in Government securities + Investment in debt securities.

Appendix D: Sources of information

Source of information

- All financial information is sourced from publicly available banks' financial statements
- Bank of Tanzania Annual Report For the Year Ended 30 June 2025
- Bank of Tanzania Monetary Policy Statement, Mid-Year Review
- Capital Market and Securities Authority (Home |Capital Market and Securities Authority)
- AI in Banking: Regulation & Opportunity | Banking Risk & Regulatory Academy 2026
- Tanzania-Enabling-Mobile-Money-Policies.pdf
- Evolution of the Mobile Money Payment Market in Tanzania
- https://azaniabank.co.tz/wp-content/uploads/2025/01/BondiYangu-PublicAnnouncement.pdf
- https://www.tcbbank.co.tz/file/Bond_Flyer_English.pdf.
- Discussions with NMB IT Experts

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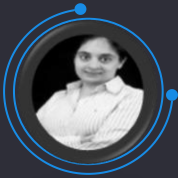

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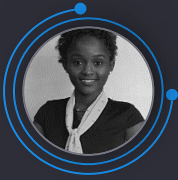

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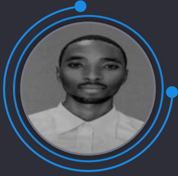

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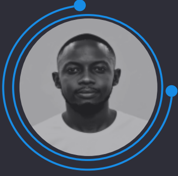

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