



⑦ **Jamii Bond**
Responsible Growth
Measurable Impact



ALLOCATION AND IMPACT REPORT

In 2023, NMB Bank Plc (NMB) issued its first sustainability bond and the largest sustainability bond in East Africa to date. The issuance of NMB's Jamii Bond is an integral part of the Bank's commitment to sustainability.

This report provides an overview of NMB's Jamii Bond process, the allocation of the bond proceeds to eligible green and social assets and seeks to articulate the estimated impact of the bond at a portfolio and project-level.

For an overview of NMB, its approach to sustainability and its commitments, please refer to the latest NMB Sustainability Report at <https://www.nmbbank.co.tz/sustainability/sustainability/sustainability-reports?download=406:nmb-bank-sustainability-report-2023>

List of Accronyms

AMCOS	Agricultural Marketing Cooperative Society	LMA	Loan Market Association
CMSA	Capital Market and Securities Authority	MSME	Micro, Small & Medium Enterprises
CREDCO	Credit Committee	MTN	Medium - Term Note
DSE	Dar es Sallam Stock Exchange	MWh	Megawatt - hour
ESMS	Enviromental and Social Management System	MW	Megawatt
GBP	Green Bond Principles	M³	Cubic metre
GDP	Gross Domestic Product	NGO	Non-Governmental Organisation
GHG	Greenhouse Gases	SBG	Social Bond Guidelines
GLP	Green Loan Principles	SBP	Social Bond Principles
GRI	Global Reporting Initiative	SDGs	Sustainable Development Goals
ICMA	The International Capital Market Association	tCO²e	Tonnes of Carbon Dioxide Equivalent
IFC	International Finance Corporation	TZS	Tanzanian Shilling
IFRS	International Financial Reporting Standard	USD	United States Dollar
kW	Kilowatt	WFP	United Nations World Food Programme

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Message from the Chairman



 The Bond's high demand from both local and international investors underscores the robust confidence in NMB Bank's strategic direction. From an initial TZS 75 billion and USD 10 million target, our oversubscribed offering raised a record TZS 212.9 billion and USD 73 million, totaling TZS 400 billion (USD 147 million).

David Carol Nchimbi

It is with immense pride that I present our inaugural NMB Jamii Bond Impact Report, an extraordinary achievement under our new 10-year Medium-Term Note (MTN) Programme. The Jamii Bond—raising a record TZS 400 billion (USD 147 million)—is now the largest sustainability bond in East Africa, a landmark reflecting our unwavering commitment to responsible growth and shared prosperity. This achievement reflects NMB's dedication to sustainable development, contributing to the SDGs, climate action, and national goals. By prioritizing sustainability, the Bank supports global efforts while setting benchmarks for the financial industry and the broader private sector—ensuring that NMB remains both relevant and impactful in a rapidly evolving environment.

We will not rest on our accomplishments; NMB will continue to forge ahead, recognizing the critical need to finance sustainable solutions and products in the years to come.

A Transformative Milestone

Our aspiration to raise TZS 1 trillion for on-lending activities through the MTN Programme speaks volumes about our vision to champion impactful, sustainable finance in Tanzania. By structuring the Jamii Bond in accordance with the NMB Sustainable Financing Framework, we have ensured that every shilling raised accelerates inclusive socio-economic development and environmental stewardship.

Resounding Success and Oversubscription

The success of Jamii Bond has been outstanding. The Bond's high demand from both local and international investors underscores the robust confidence in NMB Bank's strategic direction. From an initial TZS 75 billion and USD 10 million target, our oversubscribed offering raised a record TZS 212.9 billion and USD 73

million, totaling TZS 400 billion (USD 147 million). This success is a testament to our dedication to innovation, transparency, strong governance, and stakeholder-centric lending practices—pillars that will continue to guide us well into the future.

Driving Meaningful Impact

- Allocation: As of December 31, 2024, 100% of Jamii Bond proceeds have been deployed into 6 542 transformative loans, spanning both green and social categories. The proceeds were fully allocated within the stipulated period.
- Positive Outcomes: Our funded green initiatives, like renewable energy and climate-smart agriculture, promote long-term sustainability and climate resilience. Meanwhile, social ventures such as food security and employment generation enhance livelihoods, especially for smallholder farmers and SMEs.

Looking ahead, our ambition is clear. We will continue leveraging the MTN Programme to pioneer forward-thinking projects safeguarding our planet and uplifting local communities. On behalf of the entire Board, I express my sincere gratitude to all our investors, customers, partners, regulators, and the NMB family who enabled us to achieve this milestone. Together, we are shaping a brighter, more resilient future for Tanzania and beyond.





Message from the Chief Executive Officer



Empowering Communities: Our social investments have reached over 30,000 smallholder farmers, 12,000 agribusinesses, and supported 29 MSEs/SMEs, creating hundreds of local jobs and enhancing food security nationwide.

Ruth Zaipuna

I am excited to announce the remarkable success of the NMB Jamii Bond. Its record oversubscription and successful allocation of TZS 400 billion underscore our commitment to integrating innovative finance solutions with Tanzania's growth objectives. NMB Jamii Bond has added a strategic layer that drives social, low-carbon, and climate-resilient development by strategically aligning our investments with the Paris Agreement and national goals.

Our Sustainable Financing Framework and the annual Impact Reports aim to increase transparency and draw attention to our projects' impacts. The sustainable financing framework and impact report adhere to international standards, enhancing the management and impact of the proceeds through its investments.

In this report, detailed statistics illustrate our commitment to the United Nations Sustainable Development Goals (SDGs) and our alignment with the Paris Agreement through Jamii Bond initiative.

400 TZS Billion

Jamii Bond Proceeds Allocated

Allocation and Impact at a Glance

- **Rapid Deployment:** Guided by our Sustainable Financing Framework, we allocated 100% of the Jamii Bond proceeds (TZS 400 billion) to five green loans and more than six thousand social loans, ensuring a swift transition from funding to impactful action.
- **Driving Green Solutions:** Investments in renewable energy (with 26.4 MW installed capacity), clean transportation (annual emission reduction of 622 044 tCO₂e), sustainable land management (6,529 hectares under climate-smart cultivation), and water/wastewater initiatives underscore our long-term pledge to environmental preservation.
- **Empowering Communities:** Our social investments have reached over 30,000 smallholder farmers, 12,000 agribusinesses, and supported 29 MSEs/SMEs, creating hundreds of local jobs and enhancing food security nationwide.

A Bright Future for Sustainable Finance

We have allocated all Jamii Bond proceeds effectively within the agreed timeline, reinforcing our dedication to transparency and accountability. By embracing international reporting standards (like SDG, GRI, IFRS S1&S2), we provide all stakeholders—investors, regulators, and communities—with a clear lens on our sustainability progress and impact.

Building on Momentum

With the Jamii Bond as a catalyst, NMB Bank remains poised to expand the frontiers of responsible finance. We will:

1. Deepen partnerships with NGOs, development agencies, and government bodies and impact investors to maximize positive outcomes.
2. Innovate digitally to enhance financial inclusion; our digital agenda is at the core of increasing financial access, particularly to rural and underserved communities, to ensure that sustainable finance benefits those who need it most.
3. Scale Sustainable Projects by replicating the successes that directly address Tanzania's key challenges around climate resilience, job creation, and socio-economic upliftment.

Above all, Jamii Bond's success reflects the power of shared purpose and strategic direction in unleashing transformational development. I am sincerely grateful to the NMB family and, above all, our investors—for embracing the spirit of innovation and cooperation that defines NMB Bank.

Together, we will continue to forge a path where economic growth is accompanied by environmental sustainability and social inclusion toward a brighter, more resilient future for Tanzania.





About this Report

Overview of the Jamii Bond

In line with NMB's vision to champion a sustainable future through financing, the Bank issued a dual-tranche sustainability bond in 2023, called the NMB Jamii Bond. It forms part of the Bank's 10-year Medium-Term Note (MTN) Programme for on-lending activities, including conventional and sustainable projects.

The Jamii Bond has a duration of 3 years and was issued in both Tanzanian Shillings (TZS) and United States Dollars (USD), in alignment with NMB Bank's Sustainable Financing Framework. The proceeds from the bond are dedicated to supporting environmental and social projects, including initiatives in renewable energy, sustainable water and wastewater management, green buildings, food security, and employment generation.

The inaugural sustainable bond raised TZS 212.9 billion and USD 73 million, making the Jamii Bond the largest sustainability bond ever issued in the East African region. The collective amount received from the Jamii Bond (TZS 400 billion) is more than three times the amount that was approved by the Capital Markets and Securities Authority (CMSA) to raise at least TZS 75 billion with a greenshoe of TZS 25 billion on the TZS tranche and USD 10 million with a greenshoe of USD 5 million on the USD tranche. More than 90% of applications in the TZS tranche came from local investors. The Jamii bond received demand from a wide range of investors, including local retail investors and impact investors worldwide.

Figure 1: Jamii Bond highlights

The Jamii bond received demand from a wide range of investors, including local retail investors and impact investors worldwide.

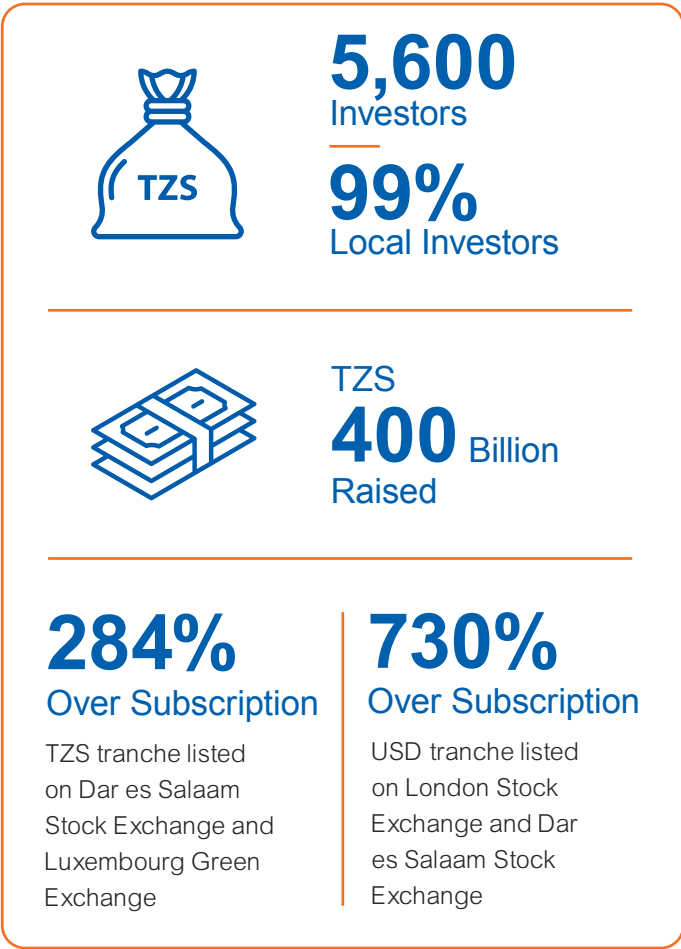
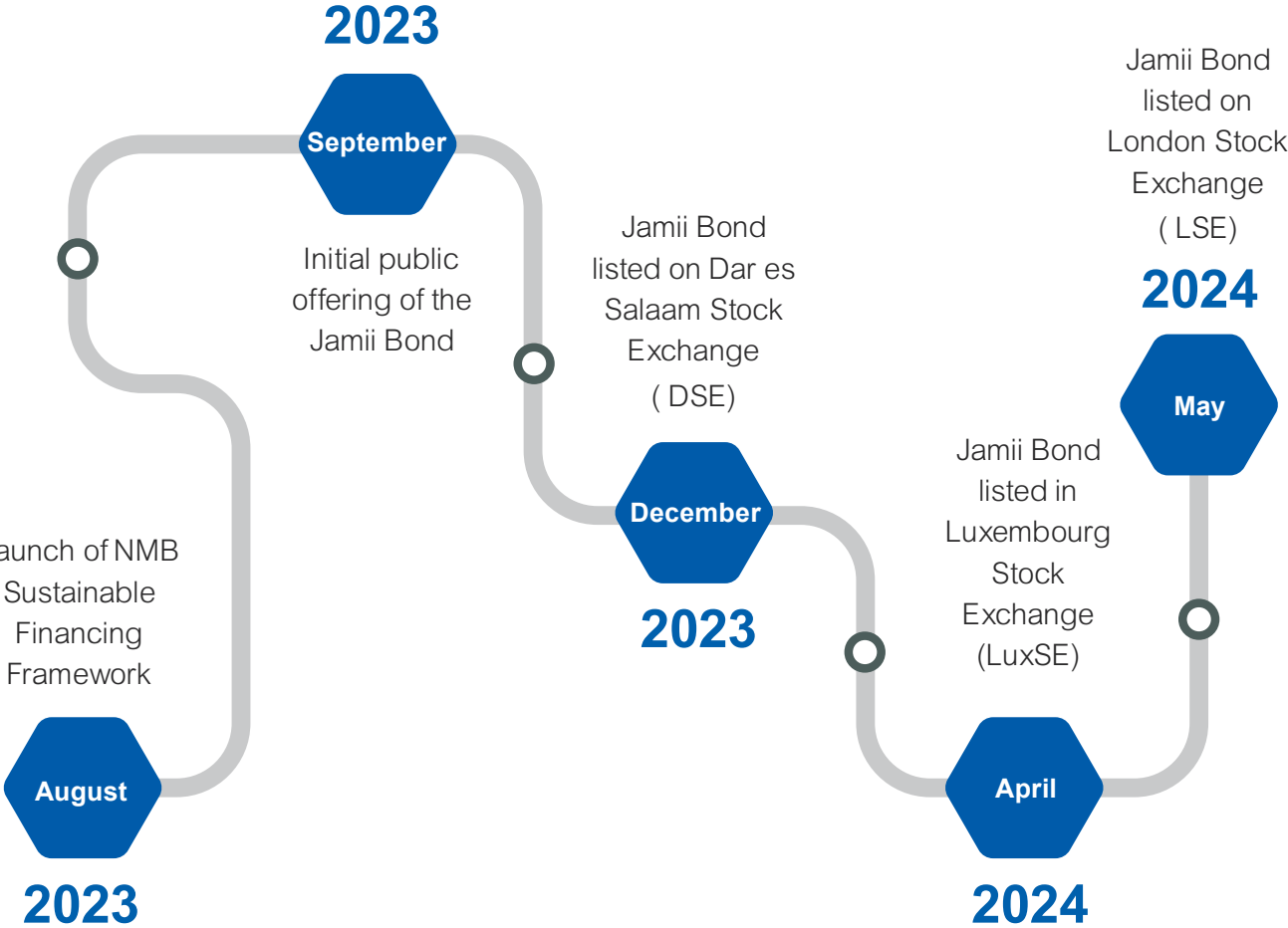


Table 1: Jamii Bond issuance details

Issue Date TZS Tranche	03 November 2023
Issue Date USD Tranche	08 December 2023
Issuer	NMB Bank Plc.
Issue Price	100% of the Aggregate Nominal
Fixed Coupon Rate TZS Tranche	9.5% per annum, paid quarterly in arrears
Floating Rate Interest USD Tranche	USD 6-month Term SOFR + 250 basis points
Currency	Tanzanian Shillings and United States Dollar
Tenor	3 years
Method of distribution	Public (TZS) & Private (USD)
ISIN TZS Tranche	TZ1996105213
ISIN USD Tranche	TZ1996105270
Value	
TZS	100 billion
USD 15 million	15 million
Net proceeds	
TZS	212.9 billion
USD	73 million
Subscription level	
TZS	284%
USD	730%
Use of proceeds	To support environmental and social projects



Figure 2: Jamii Bond issuance timeline



Sustainable Finance ↗

NMB's Sustainable Financing Framework

NMB's Sustainable Financing Framework was developed in 2023. It aims to provide a foundation under which NMB can execute and, where applicable, list green, social and/or sustainable liabilities (sustainable instruments) including, but not limited to, bonds, loans, and deposits.

The framework is aligned with international best practice and guidance issued by the International Capital Markets Association (ICMA) and Loan Markets Association (LMA), namely:

- Green Bond Principles (GBP) 2021,

- Social Bond Principles (SBP) 2023,
- Sustainability Bond Guidelines (SBG) 2021,
- Green Loan Principles (GLP) 2023 and
- Social Loan Principles (SLP) 2023

NMB uses the framework to finance and refinance, in whole or in part, eligible green or social assets that provide clear environmental or social benefits. Eligible asset categories were selected based on NMB's strategy and commitment to sustainability, the needs of society as well as local and international standards and guidance. These categories enable NMB to support several of the United Nation's Sustainable Development Goals (SDGs).

Project evaluation and selection	Projects are reviewed based on compliance with local laws and social regulatory requirements and are subject to an extensive internal credit review process. The asset origination businesses ensure adherence to NMB's Environmental and Social Management System (ESMS) and screen assets against the investment categories and eligibility criteria. The remaining loans/assets are further evaluated by the sustainability experts within the bank (under business and credit functions). The final approval of the evaluation and selection of projects eligible for green, social or sustainable loans is owned by the relevant bank's credit committee (CREDCO). Approved eligible assets are allocated to sustainable instruments by the treasury team. The respective committee together with treasury are responsible for governing the framework to ensure consistency of approach and oversight.
Management of proceeds (Credit administration, treasury, executive committee)	The receipt and allocation of sustainable finance proceeds are tracked by the credit administration department and reported to treasury and the executive committee. Unutilised funds will be invested in line with NMB's liquidity asset management investment policy. NMB ensures high transparency by using third-party verification for fund allocation. Ineligible or early repaid loans are replaced with other eligible projects.
Reporting (Treasury, group sustainability, investor relations)	NMB will report annually on the environmental and social impact achieved through the instruments issued under the framework. The report will include details on the allocation of proceeds within each asset category, the balance of unallocated proceeds and the share of proceeds used for new financing and refinancing.

Table 2: Overview of NMB's Sustainable Financing Framework

Use of proceeds	The proceeds of the sustainable instruments are exclusively used to finance new eligible loans/assets and/or refinance existing eligible loans/assets, in whole or in part, that meet the eligibility criteria detailed in the green and social categories within the framework. Green asset categories NMB is committed to enabling climate mitigation and adaptation efforts in Tanzania through its activities. The Sustainable Financing Framework includes 8 green categories: • Renewable energy • Energy efficiency • Pollution prevention and control • Sustainable water and wastewater management • Green buildings • Clean transportation • Climate change adaptation • Environmentally sustainable management of living natural resources and land use Social asset categories NMB aims to create a positive impact in Tanzania by addressing the country's socio-economic challenges, with a focus on: • Affordable housing • Access to essential services • Employment generation • Socio-economic advancement and empowerment (activities that promote gender equality and equal opportunities for women in Micro, Small, and Medium Enterprises (MSMEs) • Food security
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The NMB Sustainable Financing Framework under which the Jamii Bond discussed in this report was issued, is available on the NMB website at: <https://www.nmbbank.co.tz/investor-relations-nmb/investor-information/nmb-jamii-bond-2023>

In addition to the Sustainable Financing Framework, NMB has a Social Bond Framework, used to issue social bonds. The Social Bond Framework specifies that proceeds should be used to finance or refinance projects that would contribute to inclusive socio-economic growth in Tanzania. It defines eligibility criteria for four focus areas which include access to

essential services, employment generation, socio-economic empowerment (gender inclusion), food security and systems.

NMB's Sustainable Financing and Social Bond Frameworks were evaluated by Sustainalytics. The second-party opinions affirmed that both Frameworks are credible, impactful and aligned with the four core components of the ICMA Principles. The second party opinions are available at: <https://www.nmbbank.co.tz/investor-relations-nmb/investor-information/nmb-jamii-bond-2023>.





Jamii Bond Allocation

The Jamii Bond was issued on the 3rd of November 2023 and raised a total of TZS 400 billion, which translates to USD 147 million.¹ As of 31 December 2024, 100% of proceeds from the issuance have been allocated to assets across green and social categories, in alignment with the eligibility criteria outlined in the NMB Sustainable Financing Framework.

NMB achieved full allocation before June 2025, which was the cut-off date in terms of the required 18-month period from the issuance date. The proceeds have been managed in accordance with NMB's Sustainable Financing Framework. During the past financial year, any unallocated proceeds were tracked and invested in short term money market products that align with NMB's liquidity asset management investment policy until disbursement. Unallocated proceeds were also subject to NMB's exclusionary criteria and were not invested in any fossil fuel or carbon intensive assets.

Table 3: Summary of allocation

Total amount raised	TZS 400,000,000,000	Equiv. USD 146,950,771.49
Total number of eligible projects	6,542	
Total green loans	5	
Total social loans	6,537 ²	

Allocation of eligible projects by category	Number of eligible projects	Value TZS	Equiv Value USD	% of proceeds
Green assets				
Environmentally sustainable management of living and natural resources and land use	2	24,498,000,000	9,000,000	6.1%
Renewable energy	1	802,000,000	294 636.30	0.2%
Sustainable water and wastewater management	1	3,000,000,000	1 102 130.79	0.8%
Clean transportation	1	66,901,017,020.66	24 577 890.16	16.7%
Social assets				
Food security	6,508 ³	290,315,501,262.35	106,655,217.22	72.6%
Employment generation	29 ⁴	14,483,481,716.99	5,320,897.03	3.6%
Total new finance ⁵	6,540	374,112,000,000	137,440,117.56	94%
Total refinance ⁶ (1 green & 1 social project)	2	25,888,000,000	9,510,653.93	6%
Total amount allocated ⁶	6,542	400,000,000,000	146,950,771.49	100%

¹ Exchange rate of USD 1 = TZS 2722 as of 1 October 2024.
² Total includes 6 505 Agri-retail loans, 3 food security project loans, 29 MSME loans
³ Includes the total number of Agri-retail loans provided to farmers and agri-businessess and 3 other food security projects.
⁴ Total number of MSME loans.
⁵ NMB's look back period for new finance and refinance is 18 months prior to the date of the sustainable instrument issuance.
⁶ The total allocated against eligible projects has been subject to a limited assurance process by Sustainalytics. The assurance report is available at: <https://www.nmmbank.co.tz/sustainability>





Jamii Bond Impact

This section outlines the estimated impact of the allocated projects for the Jamii Bond. A summary is provided to articulate the estimated impact at a portfolio level. The estimated impact of individual green and social asset details are provided further below.

Summary

The impact indicators for the allocated Jamii Bond proceeds as per the NMB Sustainable Financing Framework are outlined in the table below. The most relevant impact indicators were selected for the assets allocated to date.

Table 4: Jamii Bond impact indicators

Green assets			
	Environmentally sustainable management of living and natural resources and land use	Productivity gains due to climate-smart agriculture	27,500 tonnes of sugar ⁷
		Amount/size of sustainable agriculture	6,529 ha
		Renewable energy	Total installed capacity
Annual Generated Renewable Power			22,760 MWh ⁹
Estimated annual tonnes of carbon dioxide equivalent emission reduction			45.2 tCO ₂ e ¹⁰
Estimated number of jobs supported			111 ¹¹
	Sustainable water and wastewater management	Annual volume of wastewater treated for reuse	52,800 m ³ ¹²
		Additional number of people with access to safe drinking water	26,400
	Clean transportation	Annual GHG emission reductions	622 044 tCO ₂ e
		Number of people with improved access	1.7 million (annually)
		Level of service (passenger-kilometres/year)	27.9 million pkm/year
Social assets			
	Food security	Number of agri-businesses supported	12,193 ¹³
		Number of smallholder farmers engaged	31,312 ¹³
		Estimated number of farmers reached	50,244 ¹³
	Employment generation	Number of MSMEs financed	29
		Value of MSME loans	TZS 14.5 billion
		Estimated number of jobs supported by MSMEs	515

⁷ Expected increase in production for two sugar producing companies divided by two (25 000 + 30 000)/2). It is estimated that at least half of the increase in production could be achieved with more traditional irrigation methods.

⁸ Includes 1.35MW renewable energy company installation and the 5MW and 20MW bagasse boilers for the two sugar producing companies.

⁹ Includes renewable energy company installation (1 440MWh) and one sugarcane producing company boiler (2 665 MWh X estimated average operation of 8 months). No monthly or annual power generation figures were available for the other sugar producing company.

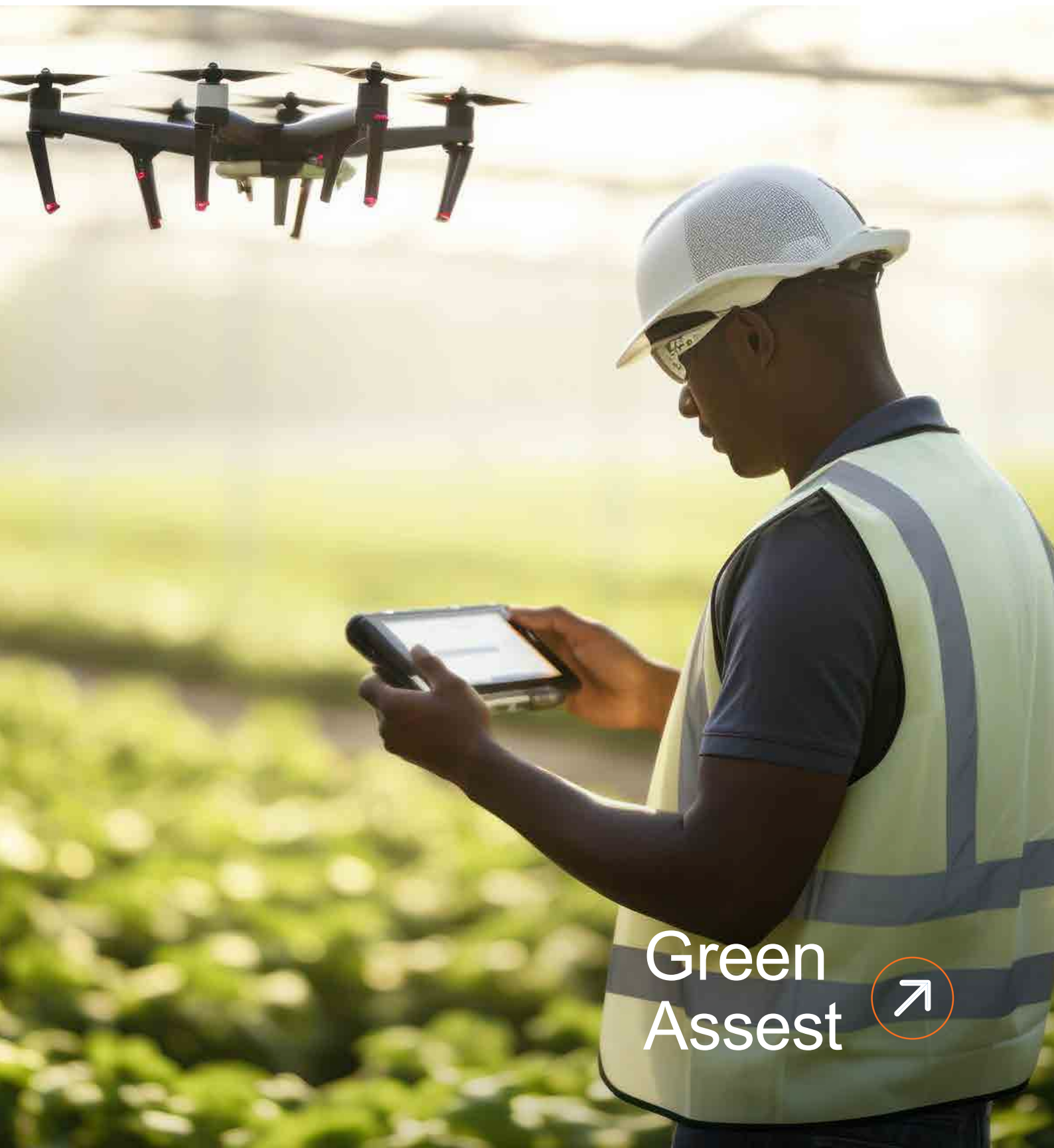
¹⁰ Emission reduction associated with the renewable energy company installation only (replacing diesel generators at client sites).

¹¹ Number of jobs (skilled and unskilled) supported by the renewable energy company installation (8) and the boilers at two sugar producing companies (103). Approximately 50 individuals are unskilled and expected to be employed on a casual basis.

¹² Estimated volume of water for one sugar production company only, based on an average of 220 operational days. No data was available for other assets.

¹³ NMB Agri-retail finance impact plus the number of businesses/farmers supported by the Food security agency and Rural development NGO.





Green
Assesst



Green Assets

Environmentally Sustainable Management of Living Natural Resources And Land Use

SUSTAINABLE AND CLIMATE SMART AGRICULTURE

The agricultural sector in Tanzania represents almost 30% of the country's GDP and supports the livelihoods of nearly three-quarters of the workforce.¹⁴ It is the most important sector in the country and is dominated by small-holder farmers.

Climate change impacts including heat and drought, increased variability of precipitation, increased incidence of pests and diseases are having a significant impact on the country's agricultural

sector.¹⁵ An estimated average of USD 140 million¹⁶ worth of crop production is lost annually due to these impacts which are increasing in severity and frequency. The scaling up of climate-smart agricultural practices presents an opportunity to enhance agricultural resilience, augment farmer productivity, and contribute to climate change mitigation.

Impact



Productivity gains 27,500 Tonnes of Sugar per year

6,529 Hectares Sustainable and climate-smart agriculture
1,449 Jobs supported





Project Snapshot

Company description: Farming and processing of sugarcane

Location: Pwani



Productivity gains due to climate-smart agriculture: 15,000 Tonnes of Sugar per year

Size of sustainable agriculture: 2,400 Hectares

Contribution
SDGs



The main objectives of the company are to alleviate the shortfall in domestic sugar supply, reducing the dependence on sugar imports and to eventually contribute towards producing surplus for export. NMB provided the term loan in 2023 to support the completion of the sugarcane plantation and the construction of a processing plant. This formed part of a syndicated loan with other banks.

As part of the initial stages of the project, the company started farming on 2 400 hectares of land and implemented a drip irrigation system. Water is distributed directly to the root zone of the sugarcane, resulting in improved soil moisture and water resource management. The system also distributes fertilizers in soluble form reducing environmental pollution. According to the company, this allows them to achieve double the yield per hectare as compared to competitors which use conventional irrigation (160 tonnes per acre compared to 80-90 tonnes). The company has plans to place 300 new hectares under

pivot irrigation going forward, increasing the total area of land under climate-smart agriculture to 2 700 hectares.

The sugar processing plant has a crushing capacity of 1 500 tonnes per day. The company is able to generate approximately 30 000 tonnes of sugar per annum depending on the weather. Once all phases of the project are complete, it will have the capacity to produce 100 000 tons of sugar annually. The production process results in different types of waste all of which are reused or recycled on site.

Figure 3: Waste recycled on site

- Bagasse is used to generate energy in the plant boiler (16 200 tonnes p.a.).
- Press mud is used as fertilizer (1 350 tonnes p.a.)
- Boiler ash is used as fertilizer (1 080 tonnes p.a.)
- On average, 240 m3 of wastewater is treated for reuse per day
- On average, 220 m3 of effluent is treated and pumped to a storage pond per day

Energy produced by the 5-megawatt (MW) boiler is able meet all of the plant's current energy needs during production months. The boiler generates an average of 2 665 megawatt-hours (MWh) per month.

Figure 4: Social impact

The project has created a total of 348 jobs. 278 are permanent employees and 70 are casual employees. Most of the casual employees are unskilled.

Project Snapshot 2

Company description: Farming and manufacturing of sugar

Location: Pwani



Productivity gains due to climate-smart agriculture: *12,500 Tonnes of Sugar per year

Size of sustainable agriculture: 4,129 Hectares

Contribution
SDGs



NMB provided a term loan to the company to support land development and factory investment. The bulk of the finance provided (85%) is being used for irrigation and power generation on site.

Pivot irrigation has been installed on 2 818 hectares of farmland which increases water use efficiency by more than 15% when compared to traditional furrow irrigation. The finance provided by NMB will be used to purchase and install 26 pivots covering an additional 1 040 hectares of farmland. The finance will also be used to install drip irrigation on 271 hectares. The targeted yield for the area under drip irrigation is 150 tons per hectare, almost four times more than conventional irrigation in the area.

The company expects that the installation of the new pivot and drip irrigation will enable total production to increase from approximately 300 000 tonnes to 550 000 tonnes of cane per year, corresponding to approximately 55 000 tonnes of sugar per year. This is almost 100 000 tonnes more than is typically produced through traditional cultivation with furrow irrigation due to improved water efficiency and

targeted absorption of fertilizers. Typically, 80% of the waste that is produced on site is recycled and the remaining 20% is reused.

Figure 5: Reduced non-greenhouse gas (GHG) emissions from fertilisers

Currently, 25-30 % of urea is volatilised if applied in a blanket on the soil surface. It is estimated that by applying the fertilizers through pivot and drip in split doses, the volatilisation is reduced to 10 -15%.

Figure 6: Waste recycled on site

- Bagasse is used for power generation (35 700 tonnes per month)
- Press mud is used as fertilizer (3 000 tonnes per month)
- Boiler ash is used as fertilizer (690 tonnes per month)
- All wastewater is recycled and used for irrigating the fields

The company's existing boilers in the processing plant have a total capacity of 7 MW. The new boiler financed by NMB will add an additional 20 MW of capacity. While energy needs are expected to increase on site due to the additional land development, increased production etc. the new boiler capacity and the bagasse produced by the plant is expected to be sufficient.

Figure 7: Social impact

The project has created employment opportunities for local communities. New jobs have been created for 206 skilled employees and 895 unskilled casual employees. More than 90% of the employees are involved in the irrigation projects.

*Estimate that half of the expected increase in production from the project can be achieved with traditional irrigation methods

¹⁴ The International Trade Administration, 2022 (<https://www.trade.gov/country-commercial-guides/tanzania-agriculture-and-agricultural-processing>)

¹⁵ Kristal Jones, 2023 (<https://www.sciencedirect.com/science/article/pii/S2211912422000566>)

¹⁶ Cooperation in International Waters in Africa, 2021 (<https://www.ciwaprogram.org/rcv1/drought-resilience-profile-tanzania/>)

*Estimate that half of the expected increase in production from the project can be achieved with traditional irrigation methods

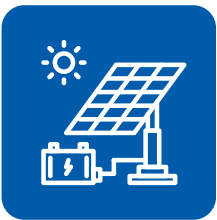




POWERING PROGRESS - FROM DIESEL TO SOLAR

To avoid the severe consequences of climate change, global emissions need to be reduced. This can only be achieved if countries and businesses shift their reliance on fossil fuels towards investing in alternative sources of energy that are clean, accessible, affordable and sustainable¹⁷. Tanzania is endowed with diverse renewable energy resources, ranging from biomass and mini-hydro to geothermal, solar and wind. However, this energy is largely untapped, and most of the population remain unconnected to sources of electricity¹⁸. Those who are connected often face reliability challenges.

Impact



Total installed capacity:
1.35 MW

Estimated annual CO₂
equivalent emission reduction:
*45.2 tCO₂e

Project Snapshot

Company description: Solar energy installation and maintenance

Location: Dar es Salaam



Annual Generated Renewable
Power: 1,440 MWh

Estimated number of jobs
created: 8

Contribution
SDGs



*Calculated using DEFRA 2024 emission factor for diesel (average biofuel blend)

The company's core business is to provide clients with clean energy solutions in a reliable and affordable manner using smart energy technology. The company provides services across energy generation, transmission and distribution and its main customers include off-grid customers (in marginalised areas), commercial-industrial customers and domestic consumers.

NMB granted the company finance to fulfil a secured purchase order (PO) that was received from its client, a large telecommunications company in Tanzania. The PO is for the supply and installation of solar panels and mounting structures at 100 telecommunication sites. NMB financed 33% of the total project.

Figure 8: Energy generation

- A total of 30 solar panels are required per site.
- The installed capacity of the solar panels is 1 350 kW for 100 sites
- The amount of energy produced is 120 000 kWh per month
- 64% of the finance has been used for the purchase of solar panels and 36% for mounting structures.

The solar installation is replacing the telecommunication client's use of diesel generators at its sites. The client requires an average of 1 500 litres of diesel on a monthly basis to produce the required 1 200 kwh per site. The expected monthly saving is about 1 500 litres of diesel at an average cost of TZS 3 200 per litre. Therefore, the project will result in an estimated total cost saving of TZS 4.8 million per site per month which translates to TZS 480 million per month for all 100 sites.

Figure 9: Social impact

The project has contributed to temporary job creation for surrounding communities. There is an average requirement of 8-9 casual workers to support works such as civil foundation and security on site. These casual workers are employed for a period of 1-2 months per site.





SUSTAINABLE WATER FOR ALL -PRESERVING EVERY DROP

Water supply and sanitation services are important for human capital development, social inclusion, poverty reduction, and climate resilience. Only 61% of households in Tanzania currently have access to basic water-supply and only 32% have access to basic sanitation. Although some progress has been made over the years, the Government of Tanzania still needs to close a large gap.¹⁹

Impact



Improved access to safe drinking water for 26,400 people

Increased water treatment capacity of 15,000 m3/day

Project Snapshot

Company description: Water supply and sanitation services

Location: Tanga



26,400 estimated number of additional people with access to safe drinking water:

Contribution SDGs



The water authority is an autonomous sub-national entity located in Tanga City, Tanzania. It is responsible for extracting, treating, and distributing clean and safe water to residents in urban areas within its jurisdiction. The demand for water and sewerage services has increased in recent years due to population growth, the migration of people from rural areas and increased investments in

industrial and commercial sectors. However, the capacity of the water authority to provide water and sewerage services has not improved and the existing infrastructure needs attention.

In 2024, the authority initiated a project to improve water supply and sanitation services in the City of Tanga, Muheza and Pangani Townships. Once completed, it is expected to mitigate the risk of acute water shortages in the area that have been projected for the next three years. NMB granted finance to the authority that will contribute towards the completion of the project.

Figure 10: Key project objectives

- Rehabilitation and expansion of water treatment plant to increase production and treatment capacity from 45,000m3/day to 60,000m3/day
- Installation of 60 km of water distribution pipes connecting 6 000 new customers and improving water availability for more than 26 400 people (based on a household size of 4.4).
- Rehabilitation of 110 km of water infrastructure pipes. This is expected to reduce non-revenue water from 30% to 25% by the end of 2025.
- Extension and rehabilitation of sewerage network services
 - Installation of 1.5 km of new infrastructure
 - Rehabilitation of 3 km of current sewer lines

The increase in capacity and distribution of water is expected to improve access to key public services and facilities, including schools, hospitals, and community centres in the area. Small businesses, such as water kiosks in underserved areas, will also benefit from the improved water distribution network. Small business suppliers involved in the project will benefit from the increased demand for materials and services required during the project.

The rehabilitation and expansion of the sewage network will increase the volume of wastewater treated. Many of the new customers are currently without access to proper sanitation services. Exact figures were not available at the time of reporting.

MAKING TRANSIT GREENER AND FAIRER

East Africa's transport sector is still heavily reliant on fossil fuels contributing to environmental degradation and economic vulnerabilities. Cities across the region have high levels of air pollution, impacting public health and quality of life. In Tanzania, the transport sector is the third-largest source of emissions after agriculture and forestry and contributes approximately 6 million tons of CO₂ equivalent emissions annually.²⁰ Transformative changes are required reduce the negative impact from the sector. Tanzania has prioritized transport as one of the sectors for mitigation in its Nationally Determined Contribution (NDC).²¹

Impact



Annual emission reduction of 622 044 tCO₂e

Improved access to clean transportation for 1.7 passengers (annually)

1 219 Kilometers of new electrified railway infrastructure

Project Snapshot

Company description: Construction of transport infrastructure

Location: Tanzania



Level of service: 27.9 Million passenger-km/year and 6.6 billion tonne-km/year for freight

Contribution SDGs



²⁰ World Bank, 2024 (<https://openknowledge.worldbank.org/entities/publication/b4d94900-456d-40eb-a618-a7b7474647a4>)

²¹ UNFCCC Tanzania NDC submission, 2022 (<https://unfccc.int/documents/498006>)

Railway is the second most important mode of transport after road and is critical for long distance freight along the main transport corridors in Tanzania. The government has embarked on a major railway revitalisation programme through the rehabilitation and construction of new railway lines.²² This includes the construction of the electric Standard Gauge Railway (SGR) that will link Dar es Salaam to the port of Mwanza on the shore of Lake Victoria in northern Tanzania (1 219 km). The SGR is being built alongside the older inefficient Meter-Gauge Railway (MGR) system and is intended to eventually replace it. NMB has provided finance to support the construction of the SGR project which forms part of a syndicated loan with other banks.

The project aims to promote efficient and sustainable mobility in Tanzania and to revive the railway sector's contribution to the national economy. Most of the passenger travel is expected to take place between the major cities (Dar Es Salaam –Dodoma ~450 km; Dodoma – Tabora ~380 km; Tabora – Isaka ~120 km). Freight, on the other hand, is also expected to be transported between the key ports and to other countries and may travel more than 90% of the length of the project.²³ More people and businesses are expected to use the new SGR hence it will likely unlock socio-economic opportunities for underdeveloped regions in Tanzania and between neighbouring countries.

The project is estimated to facilitate the transportation of 1.7 million passengers and 17.7 million tonnes of freight annually. The estimated annual distances travelled are 27 850 000 passenger-kilometres and 6 595 020 000 tonne-kilometres for freight. The estimated annual GHG savings through operation of the project is 622 044 tCO₂e which will contribute approximately 4% towards the total GHG emission reductions needed in the energy and transport sector to meet Tanzania's NDC commitments ²⁴.

²² SGR ESMP, 2019 (<https://www.trc.co.tz/uploads/publications/en1572527656-ESMP%20SGR%20latest.pdf>)

²³ RSK ESI A report for SGR, 2024 (sw1716462405-ESI A LOT 3&4 REPORT- DISCLOSED VERSION (1).pdf)

²⁴ RSK ESI A report for SGR, 2024 (sw1716462405-ESI A LOT 3&4 REPORT- DISCLOSED VERSION (1).pdf)

¹⁹ The World Bank, 2023 (<https://www.worldbank.org/en/results/2023/11/20/expanded-access-to-water-supply-sanitation-and-hygiene-services-in-tanzania>)





Social Assets



Social Assets

STRENGTHENING FOOD SECURITY FROM THE GROUND UP

East Africa is facing significant food challenges, with approximately 40% of the population experiencing a form of food insecurity.²⁵ In Tanzania, despite steady economic growth in recent years, many people still live below the poverty line and malnutrition remains high.²⁶

The Tanzanian agriculture sector is dominated by smallholder farmers²⁷ who have the potential to improve food security and rural livelihoods. Despite their significant role, smallholder farmers are constrained by lack access to agricultural inputs, training, technology, finance and information needed to access markets or adapt to climate change.²⁸ Many smallholder farmers rely on informal financial service providers, which can be costly and risky.

Impact



6,505 agri-loans

Crops purchased from 7 500 agri-businesses and 29 500 small-holder farmers

More than 96,000 tonnes of crops purchased from small-holder farmers and agri-businesses

Company description: Grain procurement and distribution

Location: Multiple regions across Tanzania



7,500 of agri-businesses supported

17,500 of smallholder farmers engaged

25,000 of farmers reached

Contribution
SDGs



The agency was established under the Ministry of Agriculture to address food shortages. Its main role is to buy, store and provide food stocks to areas experiencing food shortages in Tanzania. It also supports the victims of national disasters with food supplies. The agency buys large amounts of grain for its reserves on an annual basis and therefore serves as a key market player that individual farmers and cooperatives rely on.

NMB provided the agency with an overdraft facility to support the procurement of cereals (maize and paddy) from agri-businesses and smallholder farmers during the 2023/2024 season. The agency procured 96 708 tonnes of cereals from 25 000 farmers, 70% of whom were small-scale producers.



²⁵ Abdullahi, A.M., 2024 (<https://link.springer.com/article/10.1007/s43621-024-00381-5>)

²⁶ World Food Programme, 2024 (<https://www.wfp.org/countries/tanzania>)

²⁷ The International Trade Administration, 2022 (<https://www.trade.gov/country-commercial-guides/tanzania-agriculture-and-agricultural-processing>)

²⁸ Farm Africa, 2025 (<https://www.farmafrica.org/our-work/countries-we-work-in/tanzania/>)





Figure 11: Small-scale producers

- 67 696 tonnes were bought from small-scale producers
- An average of 2.43 hectares of land farmed by a smallholder farmer
- Total of 32 614 hectares farmed by smallholder farmers supported by the project

In addition to purchasing grains, the agency also educates stakeholders on agricultural practices including harvesting and the handling of grains after harvest. This is to ensure that the country can access quality grains and that farmers are accurately compensated for their produce.

The agency currently has 72 local purchasing points in Tanzania where farmers sell their produce. These are spread across eight regions, including Dodoma, Dar es Salaam (Kipawa), Njombe (Makambako), Songwe, Rukwa (Sumbawanga), Manyara (Babati), Shinyanga and Songea. Once purchased, the grains are sold in both local and foreign markets depending on the need. Access to foreign markets and partners helps to boost the demand for local produce. By selling grains in the regions / markets where there are significant shortages, the agency also plays an important role in reducing food price inflation.

Project 2 Snapshot

Company description: National crop trading, processing and marketing

Location: Multiple regions across Tanzania

Contribution
SDGs



The company has been tasked with trading cereals and other produce in Tanzania to support famers with a reliable market and competitive prices for their produce. It is also responsible for the development of the produce sector and collaborates with all stakeholders to achieve this.

The company purchases raw produce and processed crops from small-scale farmers and agri-business for sale in the regional market. It mainly purchases crops such as maize, rice, wheat flour, beans, pigeon peas and will sometimes offer inputs to farmers to encourage them to sell their harvest. Large quantities are purchased from small-scale farmers on an annual basis with the aim of supporting their growth and improving socio-economic conditions in rural areas. Crops are purchased in high produce areas across the country. The company undertakes market research to support farmers and to ensure that they are offered the best prices.

Figure 12: % of crops purchased from small-scale farmers, aggregators and wholesalers

- Small scale farmers: approximately 30% of the company's purchases, typically early in the season (some farmers belong to co-operatives e.g. AMCOS)
- Aggregators: approximately 40% of purchases in the middle of the season
- Wholesalers: approximately 30% of purchases

NMB provided an overdraft facility to the company in 2023 to support the purchase of crops from smallholder farmers for processing and trading. While the company receives support from other financial institutions, currently more than 50% of its funding is obtained from NMB.

The company works with and sells produce and processed products to national and bilateral partners from other countries. The World Food Programme (WFP) is a significant customer and purchased approximately 75% of the produce sold in 2024 (roughly 25 000 tonnes).



Project 3 Snapshot

Company description: Buying, processing and sale of coffee and beans

Location: Kagera



12,000 of smallholder coffee farmers supported

Contribution SDGs



Kagera is a region in Tanzania where most inhabitants are small-scale farmers. The organisation's aim is to serve the local community and support rural development to improve the living conditions of all. The organisation established a coffee export company in 2008 to provide tailored support to coffee farmers in the region.

The company purchases, processes and transports coffee and beans from Agricultural Marketing Cooperatives societies (AMCOS) and smallholder farmers and sells their produce to the local and international markets. The company sells Fairtrade and organic farming certified coffee, and this promotes higher income generation activities for small-scale farmers in the areas. Its mission is to ensure that the stakeholder farmers sell their produce at competitive prices. NMB provided the working capital facility in 2023 to support the purchase of coffee from these stakeholders.

The company does not only buy and export farmers' coffee and other produce, but also offers a service and training programme to help them improve their productivity and quality standards. Educating and encouraging farmers to focus on quality allows them to earn higher and more stable prices. The company currently supports a total of 12 000 coffee and 250 000 beans smallholder farmers who have formed 6 to 10 AMCOs in the Karagwe, Kyerwa, Ngara, Misenyi, and Muleba districts. Most of the small-scale farmers are also members of a Savings and Credit Co-operative (SACCO) microcredit bank that supports them to purchase the required equipment and seeds.

Project 4 Snapshot

Description: Financing of MSME Agribusinesses

Location: Different locations within Tanzania



6,505 agri-loans disbursed
4,693 agri-businesses supported
1,812 smallholder farmers supported
13,244 Estimated number of beneficiaries reached

Contribution
SDGs



NMB's special agriculture fund finances agriculture value chain MSMEs at a reduced interest rate, which is almost half the current market interest rate in Tanzania. The initiative improves access to credit for MSMEs, bridging the financing gap and contributes to boosting productivity, stimulating job creation and sustainable growth in the sector.

NMB has provided more than 6 500 loans to agri MSMEs and small-scale farmers between 2023 and 2024. According to NMB's agri-retail team, financed borrowers include producers of crops, retail level traders and only a few processing businesses. Most of the financed borrowers sell their produce locally with only a few exporters.



JOBS BUILT ON EMPOWERING SMALL ENTERPRISES

Tanzania's MSMEs are a key driver of job creation, contributing to approximately 35% of the nation's gross domestic product (GDP) and employing over 20% of the workforce.²⁹ These enterprises serve as engines of growth, particularly in sectors such as agriculture, manufacturing, trade, and services. Despite their significant role, MSMEs face ongoing challenges, including limited access to finance, technical expertise, and market opportunities, which impede their ability to scale and compete.

Impact



TZS 14.4 Billion disbursed
29 MSME loans
515 estimated jobs supported

Project Snapshot

Description: MSME Financing, through Business Banking unit

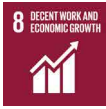
Location: Different locations in Tanzania



TZS 13.4 Billion value of SME loans
TZS 1 Billion value of MSE loans
9 of MSEs financed

515 estimated jobs supported
20 of SMEs financed

Contribution SDGs



MSMEs are supported through NMB's business banking services. NMB offers a wide range of tailor-made products, services, advice, platforms, and solutions to cater for the unique needs of these types of businesses. The aim is to help them achieve their goals and to create employment and wealth creation opportunities.

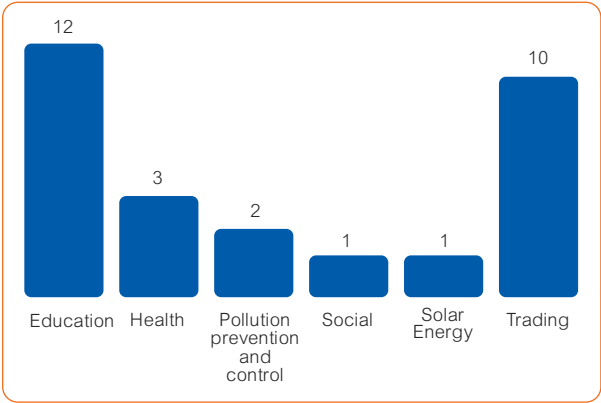
Products offered by NMB include loans, overdrafts, working capital finance, cash management products, trade finance solutions, and asset financing. Through its targeted lending activities, NMB contributes to improving access to credit in sectors that typically suffer from constrained access.

- Small loans are offered to micro and small entrepreneurs at low and competitive rates for their working capital and business expansion needs. NMB also supports micro and small business owners with information on how to access and manage their loans.
- Medium sized loans are offered to small and medium entrepreneurs at competitive rates to support their working capital and investments needs. Credit needs are analysed, and solutions are provided based on the size, nature and viability of the enterprise to be financed.

A total of 29 businesses have been supported through the MSME loans that have been allocated to the Jamii Bond. Eight of these businesses are majority owned / controlled by women.

²⁹ Strathmore University Business School, 2024 (<https://sbs.strathmore.edu/tanzania-sme-conference-expo-2024-shaping-the-future-of-business-and-innovation/>)

Figure 14: Breakdown of MSME businesses supported by sector



The most significant portion of proceeds disbursed to MSMEs were allocated to trade activities (35%), education (22%) and solar energy (18%). The balance was allocated across various sectors including healthcare and pollution prevention and control.





Way Forward

Building on the momentum of our 2023 sustainability bond issuance, NMB Bank is committed to deepening its role as a driver of sustainable finance. Our strategic focus areas are informed by five key criteria: alignment with our Sustainable Financing Framework, consistency with national development priorities, potential for measurable environmental and social impact, market demand and financing gaps, and adherence to global sustainability standards. These guide our investment decisions as we continue expanding our green and social financing portfolio in support of a more inclusive and climate-resilient economy.

Our strategic objectives include significantly increasing the share of sustainable assets in our portfolio (greening of our portfolio) while supporting national efforts to mitigate climate change and enhance environmental resilience. We will continue strengthening our Environmental and Social Risk Management systems to ensure responsible financing practices across sectors.

Furthermore, we are dedicated to promoting financial inclusion, gender equality, and youth empowerment through targeted social investments. By aligning our efforts with the United Nations Sustainable Development Goals and Tanzania's Development Vision 2025, NMB Bank strives to be a catalyst for sustainable economic growth and Environmental responsibility.

Assurance Report

NMB engaged Sustainalytics to review the projects financed with proceeds from the Jamii Sustainability Bond (the “Nominated Expenditures”) and provide an assessment as to whether they meet the use of proceeds criteria and whether NMB complied with the reporting commitments in the 2023 NMB Sustainable Financing Framework (the “Framework”).

Evaluation Criteria

Sustainalytics evaluated the Nominated Expenditures and NMB’s reporting based on whether they:

- 1. Meet the use of proceeds and eligibility criteria defined in the Framework; and
- 2. Reported on at least one key performance indicator (KPI) for each use of proceeds category defined in the Framework.

The full Annual review can be found at: <https://www.nmbbank.co.tz/sustainability>





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