

ADMISSION PARTICULARS DATED 8 MAY 2024



NMB BANK PLC

(incorporated as a public limited company under the laws of the United Republic of Tanzania)

USD 73,000,000 Floating Rate Notes due 08 December 2026 (the "Notes")

Bond Code: NMB-FRN01/2023/03

ISIN: TZ1996105213

NMB Bank Plc (the "**Issuer**") intends to apply to the London Stock Exchange plc (the "**LSE**") for the Notes (as described herein) to be admitted to trading on the LSE's International Securities Market (the "**ISM**") and on the LSE's Sustainable Bond Market (the "**SBM**"). **The ISM is a market designated for professional investors. Notes admitted to trading on the ISM are not admitted to the Official List of the United Kingdom Financial Conduct Authority. The LSE has not approved or verified the contents of these Admission Particulars.** These Admission Particulars do not comprise a prospectus for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018.

THESE ADMISSION PARTICULARS ARE BEING PREPARED FOR ADMISSION TO TRADING ON THE ISM OF THE NOTES ONLY AND DO NOT CONSTITUTE AN OFFER OF, OR AN INVITATION BY OR ON BEHALF OF THE ISSUER TO SUBSCRIBE FOR, OR PURCHASE, ANY NOTES. The distribution of these Admission Particulars and the offering, sale and delivery of Notes in certain jurisdictions may be restricted by law. Persons into whose possession these Admission Particulars come are required to inform themselves about and to comply with any such restrictions.

Annex A to these Admission Particulars is derived from certain sections of the information memorandum dated August 2023 in respect of the Issuer's TZS 1,000,000,000,000 Multi-Currency Medium Term Note Programme. Prospective investors should give particular consideration to the risks set forth herein under "*Risk Factors*" at pages 33 to 43 prior to making investment decisions with respect to the Notes.

Annex B to these Admission Particulars is a copy of the pricing supplement in respect of the Notes.

The Annexes to these Admission Particulars form an integral part of, and should be read together with, these Admission Particulars.

1. **Responsibility Statement**

The Issuer accepts responsibility for the information contained in these Admission Particulars and declares that, having taken all reasonable care to ensure that such is the case, the information contained in these Admission Particulars is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

2. **Significant Change / Material Adverse Change**

There has been no significant change in the financial or trading position of the Issuer or the Issuer and its consolidated subsidiaries taken as a whole since 31 December 2023.

There has been no material adverse change in the prospects of the Issuer or the Issuer and its consolidated subsidiaries taken as a whole since 31 December 2022.

3. **Legal Entity Identifier**

The Legal Entity Identifier (LEI) code of the Issuer is 254900XNHTC5YQGNCH85.

4. **Auditors**

The Issuer's financial statements for the financial year ended 31 December 2022 were audited by Deloitte & Touche, Certified Public Accountants (Tanzania) of Plot 152, Haile Selassie Road, P.O. Box 1559, Dar es Salaam, United Republic of Tanzania. Deloitte & Touche with PF No 025 and TIN 100-148-692 is an audit firm registered by the National Board of Accountants and Auditors of Tanzania (NBAA). Deloitte & Touche has no material interest in the Issuer.

The Issuer's financial statements for the financial year ended 31 December 2021 were audited by PricewaterhouseCoopers, Certified Public Accountants (Tanzania) of 369 Toure Drive, Oyster Bay, P. O. Box 45, Dar es Salaam, United Republic of Tanzania. PricewaterhouseCoopers with PF No 40 and TIN 100-212-285 is an audit firm registered by the National Board of Accountants and Auditors of Tanzania (NBAA). PricewaterhouseCoopers has no material interest in the Issuer.

PricewaterhouseCoopers reached a limit of six years of audit work for the Issuer as prescribed by the Bank of Tanzania and therefore was replaced by Deloitte & Touche.

5. **Management and Board of Directors**

Chief Credit Officer

Daniel Mbotto is no longer the Issuer's Chief Credit Officer and Nishad Jinah is the Acting Chief Credit Officer.

Nishad is a certified accountant and holds a Bachelor's Degree in Banking and Finance from the London School of Economics. Nishad is a seasoned banker with a wealth of experience spanning over 18 years in Corporate and Retail Credit, Investment Banking, Microfinance, Branch Operations, and Relationship Management. Prior to joining the Issuer in 2020, Nishad served on various management roles at Stanbic Bank and has held senior management positions at different financial institutions in Tanzania such as Barclays Bank (ABSA), Diamond Trust Bank and Aga Khan Agency for Microfinance.

Company Secretary

Consolatha Masha is no longer the Company Secretary and Mwantumu Salim is now the Company Secretary.

Mwantumu joined the Issuer from the National Development Corporation, where she served as the Corporation Secretary. She is a Notary Public, Commissioner for Oaths and an Advocate of the High Court of Tanzania and the Courts subordinate thereto. Mwantumu is an experienced legal practitioner and Company Secretary with more than 20 years of experience in the areas of contract drafting, review, negotiation, and management, legal drafting, tax and investment policy analysis, litigation, taxation and the provision of in-house legal counsel. She is also a certified compliance officer.

Mwantumu holds a Bachelor of Laws degree (LLB) Honours (majoring in commercial law) and a Master of Laws (LLM) in taxation from the University of Dar es Salaam.

Conflicts of Interest

Except as set out at pages 100 to 113 of Annex A, no potential conflicts of interest exist between any duties to the Issuer of the members of the management team and board of directors listed on such pages and their private interests and/or other duties.

6. Legal and Arbitration Proceedings

Save for the information disclosed under the heading "*Material Litigation*" on pages 122 to 123 of Annex A, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) of which the Issuer is aware in the 12 months prior to the date of these Admission Particulars which may have, or have had, significant effects on the Issuer's ability to meet its obligations to holders of the Notes.

7. Third Party Information

Certain information in these Admission Particulars has been sourced from third parties. The Issuer confirms that such information has been accurately reproduced and that, as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

8. Documents Incorporated by Reference

The following documents shall be deemed to be incorporated in, and form part of, these Admission Particulars:

- (a) the audited condensed financial statements of the Issuer in respect of the financial year ended 31 December 2023 (which can be accessed at <https://www.nmbbank.co.tz/investor-relations-nmb/financial-and-regulatory-reports/financial-reports?download=386:financial-statement-as-at-31st-dec-2023>);
- (b) the audited consolidated financial statements of the Issuer and the independent auditor's report thereon in respect of the financial year ended 31 December 2022 on pages 232 to 368 of the Issuer's 2022 annual report (which can be accessed at <https://www.nmbbank.co.tz/investor-relations-nmb/financial-and-regulatory-reports/annual-reports?download=361:annual-report-2022>); and

- (c) the audited consolidated financial statements of the Issuer and the independent auditor's report thereon in respect of the financial year ended 31 December 2021 on pages 219 to 357 of the Issuer's 2021 annual report (which can be accessed at <https://www.nmbbank.co.tz/investor-relations-nmb/financial-and-regulatory-reports/annual-reports?download=339:annual-report-2021>).

Any information or other documents themselves incorporated by reference, either expressly or implicitly, in the documents incorporated by reference in these Admission Particulars shall not form part of these Admission Particulars, except where such information or other documents are specifically incorporated by reference into these Admission Particulars.

It should be noted that, except as set forth above, no other portion of the above documents is incorporated by reference into these Admission Particulars. In addition, where sections of any of the above documents which are incorporated by reference into these Admission Particulars cross-reference other sections of the same document, such cross-referenced information shall not form part of these Admission Particulars, unless otherwise incorporated by reference herein. Those parts of the documents incorporated by reference which are not specifically incorporated by reference in these Admission Particulars are either not relevant for prospective investors in the Notes or the information is included elsewhere in these Admission Particulars.

9. Documents on Display

For as long as the Notes are in issue, the articles of association of the Issuer and the audited condensed financial statements of the Issuer in respect of the financial year ended 31 December 2023 and the audited consolidated financial statements of the Issuer and independent auditor's reports thereon for the financial years ended 31 December 2022 and 31 December 2021 will be on display at www.nmbbank.co.tz. For the avoidance of doubt the articles of association of the Issuer are not incorporated by reference into these Admission Particulars.

10. Listing

In the event that the Notes are listed or admitted to trading on the SBM or any other dedicated "green", "sustainable", "social" or other equivalently-labelled segment of a stock exchange or securities market, no representation or assurance is given that such listing or admission satisfies any present or future investment criteria or guidelines with which such investor is required, or intends, to comply. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. No representation or assurance is given or made by that any such listing or admission to trading will be obtained in respect of the Notes or that any such listing or admission to trading will be maintained during the life of the Notes.

ANNEX A

Information Memorandum



INFORMATION MEMORANDUM

MULTI-CURRENCY MEDIUM TERM

NOTE PROGRAMME WORTH TANZANIAN SHILLINGS ONE TRILLION

AUGUST 2023



**CAUTION:**

"This Information Memorandum has been prepared in compliance with the Capital Markets and Securities Act, Cap 79, Companies Act, Cap 212 (Act No.12 of 2002) of the Laws of United Republic of Tanzania, Capital Market and Securities (Guideline for the issuance of Corporate Bonds, Municipal Bonds and Commercial Papers), 2019 and the Dar es Salaam Stock Exchange PLC. Rules, 2022"

"A copy of this Information Memorandum has been delivered to the Capital Markets and Securities Authority (CMSA) for approval and to the Registrar of Companies (BRELA) for registration. Approval of this Information Memorandum by the CMSA should not be taken as an indication of the merits of NMB Bank PLC or its application. The securities offered in this Information Memorandum have not been approved or disapproved by the CMSA.

Prospective investors should carefully consider the matters set forth under the caption "Risk Factors" in section 4 of this Information Memorandum. If you are in doubt about the contents of this Information Memorandum, you should consult your Investment Advisor, Stockbroker, Lawyer, Banker, or any other Financial Consultant".



TABLE OF CONTENT

INFORMATION MEMORANDUM

05	IMPORTANT NOTICES
05	DISCLAIMER AND STATEMENTS
07	RELEVANT APPROVALS
08	FORWARD-LOOKING STATEMENTS
09	CHIEF EXECUTIVE OFFICER'S STATEMENT
11	DIRECTORS' DECLARATION
14	FINANCIAL INFORMATION
14	EXCHANGE RATE INFORMATIONS
14	ROUNDING
15	INCORPORATION OF DOCUMENTS BY REFERENCE
15	SUPPLEMENTAL INFORMATION MEMORANDUM
16	DEFINITIONS AND ABBREVIATIONS
27	ADVISORS TO THE TRANSACTION
29	OVERVIEW OF THE PROGRAMME
33	RISK FACTORS
44	NMB'S COMMITMENT TO SUSTAINABILITY
45	SUMMARY OF FINANCIAL INFORMATION
53	TERMS AND CONDITIONS OF THE NOTES
81	ECONOMIC OVERVIEW
87	USE OF PROCEEDS
88	DESCRIPTION OF NMB BANK PLC
100	BOARD OF DIRECTORS, CORPORATE GOVERNANCE AND MANAGEMENT
114	GROWTH PROSPECTS FOR NMB
115	TAXATION
117	SUBSCRIPTION AND SALE
122	GENERAL INFORMATION
125	APPENDIX A: LEGAL OPINION
144	APPENDIX B: REPORTING ACCOUNTANT REPORTS
329	APPENDIX C: FORM OF APPLICABLE PRICING SUPPLEMENT
360	APPENDIX D: APPLICATION FORM FOR NMB BOND
367	APPENDIX E: PLACING AGENTS





IMPORTANT NOTICES

Under this 10-year Multicurrency Medium Term Note Programme (“**Programme**”), NMB Bank PLC (the “**Issuer**” or “**NMB**” or the “**Company**” or the “**Bank**”) may from time-to-time issue debt securities (“**Notes**”). This Information Memorandum will only apply to Notes issued under the Programme in an aggregate nominal amount which does not exceed TZS 1,000,000,000,000 or its equivalent in such other currencies as Notes are issued.

The Notes, unless previously redeemed, will be redeemed in full in accordance with the provisions of the relevant Applicable Pricing Supplement. The Notes will be issued in registered form in denominations specified in the relevant Applicable Pricing Supplement.

The register of Noteholders will be maintained by NMB PLC as the Fiscal Agent and Registrar. The offer of Notes will be subject to the Capital Markets and Securities Law and trading will be subject to the rules of the Dar es Salaam Stock Exchange PLC (“DSE”), and where applicable, the prevailing Central Securities Depository (“CSDR”) Rules and the Terms and Conditions of the Notes. There are currently no other restrictions on the sale or transfer of Notes under Tanzania law. In particular, there are no restrictions on the sale or transfer of Notes by or to non-residents of Tanzania.

Applications for participation shall be processed through the Placing Agent. The Notes may not be offered or sold, directly or indirectly. Neither this document nor any other Information Memorandum, offering circular or any Information Memorandum, form of application, advertisement, other offering material or other information relating to the Issuer or the Notes may be issued, distributed or published in any country or jurisdiction, except under circumstances that will result in compliance with all applicable laws, orders, rules and regulations of that country or jurisdiction.

DISCLAIMER AND STATEMENTS

The Issuer, having made all reasonable enquiries, confirms that this Information Memorandum contains all information with respect to itself and the Notes to be issued by it which is material in the context of the Programme. The Issuer further confirms that the information contained in this Information Memorandum is true and accurate in all material respects and is not misleading. The issuer further confirms that the intentions and opinions expressed in this Information Memorandum are held, and that there are no other facts, the omission of which, would make any such information or the expression of any such opinions or intentions misleading in any material respect. The Bank and all its directors accept responsibility accordingly.

The Arrangers and the Placing Agents have relied on the information provided by the Issuer and the Issuer’s professional advisors. Accordingly, the Arrangers and the Placing Agent do not make any representations as to the accuracy or completeness of the information contained in this Information Memorandum and therefore do not accept any liability or responsibility in relation to information contained in this Information Memorandum.

The Issuer has given an undertaking to the effect that, so long as any Note remains outstanding, in the event of any material adverse change in the financial condition of the Issuer which is not reflected in this Information Memorandum, it will prepare and send full particulars of such change to the Registrar (as defined in the Terms and Conditions of the Notes) who shall communicate the same to the Noteholders.

Neither this Information Memorandum nor any other information supplied in connection with the Programme is intended to provide the complete basis of any credit or other evaluation, nor should it be considered as a recommendation by the Arrangers, Placing Agents and Sponsoring Broker that any recipient of this Information Memorandum or any other information supplied in connection with the Programme should purchase any Notes. Each investor contemplating purchasing any Notes should make their own independent investigation of the financial condition and affairs, and their own appraisal of the creditworthiness of the Issuer. Neither this Information Memorandum nor any other information supplied in connection with the Programme constitutes an offer or invitation to any person by or on



behalf of the Arrangers, Placing Agents and Sponsoring Broker to subscribe for or to purchase any Notes.

The delivery of this Information Memorandum does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Notes is correct as of any time subsequent to the date indicated in the document containing the same.

Neither the Arrangers, Placing Agents, Sponsoring Broker nor the Issuer makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of their own circumstances. In particular, each potential investor should consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (a) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Information Memorandum or any applicable supplement;
- (b) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (d) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and
- (e) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or to review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it; (2) Notes can be used as collateral for various types of borrowing; and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Application has been made to the Capital Markets and Securities Authority CMSA for approval of this Information Memorandum and the CMSA has granted the approval. As a matter of policy, the CMSA does not assume responsibility for the accuracy of any of the statements made or opinions or reports expressed or referred to in this Information Memorandum. Approval by the CMSA of the programme and or listing should not be taken as an indication of the merit of the Issuer or of the Notes.

The DSE has no objection to the Issuer listing the Notes on the DSE. The DSE assumes no responsibility for the accuracy of the statements made or opinions or reports expressed or referred to in this Information Memorandum. Admission by the DSE of the Notes should therefore not be taken as an indication of the merits of the Issuer or of the Notes.

The Sponsoring Broker has relied on information provided by the Issuer and, accordingly, does not provide assurance for the accuracy or completeness of the information contained in this Information Memorandum and therefore does not accept any liability or responsibility in relation to information contained in the Information Memorandum.

No person has been authorized to give any information or make any representation other than that contained in this Information Memorandum and if given or made, such information or representation



should not be relied upon as having been authorized by or on behalf of the Issuer, the Arrangers, the Placing Agents or the Sponsoring Brokers.

The distribution of this Information Memorandum and the offer or sale of the Notes may be restricted by law in certain jurisdictions. Persons who are in possession of this Information Memorandum are cautioned to inform themselves and observe any such restriction.

Applications for participation may be processed through the Placing Agent, details of which are provided in this Information Memorandum. The Notes may not be offered or sold, directly or indirectly, and neither this document nor any other Information Memorandum or any Information Memorandum, form of application, advertisement, other offering material or other information relating to the Issuer or the Notes may be issued, distributed or published in any country or jurisdiction, except under circumstances that will result in compliance with all applicable laws, orders, rules and regulations of Tanzania (as defined below).

The Placing Agents (other than NMB) and their affiliates may have lending relationships with the NMB and from time to time have performed, and in the future will perform, banking, investment banking, advisory, consulting and other financial services for the NMB and its affiliates, for which they may receive customary advisory and transaction fees and expenses reimbursement.

In addition, in the ordinary course of their business activities, the Placing Agents (other than NMB) and their affiliates may make loans or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such loans, investments and securities activities may involve securities and/or instruments of NMB or the NMB's affiliates (including the Notes). The Placing Agents and their affiliates may hedge their credit exposure to NMB consistent with their customary risk management policies.

RELEVANT APPROVALS

A no-objection letter from the BOT has been obtained and a copy of this Information Memorandum has been delivered to the CMSA for approval and approval has been granted. The directors of the Issuer, (whose names appear on section 10 (Board of Directors, Corporate Governance and Management) of this Information Memorandum, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with facts and does not omit anything likely to affect the importance of such information.

Prospective investors should carefully consider the matters set forth under section 3 (Risk Factors) of this Information Memorandum. This document is important and requires your attention. If you are in any doubt as to the meaning of any information contained in this Information Memorandum or what action to take, please forthwith consult your banker, stockbroker, advocate, accountant, licensed investment adviser or other professionals.

The distribution of this Information Memorandum and the offering or sale of the Medium-Term Notes in certain jurisdictions may be restricted by law. The Notes have not been and shall not be registered under any other securities legislation whether in Tanzania or any other country. None of the Issuer, the Arranger, the Placing Agent, the Sponsoring Broker or any of the professional advisers represent that this Information Memorandum may be lawfully distributed, or that any Notes may be lawfully offered, save in compliance with the laws, regulations, directives and any applicable registration requirements in any such jurisdiction.

None of the Issuer, the Arranger, the Placing Agent, or the other professional advisers assume any responsibility for facilitating any such distribution or offering. In particular, and save for the United Republic of Tanzania, no action has been taken by the Issuer, the Arrangers, the Placing Agents, or any of the professional advisers which would permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required.



Persons into whose possession this Information Memorandum comes are required by the Issuer, the Placing Agent and the Arrangers to inform themselves about and to observe any such restrictions.

This Information Memorandum does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Placing Agent to subscribe for, or purchase any Notes under the Programme.

FORWARD-LOOKING STATEMENTS

This Information Memorandum includes 'forward-looking statements'. These statements contain words such as "anticipate", "believe", "intend", "estimate", "expect" and words of similar meaning. All statements other than statements of historical facts included in this document, including, without limitation, those regarding the Bank's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the Bank's products and services) are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Bank to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Bank's present and future business strategies and the environment in which the Bank will operate in the future. None of the advisors to the Programme have reviewed or confirmed any of the forward-looking statements made by the Issuer.

These forward-looking statements speak only as at the date of this Information Memorandum. Without prejudice to any requirements under applicable laws and regulations, the Bank expressly disclaims any obligations or undertaking to disseminate after the date of this Information Memorandum any updates or revisions to any forward-looking statements contained herein to reflect any change in their expectations with regard thereto or any change in events, conditions or circumstances on which any forward-looking statement is based.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, many of which are beyond the Issuer's control, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. These risks, uncertainties and other factors include, among other things, those listed in the section entitled "Risk Factors," as well as those included elsewhere in this Information Memorandum. Investors should be aware that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. There may be other risks, including some risks of which the Issuer is unaware, that could affect the Issuer's results or the accuracy of forward-looking statements in this Information Memorandum. Investors should not consider the factors discussed here or under "*Risk Factors*" to be a complete set of all potential risks or uncertainties.



FINANCIAL
INFORMATION





FINANCIAL INFORMATION

Financial information presented in this Information Memorandum is derived from the audited accounts of NMB for the five years ending 31 December 2022 and detailed information is in Appendix B: Reporting Accountants' Report.

The consolidated and Bank financial statements of the Issuer have been prepared in accordance with International Financial Reporting Standards (IFRS). The consolidated and Bank's financial statements have been prepared under the historical cost convention unless otherwise explained in the accounting policies in the Reporting Accountants Report.

The auditor of the Issuer is Deloitte Tanzania, Certified Public Accountants (Tanzania), of Aris House, Plot 152, Haile Selassie Road, Dar es Salaam, Tanzania.

The firm of KPMG Tanzania, Certified Public Accountants, acting as Reporting Accountant in respect of the Notes, has given and had not withdrawn its consent to the issue of this Information Memorandum with the inclusion in it of their reports in the form and context in which they are included.

EXCHANGE RATE INFORMATION

For the purpose of calculating the Tanzanian Shilling equivalent of the aggregate Nominal Amount of the Notes issued under the Programme, from time to time, the Tanzanian Shilling equivalent of the Notes denominated in another Specified Currency (as specified in the Applicable Pricing Supplement) shall be determined as of the Issue Date of such Notes. This is on the basis of the spot rate for the sale of the Tanzanian Shilling against the purchase of such Specified Currency in the Tanzanian foreign exchange market quoted by any leading bank selected by the Issuer on the Issue Date (the Conversion Rate) and in respect of Zero Coupon Notes and other Notes, the Conversion Rate shall be applied to the net subscription proceeds received by the Issuer for the relevant issue.

ROUNDING

Some numerical figures included in this Information Memorandum have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in certain figures may not be an arithmetic aggregation of the figures that preceded them.



INCORPORATION OF DOCUMENTS BY REFERENCE

This Information Memorandum should be read and construed in conjunction with the following documents which shall be deemed to be incorporated in and to form part of, this Information Memorandum and which shall be deemed to modify and supersede the contents of this Information Memorandum:

- (a) All supplements to this Information Memorandum circulated by the Issuer from time to time in accordance with the undertakings given by the Issuer in the Information Memorandum and as further described in the section headed "Supplemental Information Memorandum";
- (b) Each Applicable Pricing Supplement (as defined below) relating to a Series or Tranche of Notes issued under this Information Memorandum; and
- (c) The audited annual financial statements (and notes thereto) and any audited interim financial statements published subsequent to such annual financial statements of the Issuer for the five financial years prior to each issue of Notes under this Programme,

The Issuer will provide free of charge to each person, on request, a copy of any of the documents deemed to be incorporated herein by reference, unless such documents have been modified or superseded. Requests for such documents shall be directed to the Issuer at its respective office as set out in this Information Memorandum.

SUPPLEMENTAL INFORMATION MEMORANDUM

The Issuer hereby gives an undertaking to the Arrangers, the Placing Agents and Sponsoring Broker that if at any time while the Notes are Outstanding there is a significant change affecting any matter contained in this Information Memorandum the inclusion of which would reasonably be required by investors and their professional advisors and would reasonably be expected by them to be found in this Information Memorandum for the purpose of making an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and the rights attaching to the Notes, the Issuer shall prepare an amendment or supplement to this Information Memorandum or publish a replacement Information Memorandum for use in connection with any subsequent offering of Notes. If the terms of the Notes are modified or amended in a manner which would make this Information Memorandum, as supplemented, inaccurate or misleading, a new Information Memorandum will be prepared by the Issuer.



DEFINITIONS AND ABBREVIATIONS

Unless otherwise indicated, capitalised terms and abbreviations used but not separately defined in this Information Memorandum have the following meanings:

“Absa”	Absa Bank Tanzania Limited, a private limited liability company duly registered and incorporated under the laws of Tanzania under registration number 38557
“Actual Redemption Date”	in respect of Extendible Notes, the actual date of redemption in full by way of payment of the aggregate Principal Amount Outstanding of such Notes;
“Allotment Date”	means the date specified as such in each Applicable Pricing Supplement on which Notes are allocated to successful investors;
“Agency Agreement”	the agency agreement dated on or about 31st August 2023 and entered into between the Issuer, the Registrar, the Calculation Agent and the Fiscal Agent;
“Applicable Law”	in relation to a person, all and any: <ul style="list-style-type: none"> (i) statutes and subordinate legislation; (ii) regulations, ordinances and directives; (iii) by-laws; (iv) codes of practice, circulars, guidance notices, judgments and decisions of any competent authority; and (v) other similar provisions, from time to time;
“Applicable Pricing Supplement”	means the pricing supplement applicable to a particular Series or Tranche, setting out the additional and/or other terms and conditions as are applicable to that Tranche of Notes, issued under the Programme;
“Applicable Procedures”	the rules and operating procedures for the time being of the Capital Market and Securities Authority, Central Securities Depository, the Participants, the DSE and/or any other applicable financial exchange, as the case may be;
“Bank” or “NMB” or “the Issuer” or “Company”	means NMB Bank PLC;
“Bank of Tanzania” or “BoT”	means the Bank of Tanzania established pursuant to the Bank of Tanzania Act, 2006 of the Laws of Tanzania;
“Beneficial Interest”	in relation to a Note, an interest as co-owner of an undivided share in a Note held in uncertificated form, in accordance with the Capital Markets and Securities Act;
“Board” or “Directors” or “Board of Directors”	or means the Board of Directors of the Bank;
“Books Closed Period”	the period, as specified in the Applicable Pricing Supplement, commencing after the Last Day to Register, during which transfer of Notes will not be registered, or such



shorter period as the Issuer may decide in order to determine those Noteholders entitled to receive interest;

“Business Day”	a day (other than a Saturday or Sunday or public holiday) which is a day on which commercial banks settle payments in the United Republic of Tanzania or any Additional Business Centre specified in the Applicable Pricing Supplement;
“Business Day Convention”	the business day convention, if any, specified as such and set out in the Applicable Pricing Supplement;
“Calculation Agent”	NMB Bank PLC, unless the Issuer elects to appoint, in relation to a particular Tranche or Series of Notes, another entity as Calculation Agent, in which event that other entity shall act as a Calculation Agent in respect of that Tranche or Series of Notes;
“Capital Markets and Securities Act”	the Capital Markets and Securities Act Cap 79 R.E. 2002, as may be amended, supplemented or replaced from time to time;
“CDS”	Central Depository System maintained by the CSDR;
“Central Securities Depository” or “CSD” or “CSDR”	Central Securities Depository maintained by the DSE through the CSD and Registry Company Limited;
“Central Securities Depository Participants” or “Participant”	a person(s) that holds in custody and administers securities or an interest in securities and that has been accepted by the Central Securities Depository as a participant in that Central Securities Depository;
“Certificate”	An Individual Depository Receipt
“Class of Noteholders”	the holders of a Series of Notes or, where appropriate, the holders of different Series of Notes;
“CMSA” or “Capital Markets and Securities Authority”	means the Capital Markets and Securities Authority established under the Capital Markets and Securities Act, Cap 79 of the Laws of Tanzania;
“Co-Lead Transaction Advisor”	NMB Bank PLC
“Companies Act”	the Companies Act No. 12 of 2002, as may be amended, supplemented or replaced from time to time;
“Default Rate”	The default rate specified in the Applicable Pricing Supplement to be applied in accordance with Condition 6.8;
“DSE”	the Dar Es Salaam Stock Exchange PLC a company duly registered and incorporated with limited liability under the Companies Act No.12 of 2002 (Cap. 212), approved as an “exchange”;
“DSE Listing Rules”	the criteria and disclosure requirements for the listing of Notes on the DSE, as amended from time to time by the DSE;



- “Early Redemption Amount”** the amount at which the Notes will be redeemed by the Issuer pursuant to the provisions of Condition 8.2 and/or Condition 11, as set out in Condition 8.5;
- “Encumbrance”** means any lien, pledge, mortgage, debenture, charge, encumbrance or other security interest or any agreement or arrangement having the effect of providing a right of security, provided that Encumbrance shall not include any statutory preference and any security interest arising by operation of law;
- “Event of Default”** an event of default by the Issuer, as set out in Condition 11;
- “Exchangeable Notes”** Notes which may be redeemed by the Issuer in the manner indicated in the Applicable Pricing Supplement by the delivery to the Noteholders of cash or of so many of the Exchange Securities as is determined in accordance with the Applicable Pricing Supplement;
- “Exchange Period”** in respect of Exchangeable Notes to which the Noteholders’ Exchange Right applies (as indicated in the Applicable Pricing Supplement), the period indicated in the Applicable Pricing Supplement during which such right may be exercised;
- “Exchange Price”** the value indicated in the Applicable Pricing Supplement according to which the Number of Exchange Securities which may be delivered in redemption of an Exchangeable Note will be determined;
- “Exchange Securities”** the securities indicated in the Applicable Pricing Supplement which may be delivered by the Issuer in redemption of Exchangeable Notes to the value of the Exchange Price;
- “Extendible Note”** any Note with a maturity of not more than 18 months, which entitles the Issuer to extend the Redemption Date to a pre-determined future date, as indicated in the Applicable Pricing Supplement;
- “Extraordinary Resolution”** Means a resolution passed at a meeting (duly convened and held in accordance with the provisions of Condition 17) of the Noteholders or a Class of Noteholders, as the case may be, by a majority of the Noteholders or a Class of Noteholders representing not less than 66.67% (sixty- six point sixty- seven percent), of the value of the specific class of Notes held by the Class of Noteholders or all Notes Outstanding held by the Noteholders, as the case may be (being determined with reference to the aggregate Outstanding Nominal Amount of the Notes Outstanding held by all the Noteholders or the specific Class of Noteholders), present in person or by proxy and voting at such meeting; or;
- a resolution passed, other than at a meeting (duly convened) of the Noteholders, in respect of which Noteholders or the relevant Class of Noteholders representing not less than 66.67% (sixty- six point sixty- seven percent), of the value of all Notes or the specific class of Notes, as the case may be (being determined with reference to the aggregate Outstanding Nominal Amount of the Notes Outstanding held by all the Noteholders or the specific Class of Noteholders, voted in favour by signing in writing a resolution in counterparts. Where the requisite approval is obtained within 20 (twenty) Business Days after the date the resolution is submitted to the Noteholders, such a resolution shall be as valid and effectual as if it had been passed at a meeting (duly convened) of the Noteholders, provided that notice shall have been given to all Noteholders in terms of Condition 16 (*Notices*), unless all of the



	Noteholders consent in writing to the waiver of the required notice contemplated in Condition 16 (<i>Notices</i>);
“Final Redemption Amount”	the amount of principal specified in the Applicable Pricing Supplement payable in respect of each Note upon the Redemption Date;
“Fixed Interest Rate”	the rate or rates of interest applicable to Fixed Rate Notes, as specified in the Applicable Pricing Supplement;
“Fixed Rate Notes”	Notes which will bear interest at the Fixed Interest Rate, as indicated in the Applicable Pricing Supplement;
“Floating Rate Notes”	Notes which will bear interest as indicated in the Applicable Pricing Supplement and more fully described in Condition 6.3;
“Government”	means the government of Tanzania;
“Implied Yield”	the yield accruing on the Issue Price of Zero Coupon Notes, as specified in the Applicable Pricing Supplement;
“Indebtedness”	in respect of the Issuer, any indebtedness in respect of monies borrowed from any person, debenture holder or lender and (without double counting) guarantees, suretyships and indemnities (other than those in the ordinary course of business) given, whether present or future, actual or contingent;
“Indexed Interest Notes”	Notes in respect of which the Interest Amount is calculated by reference to such index and/or formula as indicated in the Applicable Pricing Supplement;
“Indexed Note”	an Indexed Interest Note and/or an Indexed Redemption Amount Note, as applicable;
“Indexed Redemption Amount Notes”	Notes in respect of which the Final Redemption Amount is calculated by reference to an index and/or a formula as indicated in the Applicable Pricing Supplement;
“Individual Depository Receipt”	as contemplated in the Terms and Conditions, a single Depository Receipt representing Notes in a Tranche of Notes, registered in the name of the relevant Noteholder;
“Instalment Amount”	the amount expressed as a percentage of the Principal Amount of an Instalment Note, being an instalment of principal (other than the final instalment) on an Instalment Note;
“Instalment Notes”	Notes redeemable in Instalment Amounts by the Issuer on an amortised basis on different Instalment Dates, as indicated in the Applicable Pricing Supplement;
“Interest Amount”	the amount of interest payable in respect of each Principal Amount of Fixed Rate Notes, Floating Rate Notes, Indexed Notes and Other Notes,, as determined in accordance with Condition 6.2, 6.3.6 and 6.5 respectively;
“Interest Commencement Date”	the first date from which interest on the Notes, other than Zero Coupon Notes, will accrue, as specified in the Applicable Pricing Supplement;
“Interest Payment Date”	the Interest Payment Date(s) specified in the Applicable Pricing Supplement;
“Interest Period”	each period, as specified in the Applicable Pricing Supplement;



“Interest Rate”	the rate(s) of interest applicable to Notes other than Zero Coupon Notes and Fixed Rate Notes, as indicated in the Applicable Pricing Supplement;
“Interest Rate Determination Date(s) or Reset Dates”	as specified in the Applicable Pricing Supplement;
“ISDA”	International Swaps and Derivatives Association, Inc.;
“ISDA Definitions”	the 2006 ISDA Definitions as published by ISDA (as amended, supplemented, revised or republished from time to time);
“Issuer”	NMB Bank PLC
“Issue Date”	means the date upon which the relevant Tranche of the Notes is issued as specified in the Applicable Pricing Supplement;
“Issue Price”	means the price at which the Notes are issued by the Issuer (being, at the election of the Issuer, at par or at a discount to, or premium over their nominal amount as specified in the relevant Pricing Supplement);
“Last Day to Register”	with respect to a particular Tranche of Notes, 17h00 on the Business Day preceding the 1 st (first) day of the Books Closed Period during which the Register is closed for further transfers or entries, as specified in the Applicable Pricing Supplement;
“Lead Transaction Advisor”	Absa Bank Tanzania Limited;
“Material Asset”	any asset of the Issuer with a book value equal to or exceeding 5% of the total assets of the Issuer as set out in the Issuer’s most recently published audited financial statements from time to time (or its equivalent in other currencies), at the time of the Event of Default;
“Material Indebtedness”	any Indebtedness amounting in aggregate to an amount which equals or exceeds USD 100,000.00 (or its equivalent in other currencies);
“Maturity Date”	in relation to a Tranche of Notes, the date specified as such in the Applicable Pricing Supplement;
“Mandatory Exchange”	if indicated in the Applicable Pricing Supplement, the obligation of the Issuer to redeem Exchangeable Notes on the Maturity Date by delivery of Exchange Securities to the relevant Noteholders of Exchangeable Notes;
“Mixed Rate Notes”	Notes which will bear interest over respective periods at differing interest rates applicable to any combination of Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or Indexed Notes, each as indicated in the Applicable Pricing Supplement and as more fully described in Condition 6.4;
“naca”	nominal annual compounded annually;
“nacm”	nominal annual compounded monthly;
“nacq”	nominal annual compounded quarterly;
“nacs”	nominal annual compounded semi-annually;
“Noteholders”	in respect of a Note, the holder of that Note as recorded in the Register;



- “Noteholders’ Exchange Right”** if indicated as applicable in the Applicable Pricing Supplement, the right of Noteholders of Exchangeable Notes to elect to receive delivery of the Exchange Securities in lieu of cash from the Issuer upon redemption of such Notes;
- “Notes”** the notes issued or to be issued by the Issuer under the Programme and represented by a Certificate or issued in the form of Uncertificated Notes. Notes will be issued in registered form and will be either Senior Notes (“Notes that ranks/take precedence over all other Notes/securities”) or Subordinated Notes (“Notes that ranks lower than Senior Notes”);
- “Ordinary Resolution”** a resolution passed at a meeting (duly convened) of the Noteholders or relevant Noteholders, as the case may be, by a majority representing more than 50% (fifty percent) of the value of the Notes held by the Noteholders or the relevant Noteholders, as the case may be (being determined with reference to the aggregate Outstanding Nominal Amount of the Notes Outstanding held by such relevant Noteholders as it bears to the aggregate Outstanding Nominal Amount of all of the relevant Notes Outstanding), present in person or by proxy, and voting at such meeting; and
- a resolution passed, other than at a meeting (duly convened) of the Noteholders or a Class of Noteholders, in respect of which Noteholders or the relevant Class of Noteholders representing more than 50% (fifty percent) of the value of all relevant Notes of the relevant Noteholders (being determined with reference to the aggregate Outstanding Nominal Amount of the Notes Outstanding held by such relevant Noteholders as it bears to the aggregate Outstanding Nominal Amount of all of the relevant Notes Outstanding), voted in favour by signing in writing a resolution in counterparts. Where the requisite approval is obtained within 20 (twenty) Business Days from the date the resolution is submitted to the relevant Noteholders, such a resolution shall be as valid and effectual as if it had been passed at a meeting (duly convened) of the relevant Noteholders, provided that notice shall have been given to all relevant Noteholders in terms of Condition 16 (*Notices*) of the Terms and Conditions, unless all of the relevant Noteholders consent in writing to the waiver of the required notice contemplated in Condition 16 (*Notices*) of the Terms and Conditions,
- where, for purposes of this definition, “**relevant Noteholders**” refers to a meeting of (a) all of the Noteholders or (b) holders of Notes of a particular Series of Notes or (c) holders of Notes of a particular ranking (such as Senior Notes or Subordinated Notes), as the case may be depending on whether the matter under consideration at such meeting affects such holders’ rights under such Notes or requires their approval in terms of the Terms and Conditions or Applicable Law, and “**relevant Notes**” refers to all Notes of a particular Series or Notes of a particular ranking, as the case may be;
- “Other Notes”** terms applying to any other type of Notes that are approved by the DSE, or its successor, or such other or further Financial Exchange(s) as may be selected by the Issuer in relation to an issue of listed Notes, or as agreed between the Issuer and the Relevant Dealer(s) in respect of unlisted Notes, will be set out in the Applicable Pricing Supplement;
- “Outstanding”** in relation to the Notes, all the Notes issued other than:



- (i) those which have been redeemed in full;
- (ii) those in respect of which the date for redemption in accordance with the Terms and Conditions has occurred and the redemption moneys wherefor (including all interest (if any) accrued thereon to the date for such redemption and any interest (if any) payable under the Terms and Conditions after such date) remain available for payment;
- (iii) those which have been purchased and cancelled as provided in Condition 8;
- (iv) those which have become void under Condition 10;
- (v) Notes represented by those mutilated or defaced Certificates which have been surrendered in exchange for replacement Certificates pursuant to Condition 12;
- (vi) (for the purpose only of determining how many Notes are Outstanding and without prejudice to their status for any other purpose) those Notes represented by Certificates alleged to have been lost, stolen or destroyed and in respect of which replacement Certificates have been issued pursuant to Condition 12,
- (vii) provided that for each of the following purposes, namely:
- (viii) the right to attend and vote at any meeting of the Noteholders; and
- (ix) the determination of how many and which Notes are for the time being Outstanding for the purposes of Conditions 17 and 18,

all Notes (if any) which are for the time being held by the Issuer (subject to any applicable law) or by any person for the benefit of the Issuer and not cancelled (unless and until ceasing to be so held) shall be deemed not to be Outstanding;

“Outstanding Principal Amount”	in relation to any Note, the Principal Amount of that Note less the aggregate amounts in respect of the Principal Amount redeemed and paid to the Noteholder;
“Partial Redemption Amount”	the portion of the Principal Amount Outstanding of any Extendible Note redeemed by the Issuer, as notified to Noteholders in accordance with Condition 16;
“Partly Paid Notes”	Notes which are issued with the Issue Price partly paid and which Issue Price is paid up fully by the Noteholder in instalments (as indicated in the Applicable Pricing Supplement);
“Paying Agent”	NMB Bank PLC unless the Issuer elects to appoint, in relation to a particular Tranche or Series of Notes, another entity as Paying Agent, in which event that other entity shall act as a Paying Agent in respect of that Tranche or Series of Notes;
“Payment Day”	any day which is a Business Day and upon which a payment is due by the Issuer in respect of any Notes;
“Permitted Encumbrance”	(i) any Encumbrance existing as at the date of the Applicable Pricing Supplement;



- (ii) any Encumbrance with regard to receivables or which is created pursuant to any securitisation or like arrangement in accordance with normal market practice;
- (iii) any Encumbrance created over any asset owned, acquired, developed or constructed, being an Encumbrance created for the sole purpose of financing or refinancing that asset owned, acquired, developed or constructed, provided the indebtedness so secured shall not exceed the bona fide market value of such asset or the cost of that acquisition, development or construction (including all interest and other finance charges, adjustments, due to changes in circumstances and other charges reasonably incidental to such cost, whether contingent or otherwise) and where such market value or cost both apply, the higher of the two;
- (iv) any Encumbrance created in the ordinary course of business over deposit accounts securing a loan to the Issuer equal to the amounts standing to the credit of such deposit accounts, including any cash management system;
- (v) any Encumbrance created in the ordinary course of business over stock-in-trade, inventories, accounts receivable or deposit accounts;
- (vi) any guarantee(s) issued by the Issuer for the indebtedness of any of its subsidiaries, subject to an aggregate for all those subsidiaries of an amount not exceeding 5% of the total revenue of the Issuer as published in the latest audited financial statements of the Issuer; or
- (vii) any Encumbrance securing in aggregate not more than USD 100,000.00 (or its equivalent in other currencies) at any time;

- “Person”** means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;
- “Placing Agent”** NMB and Absa and any other additional Placing Agent appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer’s right to terminate the appointment of any Placing Agent;
- “Principal Amount”** or **“Nominal Amount”** in relation to any Note, the nominal amount of each Note excluding interest and any adjustments on account of any formula, owing by the Issuer under the Note, being the amount equivalent to the Specified Denomination set out in the Applicable Pricing Supplement;
- “Programme”** The Tanzanian Shilling One Trillion (TZS 1 000 000 000 000) Domestic Multi Currency Medium Term Note Programme under which the Issuer may from time to time issue Notes;
- “Programme Amount”** TZS 1 000 000 000 000;
- “Placing Agreement”** the placing agreement dated on or about 31st August 2023 and entered into between the Issuer, the Arranger and the Dealer;



“Programme Date”	the date of this Information Memorandum;
“Information Memorandum”	this Information Memorandum dated on or about 31st August 2023 ;
“Rating Agency”	Moody’s Investor Services, and/or such other rating agency as may be appointed by the Issuer; as the rating agency or rating agencies, if any, appointed by the Issuer to assign a Rating to the Issuer or to any Notes issued by the Issuer, as specified in the Applicable Pricing Supplement;
“Redemption Date”	the date upon which the Notes are redeemed by the Issuer, whether by way of redemption on maturity in terms of Condition 8.1 or redemption for tax reasons in terms of Condition 8.2, as the case may be;
“Reference Rate”	means the benchmark interest rate so specified in the relevant Pricing Supplement for each Tranche of Notes to be issued;
“Register”	the register of securities maintained by the Transfer Agent, including the Issuer’s uncertificated securities register administered and maintained by a Participant or the CSD in accordance with the requirements under the Companies Act, CAP 212, R.E. 2002 and the Dar es Salaam Stock Exchange Rules, 2022;
“Registrar”	NMB Bank PLC unless the Issuer elects to appoint, in relation to a particular Series of Notes, another entity as Registrar in which event that other entity shall act as Registrar in respect of that Series of Notes;
“Registered Note”	a note issued in registered form and transferable in accordance with Condition 13.1;
“Relevant Date”	in respect of any payment relating to the Notes, the date on which such payment first becomes due, except that, in relation to monies payable to the holders of Beneficial Interests, it means the first date on which: (i) such monies are available for payment to the holders of Beneficial Interests, and (ii) notice to that effect has been given to such holders in accordance with the Applicable Procedures;
“Representative”	a person duly authorised to act on behalf of a Noteholder, who may be regarded by the Issuer, the Transfer Agent or the Paying Agent (acting in good faith) as being duly authorised based upon the tacit or express representation thereof by such Representative, in the absence of express notice to the contrary from such Noteholder;
“Series”	a Tranche of Notes together with any further Tranche or Tranches of Notes which are: (i) expressed to be consolidated and form a single series; and (ii) and “holders of Notes of the relevant Series” and related expressions shall be construed accordingly;
“Settlement Agent”	a Central Securities Depository Participant, approved by the DSE or any other relevant financial exchange to perform electronic settlement of both funds and scrip on behalf of market participants, as set out in the Applicable Pricing Supplement;
“Senior Notes”	means notes that that ranks/take precedence over all other Notes/securities;



“Step-up Margin”	the margin to be added to the Interest Rate applicable to an Extendible Note and specified in the Applicable Pricing Supplement or in the case of Zero Coupon Notes, the agreed rate specified in the Applicable Pricing Supplement;
“Successor”	means, in relation to any party appointed under the Programme, any successor to any one or more of them which shall become a party pursuant to the provisions of these presents and/or such other or further agent (as the case may be) in relation to the Notes as may from time to time be appointed as such, and/or, if applicable, such other or further specified offices as may from time to time be nominated, in each case by the Issuer and (except in the case of the initial appointments and specified offices made under and specified in the Terms and Conditions) notice of whose appointment or, as the case may be, nomination has been duly given to the Noteholders;
“SMEs”	means small and medium enterprises;
“Specified Currency”	has the meaning given in the Applicable Pricing Supplement
“Specified Denomination”	has the meaning given in the Applicable Pricing Supplement;
“Specified Office”	in relation to each of the Issuer, the Calculation Agent, the Paying Agent, the Transfer Agent, the Settlement Agent and the Issuer Agent, the address of the office specified in respect of such entity in the Applicable Pricing Supplement, or such other address as is notified by such entity (or, where applicable, a successor to such entity) to the Noteholders in accordance with the Terms and Conditions, as the case may be;
“Sponsoring Broker”	means Orbit Securities Company Limited;
“Stockbroker”	means dealers of the Dar es salaam Stock Exchange (DSE) and licenced by the CMSA as such.
“Tanzania”	the United Republic of Tanzania and “Tanzanian” shall be construed accordingly;
“Tax”	any tax, levy, impost, duty or other charge or withholding of a similar nature (including, without limitation, any penalty or interest payable in connection with any failure to pay or delay in paying any of the same), and “Taxes” and “Taxation” shall be construed accordingly;
“Terms and Conditions”	the terms and conditions incorporated in this section entitled <i>“Terms and Conditions of the Notes”</i> and in accordance with which the Notes will be issued;
“Tranche”	in relation to any particular Series, all Notes which are identical in all respects (including as to listing);
“Transfer Form”	in relation to the transfer of a Note as contemplated in the Terms and Conditions, in the form approved by the Transfer Agent, and signed by the transferor and transferee;
TZS” or “Tanzania shillings” or “Shilling” or “Tshs”	the lawful currency of United Republic of Tanzania;
Unlisted Registered Note”	a note issued in registered form and not listed on the DSE and transferable in accordance with Condition 13.1;
“Uncertificated Securities Register”	a register which details all Uncertificated Notes;



“Uncertificated Notes” a Note issued in uncertificated form not evidenced by any written document or instrument and held in the Central Securities Depository;

“US\$” or “USD” denotes the lawful currency of the United States of America.

“Zero Coupon Notes” Notes which will be offered and sold at a discount to their Principal Amount or at par and will not bear interest other than in the case of late payment.



ADVISORS TO THE TRANSACTION

<p>Lead Transaction Advisor</p>		<p>Absa Bank Tanzania Limited Absa House Ohio Street Dar es Salaam Tanzania</p>
<p>Co-Lead Transaction Advisor</p>		<p>NMB Bank PLC NMB Head Office, Ohio/Ali Hassan Mwinyi Road Dar es Salaam Tanzania</p>
<p>Sponsoring Broker</p>		<p>Orbit Securities Company Ltd Golden Jubilee Tower 4th Floor, (PSPF Building), Ohio Street. Dar es Salaam Tanzania</p>
<p>Fiscal Agent and Calculation Agent</p>		<p>NMB Bank PLC NMB Head Office, Ohio/Ali Hassan Mwinyi Road Dar es Salaam Tanzania</p>
<p>Registrar</p>		<p>NMB Bank PLC NMB Head Office, Ohio/Ali Hassan Mwinyi Road Dar es Salaam Tanzania</p>
<p>Legal Advisor</p>		<p>Rex Advocates Rex House, 344 Ghuba Road, Toure Drive Dar es Salaam, Tanzania</p>
<p>Reporting Accountant</p>		<p>KPMG Tanzania The Luminary, 2nd Floor Haile Selassie Road, Masaki</p>





OVERVIEW OF THE PROGRAMME

The information set out in this section of the Information Memorandum is not intended to be comprehensive. In order to gain a comprehensive understanding of all necessary subject matter and information, this Information Memorandum should be read in its entirety.

The interpretation and definitions of the terms and abbreviations used in this summary are set out in the Glossary of Defined Terms and Abbreviations

		Section A – Introduction and Disclaimers
A.1	Introductions and disclaimers	<p>"The following information should be read as an introduction to the Information Memorandum ("Information Memorandum") relating to the offering (the "Offer") of up to TZS 1,000 000 000 000 (or its equivalent) with the Notes to be denominated in Specified Currency</p> <p>Any decision by a prospective investor to invest in the Notes should be based on a consideration of the Information Memorandum as a whole. Prospective investors should therefore read the entire Information Memorandum and not rely solely on this summary"</p>
		Section B – the Advisors
B.1	Issuer	NMB Bank PLC
B.2	Lead Transaction Advisor	Absa Bank Tanzania Limited
B.3	"Co-Lead Transaction Advisor"	NMB Bank PLC
B.4	Sponsoring Broker	Orbit Securities Company Limited
B.5	Legal Advisor	Rex Advocates
B.6	Reporting Accountants	KPMG Tanzania
B.7	Fiscal Agent	NMB Bank PLC
B.7	Registrar	NMB Bank PLC
B.8	MTN Period	10 years



Section C – Key Performance Measures							
C.1	Selected historical key financial information of the Company	The table below sets out extracts from the consolidated financial statements set out in Section 4 of the Information Memorandum.					
Table 1: NMB - Key Performance Measures from 2018 to 2022							
		2022	2021	2020	2019	2018	
	Net Interest Income (TZS Million)	786,349	676,215	565,655	517,641	492,023	
	Net Fee and Commission Income (TZS Million)	324,929	248,541	226,400	169,153	166,282	
	Total Operating Income (TZS Million)	1,107,326	868,953	717,622	621,640	550,594	
	Profit Before Tax (TZS Million)	611,611	413,887	295,743	211,088	141,641	
	Loans and Advances to customers (TZS Million)	6,014,603	4,653,933	4,109,260	3,595,688	3,251,794	
	Total Deposits from customers (TZS Million)	7,600,147	6,664,263	5,325,455	4,922,278	4,327,607	
	DPS (TZS)	286	193	137	96	66	
	Basic and Diluted EPS	858.75	580.37	411.6	284.33	195.33	



		Table 2: NMB - Key Performance Ratios from 2022 to 2018					
		2022	2021	2020	2019	2018	
C.2	Selected key historical financial ratios	Dividend yield (%)	9%	10%	6%	4%	3%
		Price: Earnings ratio (x)	3.5	3.4	5.7	8.2	12
		Price to Book ratio (x)				1.2	1.36
		Return on average shareholders' equity	25%	21%	18%	15%	11%
		Return on average assets	4%	3%	3%	2%	2%
		Cost to income ratio	42%	46%	50%	60%	59%
		Non-Performing Loans (NPL to Gross Loans)	3%	4%	5%	7%	6%
		Capital adequacy ratios* (Bank)					
		Tier 1 capital ratio	23.08%	23.80%	19.30%	17.10%	16.50%
		Tier 1 + Tier 2 capital ratio* (Total capital ratio)	23.09%	24.60%	20.60%	18.50%	18.50%
		*Regulatory requirements for Tier I and II are 10% and 12% respectively *Capital adequacy ratios are calculated before dividend payments					
		Section D – General					
D.1	Description of the Programme	TZS 1,000,000,000,000 Multi-Currency Medium-Term Note Programme					
D.2	Terms and Conditions of the Notes	The Terms and Conditions shall, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the Applicable Pricing Supplement, be applicable to the Notes representing each Tranche					
D.3	Denomination of Notes	Notes will be issued in such denominations as may be specified in the Applicable Pricing Supplement					
D.4	Status of the Senior Notes	Unless otherwise specified in the Applicable Pricing Supplement, the Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank pari passu among themselves and (save for certain debt preferred by law) equally with all other unsecured obligations (other than subordinated obligations (if any)) of the Issuer outstanding from time to time					
D.5	Status of Subordinated Notes	Subordinated Notes will constitute direct, unsecured and subordinated obligations of the Issuer, all as described in Condition 5.2 (Status of Subordinated Notes) and the Applicable Pricing Supplement					
D.6	Currency	Tanzania Shillings or, subject to all applicable laws, such other currency as specified in the Applicable Pricing Supplement					
D.7	Programme Amount	TZS 1,000,000,000,000 (one trillion Tanzanian shillings)					
D.8	Issue price	To be specified in the Applicable Pricing Supplement					
D.9	Use of proceeds	The net proceeds from each Tranche will be used to finance eligible green, social and sustainable projects in line with the sustainable Bond principles. In addition, the net proceeds will also be used for strategic lending to productive economic sectors or as otherwise may be described in the applicable Pricing Supplement of each Tranche.					



D.10	Type of Notes	Notes to be issued under the Programme may pay either (a) a fixed amount of interest, (b) a variable amount of interest and will be specified in the Applicable Pricing Supplement		
D.11	Interest Amount	The Interest Amount as indicated in the Applicable Pricing Supplement.		
D.12	Day Count Fraction	To be specified in the Applicable Pricing Supplement		
D.13	Taxation	All payments in respect of the Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by, or on behalf of, Tanzania		
D.14	Redemption	The Applicable Pricing Supplement will specify the redemption amount or if applicable, basis for calculating the redemption amounts payable.		
D.15	Allotment Policy	To be specified in the relevant pricing supplement		
D.16	Listing	As specified in the Applicable Pricing Supplement		
D.17	Governing Law	The laws of Tanzania or any other applicable law as stated in the Applicable Pricing Supplement		
D.9	Use of proceeds	The net proceeds from each Tranche will be used to finance eligible green, social and sustainable projects in line with the sustainable Bond principles. In addition, the net proceeds will also be used for strategic lending to productive economic sectors or as otherwise may be described in the applicable Pricing Supplement of each Tranche.		
		Section E – Statutory and General Information		
E.1	Incorporation	The Bank was incorporated in 1997 in Tanzania under the Companies Act, 2002 and became a public limited liability company in 2008 (certificate of incorporation number 32699)		
E.2	Registered Office	NMB Bank PLC Head Office Ohio/Ali Hassan Mwinyi Road P.O. Box 9213 Dar es Salaam Tanzania		
Section F – Indicative Timetable				
F.1	Indicative issue timetable for each Tranche of	Tranche	Amount	Indicative Offer Date*
		01	TZS 100,000,000,000	September 2023
		02	TZS 120,000,000,000	September 2024
		*The above Offer Dates are indicative and will be announced through the Applicable Pricing Supplement. The dates may change at the discretion of the Issuer and will be communicated to the potential noteholders where appropriate, subject to obtaining approval from the relevant authorities.		



RISK FACTORS





RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Information Memorandum (including any documents deemed to be incorporated by reference herein) and in the Applicable Pricing Supplement and reach their own views prior to making any investment decision.

General

This Information Memorandum identifies in a general way the information that a prospective investor should consider prior to making an investment in the Notes. However, a prospective investor should conduct its own thorough analysis (including its own accounting, legal and tax analysis) prior to deciding whether to invest in the Notes as any evaluation of the suitability for an investor of an investment in the Notes depends upon a prospective investor's particular financial and other circumstances, as well as on specific terms of the Notes. This Information Memorandum is not, and does not purport to be, investment advice. If a prospective investor does not have experience in financial, business and investment matters sufficient to permit it to make such a determination, the investor should consult with its financial adviser prior to deciding to make an investment on the suitability of the Notes.

Each prospective investor of Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes (i) is fully consistent with its (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, (ii) complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Notes as principal or in a fiduciary capacity) and (iii) is a fit, proper and suitable investment for it (or, if it is acquiring the Notes in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

Investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each prospective investor should therefore consult its legal advisers to determine whether and to what extent (i) the Notes are legal investments for it, (ii) the Notes can be used as underlying securities for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Risk Factors Related to the Country

The Issuer's operations are primarily in Tanzania which is considered a frontier market. Frontier markets are a subset of emerging markets that may be characterised by nascent economies in various stages of development. These economies present international investors with additional risks due to the lack of safeguards and infrastructure that investors traditionally find in more developed economies. Compared to developed markets and some emerging markets, frontier markets could be susceptible to economic instability and, in certain cases, significant political and legal risks.

Given that the Notes issued by the Issuer will be denominated mostly in Tanzania Shillings, the risks likely to be most relevant for Noteholders will relate to the macroeconomic environment in Tanzania, which has one of the more stable, developed and diversified economies in the region.



Changes in the Regulatory Framework or Increased Regulation of the Financial Services Industry in Tanzania Could Affect NMB's business

Changes in regulations, which are beyond the Issuer's control, may have a material effect on the Bank's business and operations. The BoT introduced various new regulations in 2014 which was further amended in 2015 such as the Banking and Financial Institutions Capital Adequacy (Amendment) Regulations, 2015 to be read as one with the Banking and Financial Institutions (Capital Adequacy) Regulations, 2014 which specify the minimum core capital requirements for banks as fifteen billion Tanzania shillings.

These regulatory actions could affect the pricing of NMB's products and therefore reduce demand for them or otherwise adversely affect its businesses. Accordingly, the Bank cannot provide assurance that any such new legislation or regulations would not have an adverse effect on its business, results of operations or financial condition in the future.

Tanzania has not introduced Basel III, however the introduction and adoption of Basel III could further increase the cost of capital for banks which could affect NMB's business.

To mitigate this risk, NMB has implemented a regulatory risk management system to track, monitor, and analyze market changes and assess their potential impact on the business. NMB also updates its business policies to ensure compliance with government or market regulator standards and regulations.

Tanzania's personal lending services market could experience restricted growth

Whilst Tanzania has experienced steady economic growth over the last decade, growth in income for the average Tanzanian has been relatively modest which may limit demand for banking services. Additionally, as with many African countries, difficulties in assessing credit worthiness of counterparties owing to limited or no information on credit scoring, may cause banks to charge high rates in order to compensate for risk. This could therefore result in restricted growth of lending products or increase in non-performing loans ratio which could impact a bank's financial performance.

Lending to retail client has continued to grow exponentially in Tanzania, loan quality has improved and will support credit uptake, in the near term. Additional investments in digital banking services by NMB has also led to the Bank being able to access clients that were previously difficult to bank.

Risk factors relating to the Market

Market Price Risk

The market prices of the Notes depend on various factors, such as changes of interest rate levels, the policy of central banks, overall economic developments, inflation rates or the supply and demand for the relevant type of Notes. The market price of the Notes may also be negatively affected by an increase in the Issuer's credit spreads, i.e. the difference between yields on the Issuer's debt and the yield of government bonds or swap rates of similar maturity. The Issuer's credit spreads are mainly based on its perceived creditworthiness but also influenced by other factors such as general market trends as well as supply and demand for such Securities.

NMB uses hedging strategies to protect against volatility and minimize the impact that market risk will have on its clients investments and overall financial health. Most investors hold their investments to maturity therefore are not susceptible to market price risk.

Exchange rate risks

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversion if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with



jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (a) the Investor's Currency-equivalent yield on the Notes, (b) the Investor's Currency equivalent value of the principal payable on the Notes and (c) the Investor's Currency equivalent market value of the Notes.

Such currency risks generally depend on factors over which the Issuer and the Noteholders have no control, such as economic and political events and the supply of and demand for the relevant currencies. In recent years, rates of exchange for certain currencies have been highly volatile, and such volatility may be expected to continue in the future. Fluctuations in any particular exchange rate that have occurred in the past are not necessarily indicative, however, of fluctuations in the rate that may occur during the term of any Note.

Most of the Notes will be issued in Tanzania Shillings and the investors typically earn revenue in local currency. This means that a majority of the investors of the notes will not be impacted by exchange rate risk.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to the structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be suspended, revised or withdrawn by the assigning rating agency at any time. Credit ratings assigned to Notes do not necessarily mean that the Notes are suitable investment. Similar ratings do not address the marketability of any Notes or any market price. Any change in the credit ratings of Notes, or the Issuer, could affect the price that a subsequent purchaser will be willing to pay for the Notes. The significance of each rating should be analysed independently from any other rating.

NMB continuously updates its credit ratings to take into account any market movements or business performance so as to reflect the impact of risks as much as possible.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (a) Notes are legal investments for it, (b) Note can be used as collateral for various types of borrowing and (c) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Risk Factors Related to the Issuer

Set out below are certain risk factors, which could affect the Issuer's future results and cause them to be materially different from expected results. The factors discussed below should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties the Issuer's business faces.

The Issuer is subject to regulation and absence of a banking license would affect its ability to conduct its operations

The Issuer operates in a highly regulated industry and non-compliance with such prescribed regulations can result in sanctions by the BoT. The BoT could revoke a banking license if a bank fails to comply with the provisions of the Banking and Financial Institutions Act, 2006 ("BFIA") or any rules, regulations, orders or directions issued under the BFIA or any condition of a license such as non-compliance to the capital adequacy ratios, the minimum capital requirements or contravention of the anti-money laundering requirements. Should the Issuer lose its license and not be able to conduct its normal business it would not be able to meet its obligations under the Notes.



The Issuer has a risk management system in place geared at mitigating the key regulatory risks facing the Bank. The Board and management evaluate the Issuer's risk areas, identify the key risks and ensure that the process of risk management and the systems of internal control are effective.

Adverse changes in borrower credit quality and deterioration of the general economic environment could affect the Issuer's profitability

The Issuer's business is subject to inherent risks regarding borrower credit quality and recoverability of loans and amounts due from counterparties and the general condition of the operating environment. Each of these can change the level of demand for, and supply of, the Issuer's products and services.

The Issuer employs a wide range of credit risk mitigation strategies the most common being collateralising loans and advances. This security could be in the form of mortgages on residential properties, charges over business premises, inventory and accounts receivables or charges over financial instruments such as fixed income or equity securities. However, changes in the credit quality of the Issuer's borrowers and counterparties could reduce the value of the Issuer's assets and increase provisions for bad and doubtful debts. Additionally, changes in economic conditions may result in deterioration in the value of security held against lending exposures and increase the risk of loss in the event of borrower default.

Volatility in market risks could impact the value of the Issuer's assets, liabilities, revenues and expenses

The Issuer faces various market risks, such as interest rates and exchange rates, which can exhibit volatility and adversely impact the value of its assets, liabilities, revenues, or expenses. Although the Issuer employs measures to manage market risks by aligning assets and liabilities with similar risk characteristics at the time of initiating transactions, there is no guarantee that changes in interest rates and currency exchange rates will not significantly affect the Issuer's financial condition and operational results. Notably, the Issuer's access to retail, wholesale, and Government deposit funding, crucial for its operations, is dependent on factors beyond the Bank's control, including general economic conditions, retail depositors' confidence, and to some extent, the political environment. These factors, among others, could potentially reduce the Bank's ability to secure retail and Government deposit funding on favorable terms in the future.

NMB uses derivatives to hedge and reduce the risks involved in its banking operations. The Bank's strategy for managing interest rate risk is to divide the balance sheet into the two broad types of interest rate sensitive assets and liabilities (floating rate and fixed rate) and to align the interest rate profiles of each balance sheet component to the appropriate benchmark.

A constraint in the Bank's liquidity may affect its ability to meet its obligations as and when they fall due

Liquidity risk is a significant concern for financial institutions, especially those engaged in long-term project financing and investments. To manage liquidity risk, the Issuer continuously monitors future cash flows, assesses liquidity ratios against internal and regulatory standards, and reviews any discrepancies between assets and liabilities.

Additionally, the Issuer maintains a portfolio of highly liquid assets that can be easily converted into cash to safeguard against unforeseen disruptions in cash flows. However, despite these measures, there is no guarantee that maturity mismatches will not occur, potentially leading to significant adverse effects on the Issuer's business, financial condition, and operational results.

The Issuer relies on both retail deposits and wholesale funding. While the Issuer believes that its access to domestic and international interbank and capital markets, along with prudent liquidity risk management, will enable it to meet both short-term and long-term liquidity requirements, severe liquidity stress events could have a substantial adverse impact on the Issuer's liquidity, solvency position,



results, or prospects. During such stress events, the Issuer may need to obtain additional funding sources at higher costs, potentially affecting its financial position.

NMB manages liquidity risk by monitoring future cash outflows to ensure that its obligations are met. The Bank maintains a portfolio of marketable assets that can easily be liquidated if there is ever a liquidity challenge. The Bank also maintains liquidity ratios as per the BOT's regulatory requirements.

Portfolio concentration in certain sectors could affect the Issuer's credit portfolio thereby affecting its financial condition and operational results

The lending book of the Bank has exposure to a range of clients, assets, industries and geographies which in isolation or combination could result in concentration risk, including in relation to the salaried workers loans. For further information on personal lending refer to Risk Factors - Tanzania's personal lending services market.

NMB manages concentration risk by having effective internal policies, systems and controls to identify, measure, monitor, and control their credit risk concentrations. The Bank closely monitors any significant exposures to an individual counterparty or group of related counterparties and defines a limit for exposures. NMB has also established an aggregate limit for the management and control of all of its large exposures.

Reputational risk

NMB acknowledges the significance of proactively managing and mitigating reputational risk. The Bank maintains robust risk management practices to identify, assess, and monitor potential risks to its reputation. This includes implementing internal controls, governance frameworks, and compliance measures to ensure adherence to regulatory requirements and ethical standards. NMB continuously invests in training programs and resources to foster a culture of integrity and ethics across its workforce, emphasizing the importance of upholding the bank's reputation.

The Bank remains committed to upholding its code of conduct, executing its business ethically, and safeguarding the integrity of its reputation. Through proactive risk management practices, NMB aims to mitigate the potential adverse impacts of reputational risk on its capital, earnings, and overall financial standing.

Adverse experience in the operational risks inherent in the Issuer's business could have a negative impact on its results of operations

Operational risk poses inherent challenges to the Issuer's business, including the potential for adverse impacts on its results of operations. The Issuer remains committed to maintaining robust systems, processes, and controls to mitigate these risks. By investing in advanced technology, comprehensive risk management practices, and a skilled workforce, the Issuer strives to ensure the accurate and efficient processing of transactions while minimizing operational disruptions. These measures are aimed at safeguarding the Issuer's results of operations and maintaining the trust and confidence of its stakeholders.

Litigation may adversely affect the business, results, operation and financial condition of the Issuer

The Issuer may encounter litigation in connection with its activities. A substantial legal liability could have a material adverse change with regards to the financial condition of the Issuer taken as a whole or the ability of the Issuer to perform its obligations under and in respect of the Notes; or the validity or enforceability of the Notes.



NMB identifies any actual and potential litigation risk areas at the outset of an investigation and monitors these throughout the investigatory process. The bank also has regular legal team meetings to discuss the risk areas and to maintain a risks log, rating each item against a scale.

The Issuer may face growing competition from other financial institutions and growth in technological innovations that could affect its ability to retain or grow market share

The demand for banking services by Tanzanians is relatively low owing to limited access to banking products and services. East Africa in particular has recorded significant growth of mobile money services, mainly because of expanding usage in Tanzania and Kenya.

Additionally, mobile network operators have partnered with banks to offer lending and savings products through the mobile phone platform allowing for further disintermediation. Increased innovation of financial products available from mobile network operators and growth of use of mobile phone transfer services could result in increased competition to the banking industry that could limit the Bank's ability to grow its customer base and hence adversely impact its future growth potential.

NMB have entered into service agreements with mobile network operators such as Vodacom and Airtel to allow its customers to deposit money into their account from mobile money platforms as well as transferring money from NMB Mobile to these platforms. This ensures that NMB works together with the mobile money operators as partners rather than competitors.

Risk Factors Related to the Notes

Risks relating to the structure of a particular issue of Notes

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features. Prospective investors of Notes should be aware that the range of Notes that may be issued under the Programme is such that the following statements are not exhaustive with respect to the types of Notes that may be issued under the Programme and any particular Series of Notes may have additional risks associated with it that are not described below. Investment in the Notes may involve complex risks related to factors which include equity market risks and may include interest rate, foreign exchange and/or political risks.

The Notes may not be a suitable investment for all investors

Each potential investor must determine the suitability of investing in the Notes in light of its own circumstances. In particular, each potential investor should:

- Have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Information Memorandum or any Supplemental Information Memorandum;
- Have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial solution, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- Have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes; Understand thoroughly the Terms and Conditions of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- Be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in notes which are complex financial instruments without consulting a financial advisor who will evaluate how such notes



will perform under changing conditions, the resulting effects on the value of such notes and the impact this investment will have on the potential investor's overall investment portfolio.

The market price of the notes may be volatile

The market price of the Notes could be subject to significant fluctuations in response to actual or anticipated variations in the Issuer's operating results, adverse business developments, changes in the regulatory environment in which the Issuer operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Notes.

In particular, the markets for emerging market securities, such as Tanzania, may be volatile and are to varying degrees, influenced by economic securities' market conditions in other emerging market countries which may not be in the same geographic region as Tanzania. Although economic conditions are different in each country, investor reactions to the developments in one country may affect securities of issuers in other countries, including Tanzania. Accordingly, the market price of the Notes may be subject to significant fluctuations, which may not necessarily be related to the financial performance of the Issuer.

Notes may be subject to optional redemption by the Issuer

An optional redemption feature in the Notes may negatively affect their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a lower rate.

Change of Law

The Terms and Conditions of the Notes are based on the Applicable Law as specified in the relevant pricing supplement in effect as at the date of this Information Memorandum. No assurance can be given as to the impact of any possible judicial decision or change to the Applicable Law or administrative practice after the date of this Information Memorandum.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Subordinated Notes

The Issuer may issue Subordinated Notes. The obligations of the Issuer under Subordinated Notes constitute unsecured and subordinated obligations and will rank junior in priority of payment to unsubordinated obligations. In the event of insolvency or liquidation of the Issuer, such obligations will be subordinated to the claims of all unsubordinated creditors of the Issuer so that in any such event no amounts will be payable in respect of such obligations until the claims of all unsubordinated creditors of the Issuer have been satisfied in full. The Issuer expects from time to time to incur additional indebtedness or other obligations that will constitute senior indebtedness, and the Subordinated Notes do not contain any provisions restricting the Issuer's ability to incur senior indebtedness. Although the Subordinated Notes may pay a higher rate of interest than comparable Notes which are not so subordinated, there is a real risk that an investor will lose all or some of its investment should the Issuer



become insolvent since its assets would be available to pay such amounts only after all of its Senior Creditors have been paid in full.

The Issuer may redeem all or part of the Subordinated Notes at its option at any time prior to maturity upon the occurrence of certain regulatory events. If the Issuer redeems the Subordinated Notes, holders of such Notes may not be able to reinvest the amounts they receive upon redemption at a rate that will provide the same rate of return as did the investment in the Subordinated Notes.

In the event of the dissolution, liquidation, insolvency or other proceedings for the avoidance of insolvency of, or against, the Issuer, the obligations under the Subordinated Notes will be fully subordinated to the claims of other unsubordinated creditors of the Issuer. Accordingly, in any such event no amounts shall be payable in respect of the Subordinated Notes until the claims of such other unsubordinated creditors of the Issuer have been satisfied in full. Accordingly, the Noteholders' rights under the Notes will rank behind all unsubordinated creditors of the Issuer in the event of the insolvency or liquidation of the Issuer.

The Issuer's payment obligations under the Subordinated Notes will rank *pari passu* amongst themselves and with all claims in respect of existing and future subordinated instruments and the payment of interest payments thereunder. The only remedy against the Issuer available to Noteholders for recovery of amounts which have become due in respect of the Subordinated Notes will be the institution of legal proceedings to enforce payment of the amounts. In an insolvency or liquidation of the Issuer, any Noteholder may only claim amounts due under the Subordinated Notes after the Issuer has discharged or secured in full (i.e. not only with a quota) all claims that rank senior to the Subordinated Notes.

Securities whose interest and/or redemption amount is calculated by reference to a formula

Where an issue of Notes references a formula in the applicable Terms and Conditions (which may be replicated in the Applicable Pricing Supplement) or the Applicable Pricing Supplement as the basis upon which the interest payable and/or the amount payable on redemption is calculated, potential investors should ensure that they understand the relevant formula and if necessary seek advice from their own financial adviser.

In addition the effects of the formula may be complex with respect to expected amounts of interest and/or amounts payable and/or assets deliverable on redemption and in certain circumstances may result in increases or decreases in these amounts.

Integral multiples of the Specified Denomination

If Notes are issued in one or more integral multiples of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than such minimum Specified Denomination in its account with the relevant securities exchange at the relevant time may not hold a definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that its holding amounts to the Specified Denomination.

Taxation

Payments of interest on the Notes shall not be subjected to withholding as provided for in the Income Tax Act under Section 82 [e]. All payments in respect of the Notes will be made without deduction for or on account of withholding taxes. Section 82 [e] specifically provides that the provision for requirement of payment of withholding tax shall not apply to *"interest paid to a holder of corporate or municipal bonds issued and listed at the Dar Es Salaam Stock Exchange with effect from 1st July, 2022"*.



If the Notes are unlisted there is a likelihood that withholding tax will be applicable. Where withholding tax is applicable on interest the Income Tax Act provides that withholding tax at the rate of 10% (ten per cent) will be deducted from interest payments made to Tanzanian resident Noteholders and withholding tax at the rate of 15% (fifteen per cent) will be deducted from interest payments made to non-resident Noteholders. Where a tax liability arises in respect of holdings of the Notes, non-resident investors may be entitled to a tax credit in their country of residence, either under domestic law or under the any applicable tax treaties.

Potential purchasers and sellers of Notes should be aware that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Notes are transferred and/or any asset(s) are delivered.

Potential purchasers who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, potential purchasers should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

No Tax Gross-Up in respect of Certain Series of Notes

Unless the Applicable Pricing Supplement specifies that a withholding tax gross-up is applicable, the Issuer will not be obliged to gross up any payments in respect of the Notes and will not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, presentation and surrender for payment, or enforcement of any security and all payments made by the Issuer will be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.





NMB'S COMMITMENT TO SUSTAINABILITY

NMB is fully committed to the United Nations Sustainable Development Goals (SDGs) and the 2030 Agenda. Observing the principles of sustainable banking, the Bank aims to meet the UN SDGs through its products and operations, to fulfil the broader development goals of climate action, financial inclusion, poverty alleviation, and economic development. The Bank's objectives go beyond the scope of financial gains to create a positive impact on the larger community and the economy by strategically aligning its commitments to national targets like the Tanzania Development Vision 2025 and NDCs.

NMB's sustainability priorities are reflected in the Bank's Medium-Term Plan 2025, which guides our interest in becoming a sustainability leader in Tanzania. Our priorities are;

- To be an organization that contributes positively to the country's sustainable economic growth agenda.
- To be a responsible organization with a great sense of social and environmental responsibility and stewardship
- To drive shared value through community impact investments

The Bank is also guided by its Sustainability Programme formed in 2022, which aims to integrate ESG, and sustainability internally and externally. The Bank seeks to address a range of environmental and social challenges as a financial institution, from the accessibility of financial services and inclusivity to biodiversity loss and climate change.

Transparency is a core tenet of the Bank, and some principles of the Integrated Reporting (IR) Framework are being applied to its annual report. NMB remains fully committed to enhancing its non-financial disclosures and ensuring full adherence to the IR framework. In addition, with GCF accreditation underway, the Bank seeks to align with additional international frameworks such as UNGC, UN PRB and TCFD. The Bank remains committed to deepening its sustainability ambitions, by working towards continuously refining disclosures in line with international frameworks, in efforts to drive enhanced disclosures around sustainability and climate-related risks and opportunities.

NMB's long-term ambition is to actively seek opportunities to accelerate efforts towards addressing sustainability in line with international best practices and is committed to its role in driving climate change mitigation and adaptation as well as the socio-economic development of Tanzania.

The Issuer will publish on the website its sustainable financing framework under which it intends to issue thematic instruments such as green, social and/or sustainability bonds in alignment with the relevant Principles and Guidelines provided by the International Capital Markets Association (ICMA). The Issuer will publish its sustainable financing framework under which it intends to issue thematic instruments such as green, social and/or sustainability bonds in alignment with the relevant Principles and Guidelines provided by the International Capital Markets Association (ICMA).



SUMMARY OF FINANCIAL INFORMATION

The Issuer's financial information set out below has, unless otherwise indicated, been derived from its audited consolidated financial statements as at and for the years ended 31 December 2018 to 31 December 2022, in each case prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. Such summary should be read in conjunction with the Reporting Accountants' Report, the financial statements and related notes.

Statement of Profit and Loss and Other Comprehensive Income

Year ended 31 December	2022 TZS' Millions	2021 TZS' Millions	2020 TZS' Millions	2019 TZS' Millions	2018 TZS' Millions
Interest and similar income	953,656	815,446	712,977	653,974	601,638
Interest and similar expense	(167,307)	(139,231)	(147,322)	(136,333)	(109,615)
Net interest income	786,349	676,215	565,655	517,641	492,023
Impairment charge – loans and advances	(81,067)	(113,040)	(125,800)	(98,850)	(135,256)
Impairment charge – off-balance sheet exposures	(113)	(89)	6,488	(1,560)	(2,049)
Total impairment charge	(81,180)	(113,129)	(119,312)	(100,410)	(137,305)
Net interest income after impairment	705,169	563,086	446,343	417,231	354,718
Fees and commission income	419,189	323,432	284,812	215,816	203,003
Fees and commission expense	(94,260)	(74,891)	(58,412)	(46,663)	(36,721)
Net fees and commission income	324,929	248,541	226,400	169,153	166,282
Foreign exchange income	48,071	33,583	27,377	24,454	20,914
Trading Income	5,353	2,726	3,107	1,100	1,033
Other income	23,804	21,017	14,395	9,702	7,647
Total operating income	1,107,326	868,953	717,622	621,640	550,594
Employee benefits expense	(266,296)	(243,679)	(195,515)	(182,579)	(166,149)
Other operating expenses	(174,910)	(148,920)	(157,814)	(154,365)	(188,871)
Depreciation and amortization	(54,509)	(62,467)	(68,550)	(73,608)	(53,933)
Total operating expenses	(495,715)	(455,066)	(421,879)	(410,552)	(408,953)
Profit before income tax	611,611	413,887	295,743	211,088	141,641
Income tax expense	(182,235)	(123,701)	(89,941)	(68,921)	(43,978)
Profit for the year	429,376	290,186	205,802	142,167	97,663
Fair value gain/(loss) on debt instruments at FVOCI – net of tax	522	(228)	(257)	168	182



Total comprehensive income for the year	429,898	289,958	205,545	142,335	97,845
Basic and diluted earnings per share (TZS)	858.75	580.37	411.6	284.33	195.33

Statement of Financial Position

Year ended 31 December	2022 TZS' Millions	2021 TZS' Millions	2020 TZS' Millions	2019 TZS' Millions	2018 TZS' Millions
Assets					
Cash and balances with Bank of Tanzania	1,551,341	1,484,029	1,047,488	1,341,140	1,070,422
Placements and balances with other banks	186,941	337,255	170,829	264,326	174,391
Loans and advances to customers	6,014,603	4,653,933	4,109,260	3,595,688	3,251,794
Investment in government securities – at amortised cost	1,915,254	1,683,950	1,275,291	744,527	724,943
Investment in government securities – at FVOCI	28,778	55,330	28,962	17,027	15,242
Equity investments at FVOCI	2,920	2,920	2,920	2,920	2,920
Investment in subsidiary	39,639	39,639	39,639	39,639	39,639
Other assets	199,061	113,739	64,024	87,657	78,368
Property and equipment	145,316	161,038	181,562	203,044	227,607
Intangible assets	18,290	13,888	13,898	20,779	21,241
Right-of-use assets	65,072	65,177	70,027	162,184	-
Current tax assets	-	17,634	8,587	-	13,188
Deferred tax assets	109,475	93,799	85,610	77,084	61,229
Total assets	10,276,690	8,722,331	7,098,097	6,556,015	5,680,984
Equity and Liabilities					
Liabilities					
Deposits due to other banks	12,445	408	131,224	33,446	20,770
Deposits from customers	7,600,147	6,664,263	5,325,455	4,922,278	4,327,607
Current tax liabilities	5,602	-	-	15,303	-
Other liabilities	153,769	143,602	116,669	106,896	93,674
Lease liabilities	68,733	67,142	70,104	156,030	-
Provisions	2,079	1,309	971	2,230	3,519
Borrowings	749,354	423,190	252,715	276,445	301,388
Subordinated debt	-	71,025	71,025	70,998	70,972
Total liabilities	8,592,129	7,370,939	5,968,163	5,583,626	4,817,930
Capital and reserves					
Share capital	20,000	20,000	20,000	20,000	20,000
Retained earnings	1,663,475	1,330,828	1,109,142	951,340	808,448
Regulatory Reserve	-	-	-	-	33,725
Fair valuation reserve	1,086	564	792	1,049	881
Total shareholders' equity	1,684,561	1,351,392	1,129,934	972,389	863,054
Total equity and liabilities	10,276,690	8,722,331	7,098,097	6,556,015	5,680,984



Source: NMB audited financial statements and the Reporting Accountants report

Analysis of Borrowings

As at 31 December 2022 the Company had borrowings totaling TZS 749,354 billion as outlined below:

Table 3: Summary of borrowings

Name of Lender	Currency	Amount outstanding in TZS' Million	Tenor	Effective Interest
European Investment Bank (EIB)	TZS	524	7 years	9.31%
Financierings-Maatschappij voor Ontwikkelingslanden N.V (FMO)	TZS	295,375	6 years	5.88%
NMB Bond	TZS	74,269	3 years	8.50%
Tanzania Mortgage Refinance Company	TZS	11,700	3 years	7.50%
IFC	TZS	303,659	6 years	10.50%
BOT	TZS	57,875	3 months	3%
Accrued Interest	TZS	5,952		
		749,354		
Current		295,440		
Non current		453,914		
		749,354		

All facilities were advanced to NMB on an unsecured basis.



Statements of Cash flows

Year ended 31 December	2022 TZS' Millions	2021 TZS' Millions	2020 TZS' Millions	2019 TZS' Millions	2018 TZS' Millions
Cash from operations	29,509	899,973	(53,283)	558,195	(197,692)
Tax refund	11,746	-	-	-	-
Tax paid	(186,721)	(140,839)	(122,089)	(56,357)	(68,480)
Net cash generated(used in)/from operations	(145,466)	759,134	(175,372)	501,838	(266,172)
Cashflows from investing activities					
Proceeds from government securities	652,896	591,380	-	-	791,522
Investment in government securities	(721,384)	(871,111)	-	-	(608,848)
Investment in government securities at FVOCI	(133,443)	(132,115)	-	-	-
Proceed from government securities at FVOCI	170,843	111,714	-	-	-
Purchase of property and equipment	(20,690)	(11,286)	(18,75)	(12,649)	(25,530)
Purchase of intangible assets	(9,394)	(9,152)	(4,325)	(10,967)	(11,930)
Proceed on disposal of property and equipment	590	12	174	292	365
Lease acquisition	-3,462	-	-	-	-
Net cash used in investing activities	(64,044)	(320,558)	(22,906)	(23,324)	145,579
Cashflows from financing activities					
Proceeds from received borrowings	427,518	255,190	50,000	88,349	114,565
Principal repaid on borrowings	(174,141)	(85,398)	(73,857)	(113,426)	(83,730)
Interest paid on borrowings	(40,673)	(30,576)	(32,582)	(33,782)	(28,765)
Dividends paid	(96,729)	(68,500)	(48,000)	(33,000)	(32,000)
Repayment of lease liabilities	(13,454)	(9,824)	(10,858)	(12,783)	-
Net cash generated from financing activities	102,521	60,892	(115,297)	(104,642)	(29,930)
Net decrease (Increase) in cash and cash equivalents	(106,989)	499,468	(313,571)	373,872	(150,523)
Cash and cash equivalents at the beginning of the year	1406497	907029	1232544	858732	1002394
Balances with mobile network operators	(21966)	-	(11944)	(60)	6861
Cash and cash equivalents at the end of the year.	1277542	1406497	907029	1232544	858732
Analysis of the cash and cash equivalents at the end of the year					
Cash in hand	474,888	484,254	661,689	498,231	402,709



Balances with bank of Tanzania (excluding SMR)	615,713	563,022	57,781	450,813	265,614
Deposits and balances due from banking institutions	186,941	337,255	170,829	264,326	174,391
Balances with mobile network operators	-	21,966	16,730	19,174	16,018
	1,277,542	1,406,497	907,029	1,232,544	842,714

Condensed Statement of Financial Position as at 30 June 2023

		Current Quarter 30.06.2023	Previous Quarter 31.03.2023
A. ASSETS			
1	Cash	470,858	439,424
2	Balances with Bank of Tanzania	1,089,330	730,711
3	Investments in Government securities	2,360,898	2,143,742
4	Balances with other banks and financial institutions	51,342	70,745
5	Cheques and items for clearing	47,528	77,579
6	Inter branch float items	-	-
7	Bills negotiated	5,951	39,100
8	Customers' liabilities for acceptances	-	-
9	Interbank loans receivables	337,030	224,680
10	Investments in other securities	4,533	3,560
11	Loans, advances and overdrafts (net of allowances for probable losses)	- 6,627,132	- 6,555,992
12	Other assets	241,030	229,375
13	Equity investments	42,558	42,558
14	Underwriting accounts	-	-
15	Property, Plant and equipment	211,449	201,950
16	TOTAL ASSETS	11,489,639	10,759,416
B. LIABILITIES		24,346	
17	Deposits from other banks and financial institutions	8,227,772	32,017
18	Customer deposits	162,982	7,454,607
19	Cash letters of credit	27,294	180,941
20	Special Deposits	-	18,048
21	Payment orders/transfers payable	1,976	-
22	Bankers' cheques and drafts issued	90,650	2,015
23	Accrued taxes and expenses payable	-	87,011
24	Acceptances outstanding	1,768	-
25	Inter branch float items	52,945	143
26	Unearned income and other deferred charges	134,457	52,404
27	Other liabilities	964,419	119,935
28	Borrowings	9,688,609	1,003,033
29	TOTAL LIABILITIES	1,801,030	8,950,154
30	NET ASSETS /(LIABILITIES)	24,346	1,809,262
C. SHAREHOLDERS' FUNDS			
31	Paid up share capital	20,000	20,000
32	Capital reserves	-	-
33	Retained earnings	1,520,350	1,663,475
34	Profit (Loss) account	260,302	122,040
35	Other capital accounts	378	3,747
36	Minority interest	-	-



37	TOTAL SHAREHOLDERS' FUNDS	1,801,030	1,809,262
		-	-
38	Contingent liabilities	1,475,251	1,395,421
39	Non-performing loans & advances	242,780	201,335
40	Allowances for probable losses	231,756	230,419
41	Other non-performing assets	11,429	7,680
D.	SELECTED FINANCIAL CONDITIO INDICATORS		
(i)	Shareholders Funds to total assets	16%	17%
(ii)	Non-performing loans to total gross loans	3.50%	3.00%
(iii)	Gross loans and advances to total deposits	81%	88%
(iv)	Loans and advances to total assets	58%	61%
(v)	Earnings assets to total Assets	82%	84%
(vi)	Deposits growth	10%	2%
(vii)	Assets growth	7%	5%

Condensed Statement of Profit or Loss and Other Comprehensive Income for the Period Ended 30 June 2023

	Current Quarter 30.06.2023	Comparative Quarter 30.06.2022	Current Year Cummulative 30.06.2023	Comparative Year Cummulative 30.06.2022
Interest income	288632	229771	560309	453673
Interest expense	(51824)	(39628)	(108162)	(76268)
Net interest income	236808	190143	452147	377405
Bad debts written off	-	-	-	-
Impairment Losses on Loans and Advances	(21620)	(17016)	(40885)	(31060)
Non interest income:	112918	97572	217520	184891
6.1 Foreign currency dealings and translation gain/(loss)	20172	10664	36281	20896
6.2 Fee and commisions	87373	76158	168105	148025
6.3 Dividend income	-	-	-	-
6.4 Other operating income	5373	10750	13134	15970
7 Non interest expense:	(130587)	(118678)	(256921)	(235097)
7.1 Salaries and benefits	(74321)	(65524)	(147052)	(130188)
7.2 Fees and commissions	(4162)	(3509)	(7742)	(6923)
7.3 Other operating expenses	(52104)	(49645)	(102127)	(97986)
Operating income/(loss)	197519	152021	371861	296139
Income tax provision	(59256)	(46197)	(111559)	(89856)
Net income(loss) after income tax	138263	105824	260302	206283
Other comprehensive income, net of tax Fair value gain/ (loss) on FVOCI – net of tax	(3369)	9112	(708)	9666



Total comprehensive income for the year	134,894	114,936	259,594	215,949
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Statement of Cash Flow for the Period Ended 30 June 2023

	Current Quarter 30.06.2023	Comparative Quarter 30.06.2022	Current Year Cummulative 30.06.2023	Comparative Year Cummulative 30.06.2022
I: Cash flow from Operating activities:				
Net income(loss) Adjustment for:	197,519	174,343	371,862	296,139
Impairment/amortization	(2,327)	20,482	18,155	8,341
Net change in loans and advances	(71,140)	(541,389)	(612,529)	(392,458)
Gain/loss on sale of assets	-	-	-	-
Net change in deposits	756,781	116,508	873,289	211,494
Net change in short term negotiable securities	-	-	-	-
Net change in other liabilities	20,287	283	20,570	37,824
Net change in other assets	18,396	29,751	48,147	47,942
Tax paid	(57,635)	(62,181)	(119,816)	(75,780)
Others	(113,114)	(12,717)	(125,831)	1,647
Net cash provided (used) by operating activities	748,767	(274,920)	473,847	135,149
II. Cash flow from Investing activities:	-	-	-	-
Purchase of fixed assets	(8,793)	(12,045)	(20,838)	(11,918)
Others - (Equity investment and Securities)	(221,498)	(200,609)	(422,107)	(422,107)
Net cash provided (used) by investing activities	(230,291)	(212,654)	(442,945)	(442,945)
III: Cash Flow from Financing activities:	-			
Payment of cash dividends	(143,125)	-	(143,125)	(96,729)
Net change in other borrowings	(38,614)	241,234	202,620	(55)
Others (Specify)	-	-	-	-
Net cash provided (used) by investing activities	(181,739)	241,234	59,495	(96,784)



IV: Cash and Cash equivalents:				
Net increase/(decrease) in cash and cash equivalents	336,737	(246,340)	90,397	(133,545)
Cash and cash equivalents at the beginning of the year	1,031,202	1,277,542	1,277,542	1,406,497
Cash and cash equivalents at the end of the year	1,367,939	1,031,202	1,367,939	1,272,952



TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes to be issued by the Issuer on or after the date of this Information Memorandum. Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Notes. Before the Issuer issues any Tranche of Notes, the Issuer shall complete and sign the Applicable Pricing Supplement, based on the pro forma Pricing Supplement included in the Information Memorandum, setting out details of such Notes. The Applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Tranche of Notes. The Applicable Pricing Supplement will be attached to each Certificate. All references in this Information Memorandum to any statute, regulation or other legislation will be a reference to that statute, regulation or other legislation as amended, re-enacted or replaced and substituted from time to time.

1. ISSUE

- 1.1. Notes may at any time and from time to time be issued by the Issuer without the consent of the then existing Noteholders in Tranches pursuant to the Programme, provided that the aggregate Outstanding Nominal Amount of all of the Notes issued under the Programme from time to time does not exceed the Programme Amount. A Tranche of Notes may, together with a further Tranche or Tranches, form a Series of Notes issued under the Programme.
- 1.2. The Noteholders are by virtue of their subscription for or purchase of the Notes, deemed to have notice of, and are entitled to the benefit of, and are subject to, all the provisions of the Applicable Pricing Supplement and the Information Memorandum.
- 1.3. The Applicable Pricing Supplement for each Tranche of Notes is (to the extent relevant) incorporated herein for the purposes of those Notes and supplements these Terms and Conditions. The Applicable Pricing Supplement may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of those Notes.
- 1.4. Capitalised expressions used in these Terms and Conditions and not herein defined shall bear the meaning assigned to them in the Applicable Pricing Supplement.

2. FORM AND DENOMINATION

2.1. General

- 2.1.1. Notes will be issued in registered form with a minimum denomination as may be determined by the Issuer and as indicated in the Applicable Pricing Supplement.
- 2.1.2. The listed Notes will be freely transferable and fully paid up.
- 2.1.3. All payments in relation to the Notes will be made in Specified Currency.
- 2.1.4. Each Note shall be a Senior Note or a Subordinated Note, as specified in the Applicable Pricing Supplement. Any Note may be a Partly Paid Note (the partly paid notes will only be listed to the extent it is accepted by the DSE in accordance with the Applicable Procedures), Instalment Note, Exchangeable Note or an Extendible Note. Each Note, whether a Senior Note or a Subordinated Note, may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Indexed Interest Note, an Indexed Redemption Amount Note, a Mixed Rate Note or a combination of any of the foregoing or such other types of Notes as may be determined by the Issuer, as specified in the Applicable Pricing Supplement.



- 2.1.5. The Redemption Date of all or part of any Extendible Notes may be extended at the option of the Issuer, after the Issuer has given the relevant Noteholders the Requisite Notice indicated in the Applicable Pricing Supplement in accordance with Condition 16. Such Redemption Date may be extended by the Issuer one or more times by such days or multiple of days specified in the Applicable Pricing Supplement.
- 2.1.6. Listed and/or unlisted Notes may be issued under the Programme.
- 2.1.7. Unlisted Notes are not regulated by the DSE.
- 2.1.8. Notes will have such other characteristics as may be specified in the Applicable Pricing Supplement.
- 2.1.9. The Notes in a Tranche of Notes will be issued in the form of registered Notes, represented by (i) Individual Depository Receipts registered in the name, and for the account of, the relevant Noteholder or (ii) no Certificate and held in uncertificated form in the CSD. The CSD will hold the Notes subject to the DSE Listing Rules and the Applicable Procedures.
- 2.1.10. If the Issuer or the Programme are rated by a Rating, there having been, between the Agreement Date and the Issue Date, no Rating Downgrade of the Issuer or its debt (as the case may be), or withdrawal by any Rating Agency, nor any public notice of any intended or potential Rating Downgrade or withdrawal, of the Rating given by such Rating Agency or the placing of the Issuer on "Creditwatch" with negative implications where such Rating Downgrade would be likely to prejudice the success of the offering and distribution of the Notes proposed to be issued. For the avoidance of doubt, only a Rating Agency that has given a Rating in respect of the Issuer may place the Issuer on Creditwatch.

2.2. Currency and Denomination

- 2.2.1. Notes will be issued in the Specified Currency. Each Note will be issued in the Specified Denomination.
- 2.2.2. The aggregate Nominal Amount, Specified Currency and Specified Denomination of a Tranche of Notes will be specified in the Applicable Pricing Supplement.

2.3. Recourse to the DSE

The holders of Notes that are not listed on the DSE will have no recourse against the DSE, even if such Notes are settled through the electronic settlement procedures of the DSE and the CSD. Claims against the DSE may only be made in respect of the trading of Notes listed on the DSE and can in no way relate to a default by the Issuer of its obligations under the Notes listed on the debt securities market of the DSE. Unlisted Notes are not regulated by the DSE.

3. **TITLE**

- 3.1. Title to the Notes will pass upon registration of transfer in the Register in accordance with Condition 14. The Issuer and the Transfer Agent shall recognise a Noteholder as the sole and absolute owner of the Notes registered in that Noteholder's name in the Register (notwithstanding any notice of ownership or notice of any previous loss or theft thereof) and shall not be bound to enter any trust in the Register or to take notice of or to accede to the execution of any trust, express, implied or constructive, to which any Note may be subject.
- 3.2. Beneficial Interests in Notes held in uncertificated form may, in terms of existing law and practice, be transferred through the CSD by way of book entry in the securities accounts of the Participants.



3.3. Any reference in this Information Memorandum to the relevant Participant shall, in respect of Beneficial Interests, be a reference to the Participant appointed to act as such by a holder of such Beneficial Interest.

4. STATUS OF NOTES

4.1. Status of Senior Notes

Unless otherwise specified in the Applicable Pricing Supplement, Senior Notes are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* among themselves and, subject to Condition 5 and save for certain debts required to be preferred by law, rank equally with all other present and future unsecured and unsubordinated obligations of the Issuer from time to time owing.

4.2. Status of Subordinated Notes

4.2.1. Subordinated Notes constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured and subordinated obligations of the Issuer, save for those that have been provided preferential rights by law.

4.2.2. Subject to applicable law, in the event of the dissolution of the Issuer or if the Issuer is wound-up, the claims of the persons entitled to be paid amounts due in respect of Subordinated Notes shall be subordinated to all other claims in respect of any other indebtedness of the Issuer except for other Subordinated Indebtedness (as defined). Accordingly, no amount due on the Subordinated Notes shall be eligible for set-off or shall be payable to any person entitled to be paid such amount in respect of the obligations of the Issuer thereunder until all other indebtedness of the Issuer which is admissible in any such dissolution or winding-up (other than Subordinated Indebtedness) has been paid or discharged in full.

4.2.3. “**Subordinated Indebtedness**” means for the purposes of this Condition 4.2, any indebtedness of the Issuer, including any guarantee given by the Issuer, under which the right of payment of the person(s) entitled thereto is, or is expressed to be, or is required by any present or future agreement of the Issuer to be, subordinated to the rights of all un-subordinated creditors of the Issuer in the event of the dissolution or winding-up of the Issuer.

5. NEGATIVE PLEDGE

5.1. So long as any of the Senior Notes remain outstanding, the Issuer will not create any Encumbrance (as defined) other than a Permitted Encumbrance upon the whole or any part of its present or future assets or revenues to secure any of its present or future Indebtedness without making effective provision whereby all Senior Notes shall be directly secured equally and rateably with such Indebtedness and any such instrument creating such Encumbrance shall expressly provide therefor, unless such other security as may be approved by Extraordinary Resolution of the holders of Senior Notes is provided or, the provision of any such security is waived by an Extraordinary Resolution of the holders of those Senior Notes.

5.2. The Issuer shall be entitled but not obliged, to form, or procure the formation of, a trust or trusts or appoint, or procure the appointment of, an agent or agents to hold any such rights of security for the benefit or on behalf of such Noteholders.

6. INTEREST

6.1. If the Applicable Pricing Supplement so specifies, the Notes of any Tranche will bear interest from the Interest Commencement Date at the Interest Rate(s) specified in, or determined in accordance with,



the Applicable Pricing Supplement and such interest will be payable in respect of each Interest Period on the Interest Payment Date(s) specified in the Applicable Pricing Supplement. The interest payable on the Notes of any Tranche for a period other than a full Interest Period shall be determined in accordance with the Applicable Pricing Supplement. The Interest Amount will be announced at least 3 (three) Business Days before the relevant Interest Payment Date.

6.2. Interest on Fixed Rate Notes

6.2.1. Except if otherwise specified in the Applicable Pricing Supplement, interest on Fixed Rate Notes will be paid on a six-monthly basis, on the Interest Payment Dates.

6.2.2. Each Fixed Rate Note bears interest on its Principal Amount (or, if it is a Partly Paid Note, the amount paid up) for the relevant Interest Period.

Note that:

- (a) if an Initial Broken Amount is specified in the Applicable Pricing Supplement, then the first Interest Amount shall equal the Initial Broken Amount specified in the Applicable Pricing Supplement; and
- (b) if a Final Broken Amount is specified in the Applicable Pricing Supplement, then the final Interest Amount shall equal the Final Broken Amount.

6.3. Interest on Floating Rate Notes

6.3.1. Interest Payment Dates

Each Floating Rate Note bears interest on its Principal Amount (or, if it is a Partly Paid Note, on the amount paid up) from (and including) the Interest Commencement Date to (but excluding the Maturity Date) at the rate equal to the Interest Rate. Such interest shall fall due for payment in arrears on the Interest Payment Date(s) in each year and on the date of early redemption in accordance with Condition 8 or the Redemption Date, as the case may be, if either such date does not fall on an Interest Payment Date. The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date.

6.3.2. Interest Rate

The Interest Rate payable from time to time in respect of the Floating Rate Notes will be determined:

- (a) on the basis of ISDA Determination; or
- (b) on the basis of Screen Rate Determination; or
- (c) on such other basis as may be determined by the Issuer,

all as indicated in the Applicable Pricing Supplement.

6.3.3. ISDA Determination

- (a) Where ISDA Determination is specified in the Applicable Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Period will be the relevant ISDA Rate (as defined) plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any).

For the purposes of this Condition 6.3.3:



“**ISDA Rate**” for an Interest Period means a rate equal to the Floating Rate that would be determined by such Transfer Agent as is specified in the Applicable Pricing Supplement under a notional interest rate swap transaction if that Transfer Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (b) the Floating Rate Option is as specified in the Applicable Pricing Supplement;
- (c) the Designated Maturity is the period specified in the Applicable Pricing Supplement; and
- (d) the relevant Reset Date is either: (i) if the applicable Floating Rate Option is based on the Treasury Bill Rate on the first day of that Interest Period; or (ii) in any other case, as specified in the Applicable Pricing Supplement.

“**Floating Rate**”, “**Floating Rate Option**”, “**Designated Maturity**” and “**Reset Date**” have the meanings given to those expressions in the ISDA Definitions.

- (e) When this Condition 6.3.3 applies, in respect of each Interest Period such agent as is specified in the Applicable Pricing Supplement will be deemed to have discharged its obligations under Condition 6.3.6 in respect of the determination of the Interest Rate if it has determined the Interest Rate in respect of such Interest Period in the manner provided in this Condition 6.3.3.

6.3.4. Screen Rate Determination

- (a) Where Screen Rate Determination is specified in the Applicable Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Period will, subject as provided below, be either:
 - i. the offered quotation (if there is only one quotation on the Relevant Screen Page); or
 - ii. the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations, for the Reference Rate(s) which appears or appear as the case may be, on the Relevant Screen Page as at 11h00 (Tanzanian time) on the Interest Determination Date in question, plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent. If five or more such offered quotations are available on the Relevant Screen Page the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by such agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.
- (b) If the Relevant Screen Page is not available or if, in the case of i above, no such offered quotation appears or, in the case of ii above, fewer than three such offered quotations appear, in each case at the time specified in the preceding paragraph, the Calculation Agent shall request the principal office of each of the Reference Banks (as defined) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately 11h00 (Tanzanian time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Interest Rate for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of



such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.

- (c) If the Interest Rate cannot be determined by applying the provisions of the preceding paragraphs of this Condition 6.3.4, the Interest Rate for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks offered, at approximately 11h00 (Tanzanian time) on the relevant Interest Determination Date, in respect of deposits in an amount approximately equal to the Principal Amount of the Notes of the relevant Series, for a period equal to that which would have been used for the Reference Rate, to Reference Banks in the Tanzanian inter-bank market plus or minus (as appropriate) the Margin (if any). If fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the Interest Rate for the relevant Interest Period will be determined by the Calculation Agent as the arithmetic mean (rounded as provided above) of the rates for deposits in an amount approximately equal to the Principal Amount of the Notes of the relevant Series, for a period equal to that which would have been used for the Reference Rate, quoted at approximately 11h00 (Tanzanian time) on the relevant Interest Determination Date, by four leading banks in Tanzania (selected by the Calculation Agent and approved by the Issuer) plus or minus (as appropriate) the Margin (if any). If the Interest Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the Interest Rate shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

“**Reference Banks**” means for the purposes of this Condition 6.3.4 four leading banks in the South African inter-bank market selected by the Calculation Agent and approved by the Issuer.

6.3.5. Minimum and/or Maximum Interest Rate

If the Applicable Pricing Supplement specifies a Minimum Interest Rate for any Interest Period, then the Interest Rate for such Interest Period shall in no event be less than such Minimum Interest Rate and/or if it specifies a Maximum Interest Rate for any Interest Period, then the Interest Rate for such Interest Period shall in no event be greater than such Maximum Interest Rate.

6.3.6. Determination of Interest Rate and calculation of Interest Amount

The Calculation Agent will, in the case of Floating Rate Notes, at or as soon as practical after each time at which the Interest Rate is to be determined, determine the Interest Rate and calculate the Interest Amount for the relevant Interest Period. Unless stated otherwise in the Applicable Pricing Supplement, each Interest Amount shall be calculated by multiplying the Interest Rate by the Principal Amount, then multiplying the product by the applicable Day Count Fraction and rounding the resultant product to the nearest smallest denomination of the Specified Currency, half of any such denomination being rounded upwards.

“**Day Count Fraction**” means in respect of the calculation of the Interest Amount for any Interest Period:



- (a) if “**Actual/365**”, “**Act/365**”, “**Actual/Actual**” or “**Act/Act**” is specified in the Applicable Pricing Supplement, the actual Number of days in the Interest Period in respect of which payment is being made divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (i) the actual Number of days in that portion of the Interest Period falling in a leap year divided by 366 and (ii) the actual Number of days in that portion of the Interest Period falling in a non-leap year divided by 365); or
- (b) if “**Actual/365 (Fixed)**”, “**Act/365 (Fixed)**”, “**A/365 (Fixed)**” or “**A/365F**” is specified in the Applicable Pricing Supplement, the actual Number of days in the Interest Period in respect of which payment is being made divided by 365; or
- (c) if “**Actual/360**”, “**Act/360**” or “**A/360**” is specified in the Applicable Pricing Supplement, the actual Number of days in the Interest Period in respect of which payment is being made divided by 360; or
- (d) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the Applicable Pricing Supplement, the Number of days in the Interest Period in respect of which payment is being made divided by 360 (the Number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (i) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month or (ii) that last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month); or
- (e) such other calculation method as is specified in the Applicable Pricing Supplement.

6.3.7. Notification of Interest Rate and Interest Amount

The Calculation Agent (or such other agent as is specified in the Applicable Pricing Supplement) will cause the Interest Rate and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Paying Agent, the Transfer Agent, the Noteholders, any financial exchange on which the relevant Floating Rate Notes are for the time being listed (if applicable) and any central securities depository in which Certificates in respect of the Notes are immobilised (if applicable), as soon as possible after their determination but not later than the 4th (fourth) Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to the Issuer, the Transfer Agent, the Paying Agent, the Noteholders, each financial exchange on which the relevant Floating Rate Notes are for the time being listed (if applicable) and any central securities depository in which Certificates in respect of the Notes are immobilised (if applicable).



6.3.8. Certificates to be Final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6.3 by the Calculation Agent shall, in the absence of wilful deceit, bad faith, manifest error or dispute as set out hereunder, be binding on the Issuer, the Transfer Agent, the Paying Agent, and all Noteholders, and no liability to the Issuer or the Noteholders shall attach to the Transfer Agent, the Calculation Agent or the Paying Agent (as the case may be) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions. Where the Issuer acts as the Calculation Agent and in the event that Noteholders holding not less than 25% in aggregate Principal Amount of the Notes for the time being Outstanding, deliver to the Issuer a written notice of objection to any determination made by the Issuer within 5 (five) Business Days of notification of the Interest Rate and Interest Amount in accordance with Condition 6.3.7, such determination shall not be regarded as final and upon such notification, the Issuer shall request the chief executive officer for the time being of the DSE to appoint an independent third party to make such determination. Such independent third party shall make such determination promptly as an expert and not as an arbitrator and their determination, in the absence of wilful deceit, bad faith or manifest error, shall be binding on the Issuer and all Noteholders, and no liability to the Issuer or the Noteholders shall attach to such third party in connection with the exercise or non-exercise by them of their powers, duties and discretions pursuant to such provisions. The costs of procuring and effecting such determination shall be borne by the Issuer in the event that the determination of such third party differs from that of the Issuer as Calculation Agent and shall be borne by the Noteholders disputing such determination by the Issuer in the event that the determination of such third party confirms that of the Issuer as Calculation Agent.

6.4. Interest on Mixed Rate Notes

The interest rate payable from time to time on Mixed Rate Notes shall be the interest rate payable on any combination of Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or Indexed Notes for respective periods, each as specified in the Applicable Pricing Supplement. During each such applicable period, the interest rate on the Mixed Rate Notes shall be determined and fall due for payment on the basis that such Mixed Rate Notes are Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or Indexed Notes, as the case may be.

6.5. Interest on Indexed Notes

In the case of Indexed Notes, if the Interest Rate or Final Redemption Amount falls to be determined by reference to an index and/or a formula, such rate or amount payable shall be determined in the manner specified in the Applicable Pricing Supplement. Any interest payable shall fall due for payment on the Interest Payment Date(s).

6.6. Interest on Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue on the paid-up Principal Amount of such Notes and otherwise as specified in the Applicable Pricing Supplement.

6.7. Interest on Instalment Notes

In the case of Instalment Notes, interest will accrue on the amount outstanding on the relevant Note from time to time and otherwise as specified in the Applicable Pricing Supplement.



6.8. Interest on Extendible Notes

If the Redemption Date of Extendible Notes is extended by the Issuer, the Interest Rate in respect of the Principal Amount Outstanding will be increased by the Step-up Margin, from and including the Redemption Date to but excluding the Actual Redemption Date.

6.9. Accrual of Interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date of its redemption unless, upon due presentation thereof, payment of principal or the Early Redemption Amount is improperly withheld or refused. In such event, interest will continue to accrue on the Principal Amount of the Note or part of the Note at the Interest Rate as specified in the Applicable Pricing Supplement, plus interest at the Default Rate specified in the Applicable Pricing Supplement (if any) until the date on which all amounts due in respect of such Note have been paid, or, in respect of uncertificated Notes, the date on which the full amount of the monies payable has been received by the Central Securities Depository and/or the Participants and notice to that effect has been given to Noteholders in accordance with Condition 16.

6.10. Business Day Convention

If any Interest Payment Date (or other date) which is specified in the Applicable Pricing Supplement to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- 6.10.1. the “**Floating Rate Business Day Convention**”, such Interest Payment Date (or other date) shall in any case where Interest Periods are specified in accordance with Condition 6.3.5, be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event: (i) such Interest Payment Date (or other date) shall be brought forward to the first preceding Business Day; and (ii) each subsequent Interest Payment Date (or other date) shall be the last Business Day in the month which falls the Number of months or other period specified as the Interest Period in the Applicable Pricing Supplement after the preceding applicable Interest Payment Date (or other date) has occurred; or
- 6.10.2. the “**Following Business Day Convention**”, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day; or
- 6.10.3. the “**Modified Following Business Day Convention**”, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date (or other such date) shall be brought forward to the first preceding Business Day; or
- 6.10.4. the “**Preceding Business Day Convention**”, such Interest Payment Date (or other date) shall be brought forward to the first preceding Business Day.

7. **PAYMENTS**

7.1. General

- 7.1.1. Payments of principal and/or interest in respect of Uncertificated Notes will be made to the Central Securities Depository and/or the Central Securities Depository Participant, as shown in the Register on the Last Day to Register, and the Issuer will be discharged by proper payment to the Central Securities Depository and/or the Central Securities Depository Participant, in respect of each amount so paid. Each of the persons shown in the records of the Central Securities Depository and the Central Securities Depository Participant, as the case may be, shall look solely to the Central



Securities Depository or the Central Securities Depository Participant, as the case may be, for his share of each payment so made by the Issuer to the registered holder of Uncertificated Notes.

- 7.1.2. Payments of principal and/or interest on an Individual Depository Receipt shall be made to the Transfer Agent, who will in turn, acting on behalf of the Issuer in accordance with the terms and conditions of the Information Memorandum, as amended, supplemented or restated from time to time, make payment to the registered holder of such Note, as set forth in the Register on the close of business on the Last Day to Register (as specified in the Applicable Pricing Supplement). In addition to the above, in the case of a final redemption payment, the holder of the Individual Depository Receipt shall be required, on or before the Last Day to Register prior to the Maturity Date, to surrender such Individual Depository Receipt at the offices of the Transfer Agent.

7.2. Method of Payment

- 7.2.1. Payments of interest and principal will be made in the Specified Currency by credit or transfer by means of electronic funds settlement, to the Noteholder.
- 7.2.2. If the Issuer is prevented or restricted directly or indirectly from making any payment by electronic funds transfer in accordance with the preceding paragraph (whether by reason of strike, lockout, fire, explosion, floods, riot, war, accident, act of God, embargo, legislation, shortage of or breakdown in facilities, civil commotion, unrest or disturbances, cessation of labour, Government interference or control or any other cause or contingency beyond the control of the Issuer), the Issuer shall make such payment by cheque marked "not transferable" (or by such Number of cheques as may be required in accordance with applicable banking law and practice) to make payment of any such amounts. Such payments by cheque shall be sent by post to the address of the Noteholder as set forth in the Register or, in the case of joint Noteholders of Registered Notes, the address set forth in the Register of that one of them who is first named in the Register in respect of that Note
- 7.2.3. Each such cheque shall be made payable to the relevant Noteholder or, in the case of joint Noteholders, the first one of them named in the Register. Cheques may be posted by ordinary post, provided that neither the Issuer nor the Paying Agent shall be responsible for any loss in transmission and the postal authorities shall be deemed to be the agent of the Noteholders for the purposes of all cheques posted in terms of this Condition 7.2.
- 7.2.4. In the case of joint Noteholders payment by electronic funds transfer will be made to the account of the Noteholder first named in the Register. Payment by electronic transfer to the Noteholder first named in the Register shall discharge the Issuer of its relevant payment obligations under the Notes.
- 7.2.5. Payments will be subject in all cases to any taxation or other laws, directives and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 9.

7.3. Payment Day

- 7.3.1. If the date for payment of any amount in respect of any Note is not a Business Day, the payment day shall be on the Business Day on which interest will be paid, as determined in accordance with the applicable Business Day Convention, as specified in the Applicable Pricing Supplement), and the interest shall accrue as such.

7.4. Interpretation of principal and interest

- 7.4.1. Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:
- (a) any additional amounts which may be payable with respect to principal under Condition 9;



- (b) the Final Redemption Amount of the Notes or the Early Redemption Amount of the Notes, as the case may be;
- (c) the Optional Redemption Amount(s) (if any) of the Notes;
- (d) in relation to Instalment Notes, the Instalment Amounts;
- (e) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined under Condition 8.5); and
- (f) any premium and any other amounts which may be payable under or in respect of the Notes, but excluding for the avoidance of doubt, interest.

7.4.2. Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 9.

8. REDEMPTION AND PURCHASE

8.1. At maturity

- 8.1.1. Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed in the Specified Currency by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the Applicable Pricing Supplement on the Redemption Date.
- 8.1.2. The Issuer shall be entitled to extend the Redemption Date of all or part of the Principal Amount Outstanding of Extendible Notes. If such option is exercised by the Issuer in respect of part of the Principal Amounts Outstanding of such Extendible Notes, then the Issuer shall redeem such portion of Notes not so extended at the Partial Redemption Amount and subject to any further extension, the redemption of the balance, being the Principal Amount Outstanding will be extended to a date specified in the Applicable Pricing Supplement or otherwise notified to Noteholders. For the avoidance of doubt, the Issuer is not obliged to treat all Noteholders of Extendible Notes in the same manner.

8.2. Redemption for tax reasons

- 8.2.1. Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of Notes other than Floating Rate Notes or Indexed Notes or Mixed Rate Notes having an interest rate then determined on a floating or indexed basis) or on any Interest Payment Date (in the case of Floating Rate Notes, Indexed Notes or Mixed Rate Notes having an interest rate then determined on a floating or indexed basis), on giving not less than 30 (thirty) nor more than 60 (sixty) days' notice to the Noteholders in accordance with Condition 16 (which notice shall be irrevocable), if the Issuer is of the reasonable opinion that:
 - (a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided for or referred to in Condition 9 as a result of any change in or amendment to, the laws or regulations of the country of domicile (or residence for tax reasons) of the Issuer or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date; and
 - (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,



provided that no such notice of redemption shall be given earlier than 90 (ninety) days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. On the date of publication of any notice of redemption pursuant to this Condition 8.2, the Issuer shall deliver to the Transfer Agent and the Paying Agent at their registered offices, for inspection by any holder of Notes so redeemed, a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

- 8.2.2. Notes redeemed for tax reasons pursuant to this Condition 8.2 will be redeemed at their Early Redemption Amount referred to in Condition 8.5, together (if appropriate) with interest accrued to (but excluding) the date of redemption.

8.3. Redemption at the option of the Issuer

- 8.3.1. If the Issuer is specified in the Applicable Pricing Supplement as having an option to redeem, the Issuer shall be entitled, having given:

- (a) the required notice set out in the Applicable Pricing Supplement to the Noteholders in accordance with Condition 16; and
- (b) not less than 7 (seven) days before giving the notice referred to in (a) above, notice to the Transfer Agent,

(both of which notices shall be irrevocable) to redeem all or some of the Notes then Outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the Applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s).

- 8.3.2. Any such redemption amount must be of a nominal amount equal to or greater than the Minimum Redemption Amount or equal to or less than a Higher Redemption Amount, both as indicated in the Applicable Pricing Supplement. In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemable Notes**") will be selected:

- (a) in the case of Redeemable Notes represented by Individual Depository Receipts individually by lot;
- (b) in the case of Redeemable Notes which are uncertificated, in accordance with the Applicable Procedures,

and in each such case not more than 30 (thirty) days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**").

- 8.3.3. A list of the serial numbers of the Individual Depository Receipts of Unlisted Registered Notes will be published in accordance with Condition 16 not less than 15 (fifteen) days prior to the date fixed for redemption.

- 8.3.4. No exchange of the relevant Uncertificated Notes will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this Condition 8.3 and notice to that effect shall be given by the Issuer to the Noteholders in the notice to Noteholders contemplated in paragraph 8.3.1(a) above.



8.3.5. Holders of Redeemable Notes shall surrender the Individual Depository Receipts, representing the Notes in accordance with the provisions of the notice given to them by the Issuer as contemplated above. Where only a portion of the Notes represented by such Certificates are redeemed, the Transfer Agent shall deliver new Certificates to the Central Securities Depository or such Noteholders in respect of the balance of the Notes.

8.4. Redemption at the option of Senior Noteholders

8.4.1. If Noteholders of Senior Notes are specified in the Applicable Pricing Supplement as having an option to redeem any Senior Notes, such Noteholders may redeem the Senior Notes represented by an Individual Depository Receipt, by delivering to the Issuer and the Transfer Agent in accordance with Condition 16, a duly executed notice (“**Put Notice**”), at least 15 (fifteen) calendar days but not more than 30 (thirty) calendar days, prior to the applicable Optional Redemption Date. The redemption amount specified in such Put Notice in respect of any such Senior Note must be of a nominal amount equal to or greater than the Minimum Redemption Amount or equal to or less than the Higher Redemption Amount, each as indicated in the Applicable Pricing Supplement.

8.4.2. The redemption of the Senior Notes issued in the form of Uncertificated Notes shall take place in accordance with the Applicable Procedures.

8.4.3. Where a Noteholder redeems the Senior Notes represented by an Individual Depository Receipt, such Noteholder shall deliver the Individual Depository Receipt, to the Transfer Agent for cancellation by attaching it to a Put Notice. A holder of an Individual Depository Receipt shall specify its payment details in the Put Notice for the purposes of payment of the Optional Redemption Amount.

8.4.4. The Issuer shall proceed to redeem such Senior Notes (in whole but not in part) in accordance with the terms of the Applicable Pricing Supplement, at the Optional Redemption Amount and on the Optional Redemption Date, together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s).

8.4.5. The delivery of Put Notices shall be required to take place during normal office hours of the Transfer Agent. Put Notices shall be available from the registered office of the Issuer.

8.4.6. The Issuer shall have no obligation to remedy any defects in any Put Notice or bring any such defects to the attention of any Noteholder and shall not be liable whatsoever for any claims or losses arising in connection with a defective or invalid Put Notice.

8.5. Early Redemption Amounts

8.5.1. For the purpose of Condition 8.2 and Condition 11 (and otherwise as stated herein), the Notes will be redeemed at the Early Redemption Amount calculated as follows:

- (a) in the case of Notes with a Final Redemption Amount equal to the Principal Amount, at the Final Redemption Amount thereof; or
- (b) in the case of Notes (other than Zero Coupon Notes) with a Final Redemption Amount which is or may be less or greater than the Issue Price, to be determined in the manner specified in the Applicable Pricing Supplement, at that Final Redemption Amount or, if no such amount or manner is so specified in the Pricing Supplement, at their Principal Amount; or
- (c) in the case of Zero Coupon Notes, at an amount (the “**Amortised Face Amount**”) equal to the sum of: (i) the Reference Price; and (ii) the product of the Implied Yield (compounded semi-annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or, as the case may be, the date upon which



such Note becomes due and payable, or such other amount as is provided in the Applicable Pricing Supplement.

- 8.5.2. Where such calculation is to be made for a period which is not a whole Number of years, it shall be calculated on the basis of actual days elapsed divided by 365, or such other calculation basis as may be specified in the Applicable Pricing Supplement.

8.6. Instalment Notes

Instalment Notes will be redeemed at the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 8.5.

8.7. Partly Paid Notes

If the Notes are Partly Paid Notes, they will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 8 and the Applicable Pricing Supplement.

8.8. Exchangeable Notes

- 8.8.1. If the Notes are Exchangeable Notes, they will be redeemed, whether at maturity, early redemption or otherwise in the manner indicated in the Applicable Pricing Supplement.

- 8.8.2. Exchangeable Notes in respect of which Mandatory Exchange is indicated in the Applicable Pricing Supplement as applying, or upon the exercise by the Noteholder of the Noteholders' Exchange Right (if applicable), will be redeemed by the Issuer delivering to each Noteholder so many of the Exchange Securities as are required in accordance with the Exchange Price. The delivery by the Issuer of the Exchange Securities in the manner set out in the Applicable Pricing Supplement shall constitute the *in specie* redemption in full of such Notes.

8.9. Purchases

The Issuer may at any time purchase Notes at any price in the open market or otherwise. In the event of the Issuer purchasing Notes, such Notes may (subject to restrictions of any applicable law) be held, resold or, at the option of the Issuer, cancelled.

8.10. Cancellation

All Notes which are redeemed will forthwith be cancelled. Where only a portion of Notes represented by a Certificate are cancelled, the Transfer Agent shall deliver a Certificate to such Noteholder in respect of the balance of the Notes.

8.11. Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note, pursuant to Condition 11 or upon its becoming due and repayable as provided in Condition 11, is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph 8.5.1(c) under Condition 8.5, as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of: (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and (ii) where relevant, 5 (five) days after the date on which the full amount of the moneys payable has been received by the Central Securities Depository, and notice to that effect has been given to the Noteholders in accordance with Condition 16.



9. TAXATION

As at 31st August 2023, all payments of principal or interest in respect of the Notes will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges (“**taxes**”) of whatever nature imposed or levied by or in or on behalf of the behalf of the country of domicile (or residence for tax purposes) of the Issuer or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law.

10. PRESCRIPTION

The Notes will become void unless presented for payment of principal and interest within a period of three years after the Relevant Date thereof.

11. EVENTS OF DEFAULT

11.1. Events of Default relating to Senior Notes

An Event of Default shall occur if:

- 11.1.1. the Issuer fails to pay any principal or interest under the Notes on its due date for payment and such failure continues for a period of 10 (ten) Business Days after the due date for such payment; or
- 11.1.2. the Issuer fails to perform or observe any of its other obligations under any of the Terms and Conditions and such failure continues for a period of 30 (thirty) calendar days after receipt by the Issuer of a notice from the Noteholders requiring same to be remedied; or
- 11.1.3. the Issuer fails to remedy a breach of Condition 5 and such failure continues for a period of 30 (thirty) calendar days after receipt by the Issuer of written notice from the holders of Senior Notes requiring same to be remedied; or
- 11.1.4. the Issuer defaults in the payment of the principal or interest, or any obligations in respect of Material Indebtedness of, or assumed or guaranteed by, the Issuer when and as the same shall become due and payable and where notice has been given to the Issuer of the default and, if such default shall have continued for more than the notice period (if any) applicable thereto and the time for payment of such interest or principal or other obligation has not been effectively extended or if any such obligation in respect of Material Indebtedness of, or assumed or guaranteed by, the Issuer shall have become repayable before the due date thereof as a result of acceleration of maturity by reason of the occurrence of an event of default thereunder; or
- 11.1.5. any action, Condition or thing, including the obtaining of any consent, licence approval or authorisation now or in future necessary to enable the Issuer to comply with its respective obligations under the Notes is not taken, fulfilled or done, or any such consent, licence, approval or authorisation shall be revoked, modified, withdrawn or withheld or shall cease to be in full force and effect resulting in the Issuer being unable to perform any of its payment or other obligations under the Notes; or
- 11.1.6. the Issuer becomes subject to any liquidation, business rescue order, administration, or the Issuer or any of the Notes becomes de-listed by the DSE, whether provisional or final, or if any trustee, liquidator, curator, business rescue practitioner or any similar officer is appointed in respect of the Issuer; or
- 11.1.7. an order is made or an effective Act of Parliament is passed for the winding-up of the Issuer, save for the purposes of a merger, consolidation or reorganisation in terms approved by Noteholders by way of an Extraordinary Resolution; or
- 11.1.8. an attachment, execution or other legal process is levied, enforced, issued or sued out on or against any Material Assets of the Issuer and is not discharged or stayed within 30 (thirty) days; or



11.1.9. the Issuer ceases or threatens to cease to carry on the whole or a material part of its business, save:

(a) for the purposes of merger, amalgamation or reorganisation on terms approved by an Extraordinary Resolution of the Noteholders, or

(b) as may be required by or in accordance with any legislation or Governmental directive;

the Issuer is unable to pay its debts, suspends or threatens to suspend payment of all or a material part of its aggregate Indebtedness, commences negotiations or takes any other step with a view to the deferral, rescheduling or other re-adjustment of all or a material part of its aggregate Indebtedness, proposes or makes a general assignment or an arrangement or a composition with or for the benefit of its creditors or a moratorium is agreed or declared in respect of or affecting all or a material part of the aggregate Indebtedness of the Issuer; or

11.1.10. proceedings are initiated against the Issuer or any step is taken by any person with a view to the seizure, compulsory acquisition or expropriation of Material Assets of the Issuer; or

11.1.11. the Issuer transfers, sells or otherwise disposes of the whole or a substantial part of its assets or shareholding which may lead to a change of control in the Issuer, undertakings or revenues save as approved by an Extraordinary Resolution of the Noteholders.

11.1.12. If the Issuer becomes aware of the occurrence of any Event of Default, the Issuer shall within 1 (one) business day of the happening of an event of default in respect of a Note notify all Noteholders and the DSE and publish the details of such event.

11.1.13. Upon the happening of an Event of Default, the Noteholders may, by the passing of an Ordinary Resolution and providing written notice to the Issuer at its registered office, effective upon the date of receipt thereof by the Issuer, declare the Notes held by such Noteholder to be forthwith due and payable. Upon receipt of that notice, such Notes, together with accrued interest (if any) to the date of payment, shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 9.5).

11.2. Events of Default relating to Subordinated Notes

An Event of Default shall occur in respect of Subordinated Notes if any one or more of the events contemplated in 11.1.1, 11.1.2, 11.1.5, 11.1.6, 11.1.8, 11.1.9, and 11.1.10 above shall have occurred and be continuing, in which event the provisions of Conditions 11.1.12 and 11.1.13 shall apply *mutatis mutandis*.

12. **EXCHANGE OF BENEFICIAL INTERESTS AND REPLACEMENT OF INDIVIDUAL DEPOSITORY RECEIPTS**

12.1. Exchange of Beneficial Interests

12.1.1. The holder of a Beneficial Interest in Notes may, in terms of the Applicable Procedures in the Dar es Salaam Stock Exchange Rules, 2022, by written notice to the holder's nominated Central Securities Depository Participant (or, if such holder is a Central Securities Depository Participant, the CSD), request that such Beneficial Interest be exchanged for Notes in definitive form represented by an Individual Depository Receipt (the "**Exchange Notice**"). The Exchange Notice shall specify (i) the name, address and bank account details of the holder of the Beneficial Interest and (ii) the day on which such Beneficial Interest is to be exchanged for an Individual Depository Receipt; provided that such day shall be a Business Day and shall fall not less than 30 (thirty) calendar days after the day on which such Exchange Notice is given ("**Exchange Date**").



- 12.1.2. The holder's nominated Central Securities Depository Participant will, following receipt of the Exchange Notice, through the CSD, notify the Transfer Agent that it is required to exchange such Beneficial Interest for Notes represented by an Individual Depository Receipt. The Transfer Agent will, as soon as is practicable but within 14 (fourteen) calendar days after receiving such notice, in accordance with the Applicable Procedures, procure that an Individual Depository Receipt is prepared, authenticated and made available for delivery, on a Business Day falling within the aforementioned 14 (fourteen) day period, to the Central Securities Depository Participant acting on behalf of the holder of the Beneficial Interest in respect of the conversion at the specified office of the Transfer Agent; provided that joint holders of a Beneficial Interest shall be entitled to receive only one Individual Depository Receipt in respect of that joint holding, and the delivery to one of those joint holders shall be delivery to all of them.
- 12.1.3. In the case of the exchange of a Beneficial Interest in Notes issued in uncertificated form:
- (a) the CSD shall, prior to the Exchange Date, surrender (through the CSD system) such uncertificated Notes to the Transfer Agent at its specified office; and
 - (b) the Transfer Agent will obtain the release of such uncertificated Notes from the CSD in accordance with the Applicable Procedures.
- 12.1.4. An Individual Depository Receipt shall, in relation to a Beneficial Interest:
- (a) in a Tranche of Notes which is held in the CSD, represent that number of Notes as have, in the aggregate, the same aggregate Nominal Amount of Notes standing to the account of the holder of such Beneficial Interest; or
 - (b) in any number of Notes issued in uncertificated form of a particular aggregate Nominal Amount standing to the account of the holder thereof, represent that number of Notes of that aggregate Nominal Amount,
 - (c) as the case may be, and shall otherwise be in such form as may be agreed between the Issuer and the Transfer Agent; provided that if such aggregate Nominal Amount is equivalent to a fraction of the Specified Denomination or a fraction of any multiple thereof, such Individual Depository Receipt shall be issued in accordance with, and be governed by, the Applicable Procedures.
- 12.1.5. Subject always to Applicable Laws and the Applicable Procedures, upon the replacement of a Beneficial Interest in Notes with Notes in definitive form represented by an Individual Depository Receipt in accordance with this Condition 12 (Exchange of Beneficial Interests and Replacement of Individual Depository Receipts), such Notes (now represented by an Individual Depository Receipt) will cease to be listed at the DSE and will no longer be lodged in the CSD. Notes represented by Individual Depository Receipts will be registered in the Register in the name of the individual Noteholders of such Notes.
- 12.2. Individual Depository Receipts shall be provided (whether by way of issue, delivery or exchange) by the Issuer without charge, save as otherwise provided in these Terms and Conditions. Separate costs and expenses relating to the provision of Certificates and/or the transfer of Notes may be levied by other persons, such as a Central Securities Depository Participant, under the Applicable Procedures and such costs and expenses shall not be borne by the Issuer. The costs and expenses of delivery of Certificates otherwise than by ordinary post (if any) and, if the Issuer shall so require,



taxes or governmental charges or insurance charges that may be imposed in relation to such mode of delivery shall be borne by the Noteholder.

- 12.3. Any person becoming entitled to registered Notes in consequence of the death, sequestration or liquidation of the holder of such Notes may upon producing such evidence that he holds the position in respect of which he proposes to act under this Condition 12 or of his title as the Issuer and the Transfer Agent shall require, be registered himself as the holder of such Notes or, subject to the requirements of the Applicable Procedures and of this Condition 12, may transfer such Notes. The Issuer and the Paying Agent shall be entitled to retain any amount payable upon the Notes to which any person is so entitled until such person shall be registered as aforesaid or shall duly transfer the Notes.
- 12.4. If any Individual Depository Receipt is worn out, mutilated, defaced, stolen, destroyed or lost it may be replaced at the registered office of the Issuer or the office of the Transfer Agent specified in the Applicable Pricing Supplement, on payment by the claimant of such costs and expenses as may be incurred in connection therewith and the provision of such indemnity as the Issuer may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued at the registered office of the Issuer or the office of the Transfer Agent.

13. TRANSFER OF NOTES

13.1. Transfer of registered Notes

13.1.1. Transfer of Beneficial Interests in Notes held in the CSD

- (a) Beneficial Interests may be transferred only in accordance with the Applicable Procedures through the CSD.
- (b) The CSD maintains accounts for its Central Securities Depository Participants. Central Securities Depository Participants are in turn required to maintain securities accounts for their clients.
- (c) Transfers of Beneficial Interests to and from clients of Central Securities Depository Participants occur by way of electronic book entry in the securities accounts maintained by the Central Securities Depository Participants for their clients, in accordance with the Applicable Procedures.
- (d) Transfers of Beneficial Interests among Central Securities Depository Participants occur through electronic book entry in the central securities accounts maintained by the CSD for the Central Securities Depository Participants, in accordance with the Applicable Procedures.
- (e) Transfers of Beneficial Interests in Notes will not be recorded in the Register and the party recorded in the Uncertificated Securities Register in accordance with Applicable Law and the Applicable Procedures and named in the Register will continue to be reflected in the Register as the Noteholder of such Notes notwithstanding such transfers.

13.1.2. Transfer of Notes represented by Individual Depository Receipts

- (a) In order for any transfer of Notes represented by an Individual Depository Receipt to be recorded in the Register, and for such transfer to be recognised by the Issuer:
 - i. the transfer of such Notes must be embodied in a Transfer Form;



- ii. the Transfer Form must be signed by the registered Noteholder of such Notes and the transferee, or any authorised representatives of that registered Noteholder or transferee; and
- (b) the Transfer Form must be delivered to the Transfer Agent at its specified office together with the Individual Depository Receipt representing such Notes for cancellation.
- (c) Notes represented by an Individual Depository Receipt may only be transferred, in whole or in part, in amounts of not less than the Specified Denomination (or any multiple thereof).
- (d) Subject to this Condition 13.1.2 (*Transfer of Notes represented by Individual Depository Receipts*), the Transfer Agent will, within 3 (three) Business Days of receipt by it of a valid Transfer Form (or such longer period as may be required to comply with any Applicable Laws and/or Applicable Procedures), record the transfer of Notes represented by an Individual Depository Receipt (or the relevant portion of such Notes) in the Register, and authenticate and deliver to the transferee at the Transfer Agent's specified office or, at the risk of the transferee, send by mail to such address as the transferee may request, a new Individual Depository Receipt in respect of the Notes transferred reflecting the outstanding Nominal Amount of the Notes transferred.
- (e) Where a Noteholder has transferred a portion only of Notes represented by an Individual Depository Receipt, the Transfer Agent will authenticate and deliver to such Noteholder at the Transfer Agent's specified office or, at the risk of such Noteholder, send by mail to such address as such Noteholder may request, at the risk of such Noteholder, a new Individual Depository Receipt representing the balance of the Notes held by such Noteholder.
- (f) The transferor of any Notes represented by an Individual Depository Receipt will be deemed to remain the owner thereof until the transferee is registered in the Register as the holder thereof.
- (g) Before any transfer of Notes represented by an Individual Depository Receipt is registered in the Register, all relevant transfer taxes (if any) must have been paid by the transferor and/or the transferee and such evidence must be furnished as the Issuer and the Transfer Agent may reasonably require as to the identity and title of the transferor and the transferee.
- (h) No transfer of any Notes represented by an Individual Depository Receipt will be registered whilst the Register is closed as contemplated in Condition 14 (*Register*).
- (i) If a transfer of any Notes represented by an Individual Depository Receipt is registered in the Register, the Transfer Form and cancelled Individual Depository Receipt will be retained by the Transfer Agent.
- (j) If a transfer is registered, then the Transfer Form and cancelled Individual Depository Receipt will be retained by the Transfer Agent.
- (k) In the event of a partial redemption of Notes under Conditions 8.3 and 8.4 the Transfer Agent shall not be required in terms of Conditions 8.3 and 8.4, to register the transfer of any Notes during the period beginning on the tenth day before the date of the partial redemption and ending on the date of the partial redemption (both inclusive).
- (l) The Notes shall, upon transfer, be fully paid up.



14. REGISTER

14.1. The Register of Noteholders shall:

14.1.1. be kept at the specified office of the Registrar or such other person as may be appointed for the time being by the Issuer to maintain the Register;

14.1.2. contain the names, addresses and bank account numbers of the registered Noteholders;

14.1.3. show the total Nominal Amount of the Notes held by Noteholders;

14.1.4. show the dates upon which each of the Noteholders was registered as such;

14.1.5. show the serial numbers of the Individual Depository Receipts and the dates of issue thereof;

14.1.6. be open for inspection, without charge, at all reasonable times during business hours on Business Days by any Noteholder or any person authorised in writing by a Noteholder; and

14.1.7. be closed during each Books Closed Period.

14.2. The Registrar shall alter the Register in respect of any change of name, address or account number of any of the Noteholders of which it is notified.

14.3. Except as provided for in these Terms and Conditions or as required by law, in respect of Notes, the Issuer will only recognise a Noteholder as the owner of the Notes registered in that Noteholder's name as per the Register.

14.4. Except as provided for in these Terms and Conditions or as required by law, the Issuer shall not be bound to enter any trust in the Register or to take notice of or to accede to the execution of any trust (express, implied or constructive) to which any Individual Depository Receipt may be subject.

15. REGISTRAR, CALCULATION AGENT AND FISCAL AGENT

15.1. The Issuer is entitled to vary or terminate the appointment of the Registrar, the Calculation Agent, the Fiscal Agent and/or otherwise and/or appoint additional or other agents and/or approve any change in the specified office through which any agent acts, provided that there will at all times be a Registrar, Calculation Agent, a Fiscal Agent and/or otherwise with an office in such place as may be required by the Applicable Procedures. The Registrar, Fiscal Agent and the Calculation Agent and/or otherwise act solely as the agents of the Issuer and do not assume any obligation towards or relationship of agency or trust for or with any Noteholders.

15.2. To the extent that the Issuer acts as the Registrar, Calculation Agent or Fiscal Agent, all references in these Terms and Conditions to:

15.2.1. any action, conduct or functions in such role shall be understood to mean that the Issuer shall perform such action, conduct or function itself; and

15.2.2. requirements for consultation, indemnification by or of, payment by or to, delivery by or to, notice by or to, consent by or to or agreement between the Issuer and such Registrar, Calculation Agent or Fiscal Agent (as the case may be) shall be disregarded to the extent that the Issuer performs such role.

16. NOTICES

All notices to Noteholders shall comply with the mandatory provisions of the law, including the Companies Act and the DSE Listing Rules in force from time to time.

16.1. Subject to Condition 16.2, all notices (including all demands or requests under the Terms and



Conditions) to the Noteholders will be valid if mailed by electronic mail to their e-mail addresses appearing in the Register or delivered by hand to their addresses appearing in the Register. Each such notice will be deemed to have been given, if sent by electronic mail, on the day of its sending (except that any such sending after 16h30 shall be deemed to have been received on the following day) or if delivered in person or by courier, at the time of delivery, as the case may be.

- 16.2. For so long as the Notes are held in their entirety by the CSD, notice as contemplated in Condition 16.1 shall be given by way of delivery by the Issuer of the relevant notice to the CSD for communication to the holders of Beneficial Interests.
- 16.3. Where any provision of the Terms and Conditions requires notice to be given to the Noteholders of any matter other than a meeting of Noteholders, such notice will be given *mutatis mutandis* as set out in Condition 16.1 and Condition 16.2, respectively, subject to compliance with any other time periods prescribed in the provision concerned.
- 16.4. All notices (including all communications, demands and/or requests under the Terms and Conditions) to be given by or on behalf of any Noteholder to the Issuer or the Transfer Agent, as the case may be, will be in writing and will be valid if delivered by hand, together with a certified copy of the relevant Individual Depository Receipt, if any, to the Specified Office of the Issuer or the Specified Office of the Transfer Agent, as the case may be, and marked for the attention of the directors. Any notice to the Issuer or the Transfer Agent, as the case may be, will be deemed to have been received by the Issuer or the Transfer Agent, as the case may be, if delivered in person or by courier, at the time of delivery.
- 16.5. Whilst any of the Notes are held in uncertificated form, notices to be given by any holder of a Beneficial Interest to the Issuer shall be given by such holder through such holder's relevant Participant in accordance with the Applicable Procedures.

17. MEETINGS OF NOTEHOLDERS

17.1. Convening of meetings

- 17.1.1. The Issuer may at any time convene a meeting of all Noteholders or holders of any Series of Notes, and shall be obliged to do so upon the request in writing of Noteholders holding not less than 10% (ten percent) of the aggregate Nominal Amount of all Notes or Notes in that Series, as the case may be, for the time being Outstanding (a "**requisition notice**"). All meetings of Noteholders shall comply with the mandatory provisions of the law, including the Companies Act (notwithstanding that the Companies Act refers to meetings of shareholders) and the DSE Listing Rules in force from time to time.
- 17.1.2. Upon receipt of the requisition notice, the Issuer shall immediately inform the DSE in writing, describing the purpose of the meeting; and release an announcement that the Issuer has received a demand to call a meeting from Noteholders pursuant to the provisions of the DSE Listing Rules and specifying the date and time of the meeting.
- 17.1.3. The Issuer shall:
 - (a) issue a notice of meeting (meeting in person or via conference call facilities) within 5 (five) Business Days from the date of receipt of the request to call a meeting of Noteholders;
 - (b) specify the date of the meeting as a date not exceeding 7 (seven) Business Days from when the notice of meeting is issued;



- (c) issued a notice of meeting that allows for a pre-meeting of the Noteholders (without the presence of the Issuer) on the same day/venue and at least 2 (two) hours before the scheduled meeting of Noteholders; and
- (d) release an announcement within 2 (two) Business Days after the meeting of Noteholders regarding the outcomes of the meeting.

17.1.4. In the event of the liquidation, business rescue or curatorship of the Issuer, the inability of the Issuer to pay its debts as they fall due or the Issuer becoming financially distressed as contemplated in the Companies Act, the reference to 5 (five) Business Days in Condition 17.1.3(a) shall be reduced to 2 (two) Business Days and 7 (seven) Business Days in Condition 17.1.3(b) shall be reduced to 5 (five) Business Days.

17.1.5. At the meeting, Noteholders are to exercise their voting through polling and not by the show of hands. The meeting will elect a chair as voted by Noteholders.

17.1.6. The Noteholder(s) who demanded the meeting may, prior to the meeting, withdraw the demand by notice in writing to the Issuer, a copy must be submitted to the DSE. Further, the Issuer may cancel the meeting if as a result of one or more of the demands being withdrawn, the Noteholders fail to meet the required percentage in Condition 17.1 to call a meeting.

17.2. Notice

(a) Notice of Written Resolution

- i. Unless the holders of 100% (one hundred percent) of the aggregate Nominal Amount of the Notes Outstanding or relevant Series of Notes Outstanding, as the case may be, have passed such relevant resolution, the Noteholders must be given at least 20 (twenty) business days' (exclusive of the day on which the notice is given and of the day on which the relevant resolution is to be submitted) to consider the notice and resolution. The written notice shall be given to the Noteholders and the Issuer Agent (with a copy to the Issuer). The notice shall set out the nature of the business for which the relevant resolution is proposed to be passed and shall include the full text of any resolutions proposed.
- ii. The Issuer will, for so long as any Note remains Outstanding and listed on the DSE, announce, by publishing such announcement in the manner required by the DSE, the details of the written resolutions being proposed within 24 (twenty four) hours after the notification of the proposed written resolutions have been distributed to the relevant Noteholders.
- iii. All notices of written resolutions shall comply with the mandatory provisions of the law, including the Companies Act and the DSE Listing Rules in force from time to time.

(b) Notice of Meetings

- i. Unless the holders of at least 100% (one hundred percent) of the aggregate Nominal Amount of the Notes Outstanding or relevant Series of Notes Outstanding, as the case may be, agree in writing to a shorter period, the Issuer may convene a meeting of all Noteholders upon at least 15 (fifteen) business days' prior written notice, in accordance with the Companies Act. This notice will include the date that the Issuer has selected to determine which Noteholders will receive the notice and the last date by which proxy forms will be submitted. Every such meeting shall be held at such time and place as the Issuer Agent may approve. The notice shall set out the nature of the business for which the



meeting is to be held, the full text of any resolutions to be proposed and shall state that a Noteholder may appoint a proxy (as defined) by delivering a form of proxy (as defined) to the Specified Office of the Issuer Agent by no later than 24 (twenty-four) hours before the time fixed for the meeting.

- ii. The Issuer will, for so long as any Note remains Outstanding and listed on the DSE, announce in the manner required by the DSE, the notice of meeting the date that the Issuer has selected to determine which Noteholders recorded in the Register will receive the notice of meeting and the last date by which proxy forms must be submitted.
- iii. A requisition notice by Noteholders requesting a meeting of Noteholders pursuant to Condition 17.1 (*Convening of meetings*) may consist of several documents in like form, each signed by one or more requisitioning Noteholders. Such a requisition notice will be delivered to the Specified Office of the Issuer.

17.3. Proxy

17.3.1. A Noteholder may by an instrument in writing (a “**form of proxy**”) signed by the Noteholder or, in the case of a juristic person, signed on its behalf by an attorney or a duly authorised officer of the juristic person, appoint any Person (a “**proxy**”) to act on his or its behalf in connection with any meeting or proposed meeting of the Noteholders. A Person appointed to act as proxy need not be a Noteholder.

17.3.2. Any Noteholder which is a juristic person may by resolution of its directors or other governing body authorise any Person to act as its Representative in connection with any meeting or proposed meeting of the Noteholders.

17.3.3. Any proxy or Representative appointed shall, so long as the appointment remains in force, be deemed for all purposes in connection with any meeting or proposed meeting of the Noteholder specified in the appointment, to be the holder of the Notes to which the appointment relates and the holder of the Notes shall be deemed for such purposes not to be the holder. All acts performed by the proxy, and all forms of proxy shall comply with the mandatory provisions of the law, including the Companies Act (notwithstanding that the Companies Act refers to meetings of shareholders) and the DSE Listing Rules in force from time to time.

17.4. Chairperson

The chairperson (who may, but need not, be a Noteholder) of the meeting shall be appointed by the Issuer. The procedures to be followed at the meeting shall be as determined by the chairperson subject to the remaining provisions of this Condition 17 (*Meetings of Noteholders*). Should the Noteholder requisition a meeting, and the Issuer fail to call such a meeting within 30 (thirty) days of the requisition, then the chairperson of the meeting held at the instance of the Noteholders shall be selected by a majority of Noteholders present in Person, by Representative or by proxy. The chairperson of an adjourned meeting need not be the same Person as was chairperson of the original meeting.

17.5. Quorum

17.5.1. At any such meeting one or more Noteholders present in Person, by Representative or by proxy, holding in aggregate not less than 30 (thirty) percent of the Nominal Amount of Notes held by the applicable Class of Noteholders for the time being Outstanding, shall form a quorum for the consideration of an Ordinary Resolution.



17.5.2. The quorum at any such meeting for passing an Extraordinary Resolution shall be one or more Noteholders of that Class of Noteholders present or represented by proxies or Representatives and holding or representing in the aggregate a clear majority in Nominal Amount of the Notes held by the applicable Class of Noteholders for the time being Outstanding.

17.5.3. No business will be transacted at a meeting of the Noteholders unless a quorum is present at the time when the meeting proceeds to business.

17.5.4. If within 1 (one) hour after the time fixed for any such meeting a quorum is not present, then:

- (a) in the case of a meeting requested by Noteholders, it shall be dissolved; or
- (b) in the case of any other meeting, it shall be adjourned for such period (which shall be not less than 14 (fourteen) days and not more than 21 (twenty-one) days and to such time and place as the chairperson determines and approved by the Issuer Agent; provided, however, that the meeting shall be dissolved if the Issuer so decides.

17.6. Adjournment of meetings

17.6.1. Subject to the provisions of this Condition 17 (*Meetings of Noteholders*), the chairperson may, with the consent of (and shall if directed by) any Noteholders, on a motion supported by the majority of Noteholders, adjourn a meeting of Noteholders or a Class of Noteholders from time to time and from place to place. All adjournments of meetings shall comply with the mandatory provisions of the law, including the Companies Act (notwithstanding that the Companies Act refers to meetings of shareholders) and the DSE Listing Rules in force from time to time.

17.6.2. No business shall be transacted at any adjourned meeting except business left unfinished, and which might lawfully have been transacted, at the meeting from which adjournment took place.

17.7. Notice following adjournment

17.7.1. Condition 17.2 (*Notice*) shall apply to any meeting which is to be resumed after adjournment for want of a quorum save that:

- (a) 7 (seven) days' notice (exclusive of the day on which the notice is given and of the day on which the relevant meeting is to be held) shall be sufficient; and
- (b) the notice shall state that one or more Noteholders present in Person, by Representative or by proxy whatever the Nominal Amount of the Notes held or represented by them will form a quorum for the purpose of considering any resolution, including an Extraordinary Resolution.

17.7.2. It shall not be necessary to give notice of the resumption of a meeting which has been adjourned for any other reason.

17.8. Participation

17.8.1. The following may attend and speak at a meeting:

- (a) Noteholders present, by Representative or by proxy provided that no such Person shall be entitled to attend and speak (or vote) unless he provides proof acceptable to the Issuer that he is a Noteholder, its Representative or proxy if so required by the Issuer to do so;
- (b) any officer or duly appointed representative of the Issuer and every other Person authorised in writing by the Issuer provided that such Person shall not be entitled to vote, other than as a proxy or Representative;



- (c) the legal counsel to the Issuer;
- (d) the Issuer Agent;
- (e) any other Person approved by the Noteholders at such meeting; and

every director or duly appointed representative of the Issuer and every other Person authorised in writing by the Issuer may attend and speak at a meeting of Noteholders, but shall not be entitled to vote, other than as a proxy or Representative.

17.9. Poll

Except where otherwise provided, every resolution proposed to be passed at a meeting shall be decided in the first instance on a poll. Any resolution proposed on the election of the chairperson or on any question of adjournment shall be taken at the meeting without adjournment.

17.10. Votes

17.10.1. Every Noteholder present in Person, by Representative or by proxy and who provided proof acceptable to the Issuer of his entitlement to vote, if so required by the Issuer, shall have one vote per Specified Denomination (or the nearest rounded off multiple thereof) of the relevant Series of Notes Outstanding held or represented by him.

17.10.2. The holders of Beneficial Interests in Notes must vote in accordance with the Applicable Procedures. Notwithstanding any other provision contained in this Condition 17 (*Meetings of Noteholders*), the Noteholder in respect of Uncertificated Notes shall vote on behalf of holders of Beneficial Interests in such Notes in accordance with the instructions from the holders of Beneficial Interests conveyed through the Central Securities Depository Participants in accordance with the Applicable Procedures.

17.10.3. In the case of a voting tie, the chairperson shall have a casting vote.

17.10.4. Unless the form of proxy states otherwise, a Representative or proxy shall not be obliged to exercise all the votes which he is entitled or cast all the votes which he exercises in the same way.

17.11. Validity of votes by proxies

Any vote by a proxy in accordance with the form of proxy shall be valid even if such form of proxy or any instruction pursuant to which it was given has been amended or revoked, provided that the Issuer Agent or the Issuer at its Specified Office has not been notified in writing of such amendment or revocation by the time which is 24 (twenty four) hours before the time fixed for the relevant meeting. Unless revoked, any appointment of a proxy under a form of proxy in relation to a meeting shall remain in force in relation to any resumption of such meeting following an adjournment.

17.12. Powers

17.12.1. A meeting of Noteholders will have the power, in addition to all powers specifically conferred elsewhere in the Terms and Conditions:

- (a) by Ordinary Resolution of the Noteholders to give instructions to the Issuer in respect of any matter not covered by the Terms and Conditions (but without derogating from the powers or discretions expressly conferred upon the Issuer by the Terms and Conditions or imposing obligations on the Issuer not imposed or contemplated by the Terms and Conditions or otherwise conflicting with or inconsistent with the provisions of the Terms and Conditions); and



- (b) by Extraordinary Resolution:
- (c) power to approve the substitution of any entity for the Issuer which shall be proposed by the Issuer;
- (d) power to sanction any abrogation, modification, compromise or arrangement in respect of the rights of the Class of Noteholders against the Issuer or against any of its property whether such rights shall arise under the Notes or otherwise;
- (e) power to give any authority or sanction which under the Terms and Conditions is required to be given by Extraordinary Resolution;
- (f) power to appoint any persons (whether Noteholders or not) as a committee or committees to represent the interests of the Noteholders of that Class and to confer upon such committee or committees any powers or discretions which the Noteholders could themselves exercise by Extraordinary Resolution;
- (g) power to sanction any scheme or proposal for the exchange or sale of the Notes for, or the conversion of the Notes into or the cancellation of the Notes in consideration of, shares, stocks, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any entity (corporate or otherwise) formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration for cash;
- (h) to sanction any compromise or arrangement proposed to be made between the Issuer and the Class of Noteholders or any of them; or
- (i) assent to any modification of the provisions contained in the Terms and Conditions which shall be proposed by the Issuer.

Unless otherwise specified elsewhere in the Terms and Conditions, resolutions of Noteholders will require an Ordinary Resolution to be passed.

17.13. Binding effect of resolutions

Any resolution passed in accordance with the provisions hereof and agreed to by the Issuer shall be binding upon all Noteholders whether or not present at such meeting and whether or not voting (or whether or not they signed any written resolution, as the case may be), and each Noteholder shall be bound to give effect thereto.

17.14. Notice of the result of voting on any resolution

Notice of the result of the voting on any resolution (including any Extraordinary Resolution) duly considered by the Noteholders shall be given to the Noteholders via an announcement within 48 (forty-eight) hours of the conclusion of the meeting or after the responses to the written resolution have been received. Non-publication shall not invalidate any such resolution. Minutes shall be available electronically upon request of any Noteholder.

17.15. Minutes

Minutes shall be made of all resolutions and proceedings of meetings by the Issuer Agent and duly entered in books to be provided by the Issuer for that purpose. The chairperson shall sign the



minutes, which shall be *prima facie* evidence of the proceedings recorded therein. Unless and until the contrary is proved, every such meeting in respect of which minutes have been summarised and signed shall be deemed to have been duly convened and held and all resolutions passed thereat, or proceedings held, to have been duly passed and held.

18. MODIFICATION

- 18.1. The Issuer may effect, without the consent of any Noteholder, any amendment to the Terms and Conditions, the agreements in relation to the security structure, the guarantee, security or credit enhancement agreements, which is of a technical nature or is made to correct a manifest error or to comply with mandatory provisions of the Applicable Law. Any such amendment will be binding on Noteholders and such amendment will be notified to the DSE, in relation to any Series of Notes or Tranche of Notes listed at the DSE, and to the Noteholders in accordance with Condition 16 as soon as practicable thereafter.
- 18.2. Subject to Condition 18.1, any amendment to the Terms and Conditions of (i) all of the Notes, (ii) a particular Series of Notes or (iii) a particular Tranche of Notes, as the case may be, may be made only with the prior authorisation of an Extraordinary Resolution of the Noteholders of all the Notes, an Extraordinary Resolution of the Noteholders of that Series of Notes or an Extraordinary Resolution of the Noteholders of that Tranche of Notes, as the case may be.
- 18.3. Accordingly, subject to Condition 18.1, if there is any proposed amendment to the Terms and Conditions of (i) all of the Notes, (ii) a particular Series of Notes or (iii) a particular Tranche of Notes, as the case may be, the Issuer will call a meeting of or distribute a notice of written resolution to the Noteholders of all the Notes or call a meeting of or distribute a notice of written resolution to the Noteholders of that Series of Notes or that Tranche of Notes, as the case may be. Any meeting or meetings will be regulated by the provisions set out in Condition 17. No proposed amendment will be made to the Terms and Conditions until such amendment has been approved by Extraordinary Resolution at such meeting or meetings or in terms of a written resolution. In relation to any Series of Notes or Tranche of Notes listed at the the DSE, the Issuer shall first obtain conditional formal approval from the DSE on the notice to Noteholders incorporating such proposed amendments in compliance with the DSE Listing Rules prior to delivery of such notice to Noteholders.
- 18.4. For the avoidance of doubt:
 - 18.4.1. the exercise by the Issuer of its rights under Condition 15 (*Issuer Agent, Transfer Agent, Calculation Agent and Paying Agent*) shall not constitute a modification of these Terms and Conditions; and
 - 18.4.2. it is recorded that the Applicable Pricing Supplement in relation to any Tranche of Notes may specify any other terms and conditions which shall, to the extent so specified or the extent inconsistent with the Terms and Conditions, amend, replace or modify the Terms and Conditions for purposes of such Tranche of Notes, but shall not constitute an amendment of the Terms and Conditions generally. The issuing of any Applicable Pricing Supplement shall not constitute an amendment of these Terms and Conditions.

19. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders to create and issue further Notes having terms and conditions the same as any of the other Notes issued under the Programme or the same in all respects save for the amount and date of the first payment of interest



thereon, the Issue Price and the Issue Date, so that the further Notes shall be consolidated to form a single Series with the Outstanding Notes.

20. **GOVERNING LAW**

Unless otherwise specified in the Applicable Pricing Supplement, the provisions of the Information Memorandum and the Notes are governed by, and shall be construed in accordance with, the laws of United Republic of Tanzania.

21. **SUBMISSION TO JURISDICTION**

The Issuer and the Noteholders, each, irrevocably submit to the jurisdiction of the courts of United Republic of Tanzania and waives any objection to proceedings in such courts whether on the ground of venue or on the ground that the proceedings have been brought in an inconvenient forum.



ECONOMIC OVERVIEW





ECONOMIC OVERVIEW

Overview of the global economy

Global growth is projected to decelerate sharply to 1.7% in 2023, to its third weakest pace in nearly three decades, overshadowed only by the 2009 and 2020 global recessions. (*World Bank Global Economic Prospect January 2023*). This is 1.3% below previous forecasts, reflecting increased policy tightening by Central banks aimed at containing very high inflation, worsening financial conditions, and continued disruptions from Russia's invasion of Ukraine.

The United States of America, Europe and China are undergoing a period of weakness and the spillovers are exacerbating headwinds in emerging markets. Investment growth in emerging market and developing economies is expected to remain below its average rate of the past two decades and further adverse shocks could push the global economy into yet another recession.

Emerging economies are especially vulnerable to such shocks because of their reliance on external trade and financing, limited economic diversification, elevated debt, and susceptibility to natural disasters.

Global Inflation

Inflation rose throughout 2022 in almost all economies. Median global headline inflation exceeded 9% in the second half of the year, its highest level since 1995. Inflation reached almost 10 percent in emerging markets and developing economies, its highest level since 2008, and in developed economies just over 9 percent, the highest since 1982. Inflation was above target in virtually all countries that have adopted inflation targeting. (World bank Global Economic Report, January 2023).

Global inflation was pushed higher by a combination of demand and supply factors. On the demand side, the acceleration of growth during the initial rebound from the 2020 global recession, as well as the lagged effects of earlier macroeconomic support, contributed to persistent price pressures. On the supply side, shortages of key commodities, exacerbated by Russia's invasion of Ukraine, contributed substantially to higher energy and food prices. In some countries, tight conditions and mismatches in labor markets further added to rising wages and higher input and production costs. Finally, many countries experienced large currency depreciations that passed through into higher import, producer, and consumer prices. The higher share of food in consumer spending has caused inflation to accelerate more in low-income countries compared to other emerging and developing economies.

Global core inflation has risen, reaching over 6% late last year, its highest level since 1992. As a result, short-term (one-year-ahead) inflation expectations have risen in most economies. In contrast, long-term (five year-ahead) inflation expectations have been relatively more stable, edging up by only about 0.15 percentage points in both advanced economies and emerging and developing economies since the onset of the pandemic. This stability may reflect the credibility of the commitment of most central banks to confront inflation, reinforced by recent policy tightening.

Inflationary pressures started to ease off towards the end of 2022, reflecting weakening demand and easing commodity prices. The share of countries where inflation is accelerating is trending. In the face of substantial monetary tightening, slowing activity, easing supply chain disruptions, and moderating prices for many non-energy commodities, both core and headline inflation are expected to decline over the forecast horizon. In many countries, however, high core inflation has been unexpectedly persistent, suggesting that global inflation will remain elevated for longer than previously envisaged.

Overview of the Tanzania economy

Real GDP

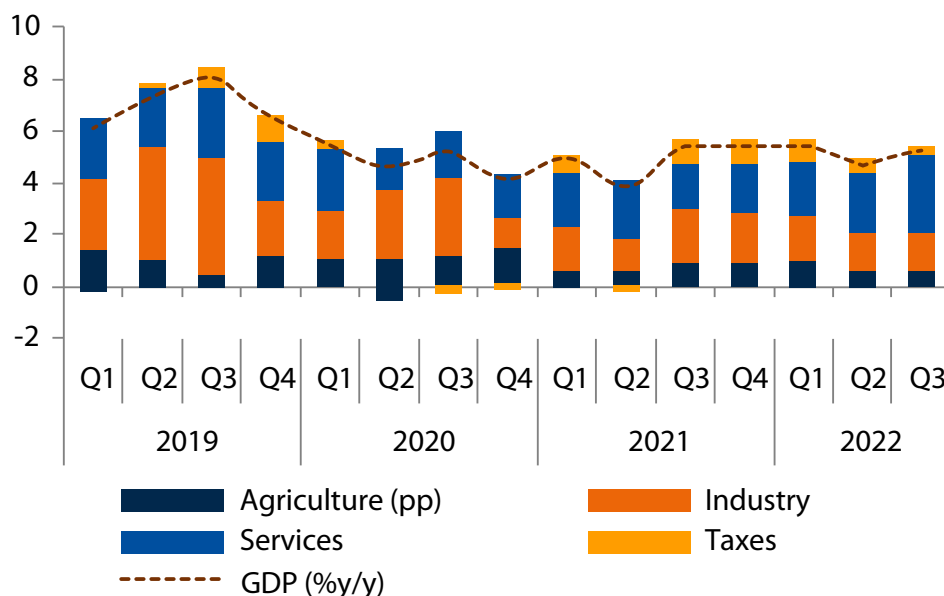
Real GDP expanded 5.2% y/y in Q3 2022, up from the preceding quarter's 4.8%. Brisk performances in transport, mining, construction, finance and manufacturing supported this growth. The agriculture



sector’s performance was solid as well despite regional weather-related challenges. The sector was one of the largest contributors to Q3 22 growth.

High-frequency indicators suggest that the pace of economic momentum eased in Q4, with tourist arrivals rising by 41% y/y compared with an 84% increase in the prior quarter. Notwithstanding the near-term headwinds, the medium-term GDP outlook remains positive, with growth expected to trend towards the pre-pandemic average of 6.8% by 2025. Growth will be supported by ongoing developments in the energy sector and related infrastructure projects, as well as the construction of the Standard Gauge Railway (SGR). Following the signing of the initial Host Government Agreement (HGA), negotiations among the Government, Shell and Equinor (the two prospective investors in the LNG project) are ongoing and expected to conclude sometime in February, paving the way for the signing of the final Host Government Agreement.

A final investment decision is targeted for 2025, with production and exports expected to start by 2030. Meanwhile, the construction of the East African Crude Oil Pipeline (EACOP) received a boost after Uganda approved the construction license on the condition that East Africa Crude Oil Pipeline secures all other required consents and permits. Tanzania has also approved the construction license, bringing the development of the project a step closer. In January, Turkey’s Yapi Merkezi, a privately owned company, launched the construction of the fourth phase of Tanzania’s SGR, which will see the towns of Tabora and Isaka connected through a 165km railway line.

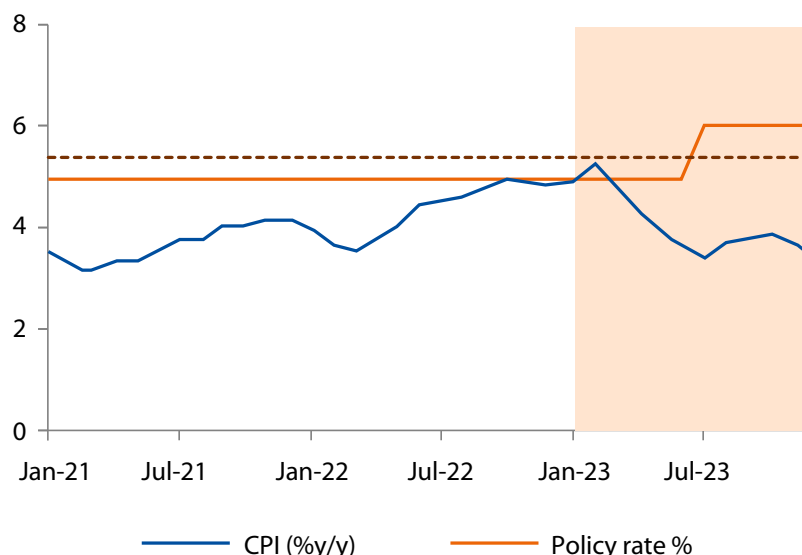


Source: TNBS, Absa Research, February 2023

Inflation

As with growth, inflation in Tanzania appears remarkably unaffected by the drought conditions in the broader region. Consumer inflation eased to 4% y/y in May 2023 from 4.3% in April 2023. Looking ahead inflation is expected to trend lower and average 4.2% in 2023 versus 4.3% in 2022. While food inflation and elevated international commodity prices remain a threat, the Government is likely to implement fuel and other subsidies to contain inflationary pressures. Against this backdrop, inflation is expected to remain below the Bank of Tanzania’s 5.4% target over the medium term.

Given this view, BoT’s Monetary Policy Committee may keep the policy rate unchanged through H1 23 and continue withdrawing liquidity to ensure inflation remains within target. The robust economic outlook will allow the BoT to hike the policy rate by 100bp in H2 23 to normalise the policy rate; however, slower-than-expected global growth and slowing domestic activity are risks that could see the BoT leaving the policy rate unchanged until end-2023.



Source: TNBS, Absa Research, February 2023

Government Budgetary Performance

Broad-based underspending continues to offset the revenue shortfall, resulting in a narrower budget deficit. Preliminary fiscal data for the first six months of FY2022/23 show that total revenue and expenditure were lower by 4.4% and 7.1%, respectively, relative to authorities' estimates, resulting in a 19.9% narrower fiscal deficit over the period. The revenue underperformance was attributed to lower domestic revenue collections and grants, while lower expenditure was mainly driven by broad-based underspending in the recurrent and development budget.

Year-to-date data indicate that the fiscal deficit for FY2022/23 may come in lower compared to the finance ministry's projection of 3.0% of GDP, respectively. This bodes well for the debt-to-GDP trajectory. Tanzania is one of the few countries in Africa with low debt levels, with the IMF assessing the country's risk of debt distress as moderate. Furthermore, in October 2022, Moody's affirmed Tanzania's long-term foreign and local currency rating (B2) and changed the sovereign's outlook from Stable to Positive citing reduced political risk.

BoT's monthly data show that the current account deficit widened to USD5.3 billion in 2022, more than double the USD2.4 billion recorded in 2021. This was largely due to a higher import bill, driven by petroleum imports. Exports rose by 6.9% y/y while imports jumped 42.4% amid elevated oil prices. As a result, the trade deficit widened to USD7.0bn, up from USD3.2bn the prior year. The services account surplus increased on higher travel and transport receipts as tourist arrivals rose. The primary income account recorded a marginally larger deficit, while the secondary income surplus rose owing to an increase in transfers. The latest external sector data suggest that the current account is likely to record a much wider deficit of 7.0% of GDP in 2022 compared with a deficit of 3.5% in 2021. While a moderation in oil prices is likely to reduce the current account deficit, an increase in capital goods imports for infrastructure projects will likely keep the deficit high at 6.4% in 2023.

Exchange Rate

The shilling remained resilient, depreciating just 1.1% to 2,330 against the USD in 2022 amid a risk-off environment that spurred USD outflows from emerging and frontier markets. Absa's USD/TZS 2023 year-end forecast of 2,373 reflects 1.9% annual depreciation in the currency as it expects the shilling to remain under pressure given the expectation that the USD demand and supply imbalance will persist. The large current account deficit will also likely contribute to the currency weakness. However given expectations of financial flows (FDI and loans), the BoT is expected to intervene in the market if needed, to limit large currency moves.



Market Outlook

	2019	2020	2021	2022F	2023F	2024F	2025F
Real GDP (% y/y)	7.0	4.8	4.9	5.2	5.8	6.0	6.6
GDP (USD bn)	60.6	64.2	69.9	74.8	80.5	85.0	89.7
Current account balance (% GDP)	-2.2	-2.3	-3.5	-7.0	-6.4	-5.8	-5.2
Fiscal balance (% GDP)	-3.1	-1.9	-3.8	-3.6	-3.3	-3.1	-2.9
Public debt (% GDP)	49.0	47.2	50.3	52.0	54.1	55.8	55.3
CPI (% Dec/Dec)	3.8	3.2	4.2	4.8	3.7	4.6	3.7
CPI (% avg)	3.4	3.3	3.7	4.3	4.2	4.4	3.8
Policy rate (% eop)	7.0	5.0	5.0	5.0	6.0	6.0	6.0
USD/TZS (eop)	2,299	2,319	2,305	2,330	2,373	2,459	2,534
USD/TZS (avg)	2,303	2,314	2,312	2,326	2,357	2,421	2,500
	Q4 22	Q1 23F	Q2 23F	Q3 23F	Q4 23F	Q1 24F	Q2 24F
CPI (% y/y, eop)	4.8	5.1	4.1	3.8	3.7	4.3	4.5
Policy rate (% eop)	5.0	5.0	5.0	6.0	6.0	6.0	6.0
	Spot	Q1 23F	Q2 23F	Q3 23F	Q4 23F	Q1 24F	Q2 24F
USD/TZS (eop)	2,338	2,344	2,354	2,364	2,373	2,395	2,416
ZAR/TZS (eop)	131.2	137.9	136.0	133.5	131.9	130.9	129.9

Source: BoT, NBS, MOF, Bloomberg, Absa Research, February 2023

Overview of the Banking Sector

There are currently 34 banks present in Tanzania, but the sector is largely dominated by the largest five. It is expected that the ongoing efforts by the BoT to promote consolidation, as well as a continued effort to improve the sector will bring the industry in line with regional standards. While bad debt continues to be a worry, most banks have good levels of capitalisation and reserves to withstand potential negative shocks. Also, the industry level of non-performing loans (NPLs) has fallen considerably in recent quarters. Bank profits are expected to be robust in the coming quarters due to high lending rates, and strong client loan growth as a result of impressive economic activity and improving loan quality. However, loan growth will be weighed down slightly by base effects and tighter monetary policy. The sector will continue to be supported by investments in digital initiatives.

Tanzania's client loan is expected to grow to be 20.0% year on year in 2023, after growth of 24.1% in 2022. While strong economic growth and improved loan quality will support loan growth, base effects and tighter monetary policy will act as headwinds to credit growth. Similarly, after growing 20.6% y-o-y in April 2023, personal loans (38.6% of total private credit, the largest component), will remain strong for the rest of 2023. Lending will be supported by moderating inflation and rising incomes supporting private consumption.

All sectors of the economy, aside from hotels and restaurants which saw credit grow by just 0.1% y-o-y in April 2023, have seen double-digit lending growth, as a result of the improving macroeconomic environment.

Banks will remain profitable over 2023, following robust profits in 2022. This will be driven by the large differential between the average lending rates of Tanzania's banks and the BoT's discount rate, as well as investments in digital banking services

Efforts by the BoT to reduce NPLs has worked considerably well, with the ratio falling from 9.7% in Q221 to 6.1% in Q123, which will support loan growth. It is expected that NPLs will fall further in 2023. The banking sector also has robust levels of capital adequacy, with capital above regulatory requirements. The total capital adequacy ratio was 20.2% in Q123, compared to the regulatory requirement of 12.0%. Ongoing efforts to improve banking sector supervision are likely to ensure that banks' average capital ratios remain strong over the coming years.



Creating the regulatory framework for digital products can increase the depth of the banking and insurance market. Fintech and mobile banking are expanding rapidly, which will help attract people into the formal financial sector.

Some of the challenges in the banking industry include difficulties in assessing creditworthiness mean that banks traditionally charge extremely high rates of interest in order to compensate for uncertain risk. Despite the central bank setting low discount rates during the pandemic, banks maintained high lending rates, ultimately constraining credit demand.

On June 1 2023, the BoT implemented a number of restrictions on foreign currency transactions to alleviate a shortage of dollars and 'safeguard the stability of the financial system'. The BoT ordered businesses to stop pricing goods and services using the dollar, stating the Tanzanian shilling is the only legal tender in the country. For now, the central bank has been selling at least USD2.0mn to commercial banks daily to regulate the supply of the dollar and keep liquidity stable. However, this is an increasingly important issue for Tanzania's banks, which have seen falls in their liquidity ratios over the past decade.

Source: BMI Tanzania Banking & Financial Services Report Q3 2023



USE OF PROCEEDS

The net proceeds from each Tranche will be used to finance eligible green, social and sustainable projects in line with the sustainable Bond principles. In addition, the net proceeds will also be used for strategic lending to productive economic sectors or as otherwise may be described in the applicable Pricing Supplement of each Tranche



DESCRIPTION OF NMB BANK PLC

Overview

As at the date of this Information Memorandum, NMB was the largest bank in Tanzania by market capitalisation¹, providing banking services to individuals, small to medium sized corporate clients, as well as large businesses.

NMB operates through three principal business units: Treasury, Wholesale Banking and Retail Banking. Highlights for the year ended 31 December 2022:

- The Bank's net loans and advances grew by TZS 1.4trillion (29%) year on year, driven by an increase in both Retail & Wholesale loans particularly personal loans. Government securities increased by TZS 205 billion (12%) attributed to yield improvement and deposits growth. Placements and balances with banks decreased by TZS 150 billion (45%) while cash and balances with Bank of Tanzania increased by TZS 67 billion (5%) as the Bank focused in growing loans & advances in diversified ways predominantly to private sector. This asset growth was funded by customer deposits, which grew by TZS 935 billion (14%) and net additional borrowing of TZS 326 billion from FMO and BOT.
- There was an increase in Bank's non-earning assets 7% year on year mainly attributable to increase in cash resulting from deposits growth and deferred Tax while Property and Equipment decreased by TZS 16 billion (10%) as they continue to depreciate.
- During the year, the Group recorded a net profit after tax of TZS 431.6 billion (2021: TZS 292.1 billion), while the Bank earned a net profit of TZS 429.3 billion (2021: TZS 290.2 billion), an increase of 48% year-on-year. This increase in profit was mainly attributed to growth in net interest income and net fees and commission income by TZS 110.1 billion and TZS 76.4 billion respectively.
- The Bank's total operating income grew 27% year on year to TZS 1,107.3 billion (2021: TZS 868.9 billion). The growth is from the Bank's net interest income which increased by 16% following growth in loans and advances while net fees and other income increased by 31% mainly attributed to increase in transaction volumes in Agency Banking, Mobile Banking (NMB Mkononi), Card Business & Fx Income.
- The Bank's operating expenses increased slightly by 9% during the year due to cost efficiency initiatives deployed by the Bank during the year on operating and capital expenditure.
- NMB operated 227 branches, 781 ATMs, and over 19,870 agents. NMB also offers mobile, internet banking, QR codes, and supports several cards products; and
- Consistent dividend policy with a proposed dividend per share of TZS 286 (2021: TZS 193).

History of NMB

NMB was established under the National Microfinance Bank Limited Incorporation Act of 1997, following the restructuring of the former National Bank of Commerce. Three new entities were created at the time, namely: NBC Holding Limited, National Bank of Commerce (1997) Limited and National Microfinance Bank Limited. In 1997, NMB's mandate was limited to the provision of payment services as well as offering savings accounts with limited lending capabilities.

In 2005, the Government of the Tanzania privatized the Bank when it sold part of its shareholding (49%) to a consortium led by the Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. ('Rabobank Group').

¹ NMB, DSE



In 2008, the Tanzanian Government sold an additional 21% of its shareholding to the public through an initial public offer.

In 2020, the share transfer from Rabobank to Arise B.V. was successfully completed. Following regulatory approval from the Ministry of Finance and Planning (MOFP), the Bank of Tanzania, the Fair Competition Commission (FCC), Tanzania Revenue Authority (TRA), Business Registrations and Licensing Agency (BRELA), and the Capital Markets and Securities Authority, RaboBank completed the transfer of 174,500,000 shares held in NMB to Arise B.V. who now own 34.9% of the shares in NMB.

The Bank continues to be listed on the DSE and boasts a diverse investor base.

Share capital and ownership

NMB has 625,000,000 (2019: 625,000,000) authorized ordinary shares with a par value of TZS 40 each of which 500,000,000 (2019: 500,000,000) are issued and fully paid up.

As at 31 December 2022, the Bank's shareholders were as outlined below:

Table 4: Shareholders

Shareholder	% Shareholding
Arise B.V	34.9
Treasury Registrar (Government of Tanzania)	31.78
National Social Security Fund (NSSF Uganda)	4.68
National Investment Company Limited (NICOL)	4.08
Sajjad Fidahusseini Rajabali	3.11
Aunali Fidahusseini Rajabali	3.11
Banque Pictet and Cie Sa A/C Patrick Schegg	1.8
Public Service Social Security Fund (PSSSF)	1.56
Duet Africa Opportunities Master Fund	0.9
Umoja Unit Trust Scheme	0.86
African Lions Funds Ltd	0.6
Zanzibar Social Security Fund	0.59
BNYM Re Frontaura Global Frontier Fund Lc	0.54
TCCIA Investment Company Limited	0.52
General Public	10.97
Total	100

Source: NMB Management as at 31 December 2022

Subsidiaries and affiliates

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Bank's subsidiaries and associates which are listed below have share capital consisting solely of ordinary shares and are incorporated and operate within Tanzania which is also their principal place of business.



Name	% Shareholding
Upanga joint venture company limited (UJV)	88%
Tanzania mortgage refinance company limited (TMRC)	7.81%

Description of the Bank's Business

With a balance sheet of over TZS 10.2 trillion as of 31st December 2022, NMB Bank is the largest financial institution in Tanzania with 5,978,886 customers and employing 3,544 full-time staff as at end of December 2022.

The Bank offers a full suite of financial services and products to a wide range of its clientele in its Retail, Wholesale and Treasury business divisions. The Bank had 227 branches, 19,870 active agents (Wakala), 4 standalone Bureau de Change outlets, 39 cash collection points and 781 ATMs across the country at the end of December 2022. The Bank is listed on the DSE in Tanzania.

NMB achieved great success in 2022 and has been recognized through several local and international awards. In 2022, NMB won 22 locally and globally recognized awards from prestigious institutions, all naming and affirming the Bank as the leading and most innovative financial solutions provider in Tanzania. In recognition of its leadership in the debt capital markets in Tanzania, NMB's Jasiri Gender Bond was awarded the platinum winner in the Sustainable Bond of the year category at the 2022 Global SME finance award held in Phnom Penh, Cambodia. The Jasiri Bond was cross-listed on Luxembourg Stock Exchange in March 2023.

The following table shows the contribution of the different divisions within NMB to its major financial indicators as at 31 December 2022.

TZS millions	Treasury	Wholesale Banking	Retail Banking	UJVC	(Eliminations)/ Consolidations	Total
Interest income	177,780	70,707	705,169			953,656
Interest expense	(7,735)	(62,128)	(97,444)		3,287	(164,020)
Net Interest Income	170,045	8,579	607,725		3,287	789,636
Operating profit	178,858	(46,148)	478,901	2,286	1,268	615,165
Profit after tax	125,566	(32,398)	336,208	1,028	1,268	431,672
Segment assets, liabilities and equity						
Total Assets	3,719,911	1,078,768	5,194,447	40,741	(86,760)	10,234,552
Total Liabilities and equity	1,701,845	3,096,885	5,122,789	40,742	(81,036)	10,234,552

Source: NMB Annual Report Financial Year 2022

Wholesale Banking Business

The Wholesale Banking business line includes corporate banking (large corporate customers and parastatals), government banking (central and local government), institutional banking (insurance,



pension funds, non - Governmental organizations (NGOs), governmental agencies), transactional banking and agribusiness (crop financing), supported by a specialized transactional services teams.

NMB offers a full suite of wholesale banking solutions, including:

- Corporate lending
- Deposit-taking
- Trade finance
- Syndications
- Structured Financing
- Global Digital Transaction Services
- Chinese Desk
- Call Accounts
- Asset Financing
- Trade Finance
- Term Deposits
- Trust Accounts

Retail Banking

Retail Banking has traditionally been and continues to be, NMB's core line of business. NMB's Retail Banking business provides a full range of lending, transactional and savings solutions through personal banking (including civil servants) and micro small and medium sized enterprises banking.

The Bank relies on its extensive branch network to offer a full range of financial services to its customers with the main products being:

- Fixed Deposit Accounts
- Bancassurance
- Salaried Worker Loans
- SMEs
- Mortgage & Construction Loans
- Pensioner Loans
- Bonus Accounts
- Agri financing
- Credit, Debit, Prepaid, UPI Cards

Treasury

The Treasury business is subdivided into ALM (Asset and Liability Management) which manages assets and liabilities of the bank and Global markets which manages the bank's forex risk and interest rate risk exposures as well as engaging in both forex and government securities trading activities. NMB has a strong Treasury sales team supported by a specialized transactional services team. The Treasury business serves a wide range of clients including the government, individuals, small to large corporates and institutions.

In 2018 Treasury added two new lines of services, Custody services and Advisory Services. The Custody services unit engages in securities safekeeping and record keeping, asset servicing, transaction processing and settlement while the Advisory services team assist SMEs and corporates with capital raising & optimization, M&A advisory as well as strategic & financial advisory.

Treasury main products include

- Fixed Income Bond Trading
- Spot Foreign Exchange
- Risk Management Products (Forwards, Swaps)
- International Transfers-18 currencies supported
- Securities Services
- Advisory Services



Technology and Digital Transformation

NMB recognizes the strategic importance of banking technology in terms of its impact on banking operations and the Bank is currently leveraging technology to help build economies of scale, reduce transaction costs and better serve its customers.

- NMB has introduced pioneering, digitally led solutions to the market, including digital micro loans (Mshiko Fasta), an enhanced Agency Banking model (Pesa Wakala) and QR payments solutions (Lipa Mkononi) in response to its customers' changing needs.
- The Bank has widened its digital inclusion by driving innovation through partnerships:
 - In 2018, NMB embarked on a journey to drive financial inclusion through partnerships with Fintech Companies. By 2022, NMB had already enabled over 200 start-up companies to test on its sandbox
- NMB continues to make advancements in mitigating cyber risks. The Bank has enhanced the protection of its information assets including systems and data. This includes the implementation of a state-of-the-art AI-based protection technology system. Furthermore, the Bank has implemented technologies to continuously detect and block cyber-attacks. In an effort to identify systems security gaps in a timely manner, NMB conducts security tests on its systems throughout the year. Lastly, the Bank has continued to embrace compliance with International Standards, particularly with certification of PCI DSS and PCI PIN.
- To complement its wide branch network, the Bank has invested heavily in innovative delivery channels which have played a critical role in improving access to financial services and widening financial inclusion. This includes:
 - NMB Mkononi
 - Agency Banking
 - Internet Banking (NMB Direct)
 - Branch Network and ATM
 - Cards and Merchants_ widely recognized range of card-based payment products, including debit cards, credit cards, pre- paid cards, and QR codes as cash-free payment solutions.
- NMB continues to strategically position its business by transforming its processes using robotic process automation (RPA) to improve on turnaround time and embrace more digital transformation by modernizing the banking systems infrastructure from legacy systems to new emerging technologies. Furthermore, the Bank continues to empower its staff through skilled and sophisticated tailor-made training.

The Bank's ambition remains to be a strong digital enabler in every aspect of its business. Looking ahead, NMB will continue to lay emphasis on disciplined execution of its strategic initiatives to drive strong value-creation and outcomes for its stakeholders, by leveraging and enhancing its digital capabilities to drive continued digital transformation and client excellence.

Competition

The Tanzanian financial sector is made up of the following as defined by the Bank of Tanzania:

- a. Banks: institutions authorized to receive money on current accounts subject to withdrawal by cheque
- b. Financial institutions: institutions licensed by the BoT and authorized to engage in banking business not involving the receipt of money on current accounts subject to withdrawal by cheque.
- c. Foreign exchange bureaus: registered by the Bank of Tanzania and entrusted with the task of changing money over the counter under the Foreign Exchange Act, 1992 and Foreign Exchange (Bureaux de Change) Regulations, 2019 as amended.

According to the 2022 annual report from BoT's directorate of bank supervision, there were 34 commercial banks, 5 community banks, 5 microfinance banks, 2 development finance institutions, 1 housing finance.



company, 3 financial leasing companies, 2 credit reference bureaux and 3 bureaux de change with 38 branches. There were 960 bank branches across Tanzania.

Risk Management

The Board accepts final responsibility for risk management and internal control systems of the Bank. The Board has delegated the day-to-day risk management to the executive committee, which has implemented an enterprise risk management framework that sets out clear processes of risk management to protect the bank, its clients and customers. The Bank's risk management strategy is aimed at maintaining strong and robust financials in order to build a sustainable franchise. In particular, it focuses on:

- Safeguarding the Bank's identity and reputation
- Protection of profits and profit growth
- Maintaining solid balance sheet ratios

The executive committee has delegated day-to-day responsibility for implementing the Bank's risk management policies and overseeing the Bank's risk management function to an independent risk management department. This division, working in conjunction with the Bank's business lines, identifies, monitors, measures and reports on the various operating risks.

Executive Management Committee ("**EXCO**") recognizes that the primary responsibility for monitoring and mitigating operating risk lies firstly with the individual business units (Wholesale Banking, Retail Banking and Treasury), secondly with the risk management division which provides independent oversight and challenges and lastly with the internal audit function which provides independent assurance to Management and the Board over the effectiveness of governance, risk management and control over current, systemic and evolving risks.

Credit Risk Policy

The Bank's lending activities are guided by the Bank's credit risk policy and in line with BoT's guidelines. In determining the level of risk that the Bank is willing to take for the various sectors and proactive management of sectoral lending concentrations, the management has developed a risk appetite statement that sets out the principles, objectives and measurements to utilise NMB's funding resources efficiently. It seeks to manage its credit risk and loan portfolio concentration.

The Bank has developed an automated credit decision making system for micro-finance loans (credit scoring) and also implemented a centralized disbursement, loan monitoring and collections centre for retail loans. The credit scoring system already in place for micro loans including Agri MSE has significantly improved turnaround times. NMB has also internally developed an automated collateral management module which has significantly improved the audit trail, ease of information and documents retrieval and quality.

The Bank is currently automating its credit application workflow and management for corporate lending, SMEs and large agribusiness by using an automated internal risk rating and a risk-based pricing tool to improve the quality of its loan book. The table below breaks down the Bank's main credit exposure at their carrying amounts, as categorized by the industry sectors of its counterparties. (Amounts are in TZS' Millions):

**Table 5: Bank's main credit exposure**

As at December 31	2022 TZS' Millions	%	2021 TZS' Millions	%
Financial institutions	3,207,426	33%	3,076,310	38%
Manufacturing	264,208	4%	205,960	3%
Trading and commercial	812,496	8%	471,004	6%
Transport and communication	123,976	1%	124,621	2%
Wholesale and retail	347,812	4%	322,483	4%
Agriculture	520,514	5%	333,092	4%
Individuals	3,732,399	39%	3,283,247	41%
Others	12,738	6%	219,994	3%
Total	9,621,569		8,036,711	

Source: NMB Annual Report for the year ended 31 December 2022

The Bank has a well-diversified portfolio of assets with no single obligation larger than the prescribed regulatory limit.

Table 6: Off-balance sheet credit exposure to customers by sector (Bank)

As at December 31	2022 TZS' Millions	%	2021 TZS' Millions	%
Financial institutions	146,166	7%	1,739	0%
Manufacturing	207,778	11%	69,020	6%
Trading and commercial	284,863	15%	480,012	39%
Transport and communication	101,030	5%	29,648	2%
Wholesale and retail	1,127,880	58%	445,106	36%
Agriculture	79,151	4%	76,069	6%
Individuals	13	0%		0%
Others	5,549	0%	132,167	11%
Total	1,952,430		1,233,761	

Source: NMB audited financial statements for the year ended 31 December 2022



Market Risk

The Bank takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate and currency, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, and foreign exchange rates. The Bank separates exposures to market risk into either trading or non-trading portfolios.

The market risks arising from trading and non-trading activities are concentrated in the Bank's treasury department and monitored regularly. Regular reports are submitted to the Bank's Assets and Liabilities Committee ("ALCO") and heads of department. Trading portfolios include those positions arising from market-making transactions where the Bank acts as principal with clients or with the market. Non-trading portfolios primarily arise from the interest rate management of the Bank's retail and corporate banking assets and liabilities.

Going Concern

The Board of Directors confirms that applicable accounting standards have been followed and that the financial statements included in the Reporting Accountants Report have been prepared on a going concern basis. The Board has a reasonable expectation that the Bank has adequate resources to continue in operational existence for the foreseeable future.

Regulatory Environment

Banks and financial institutions are regulated by the BoT and have to adhere to the following regulations (including but not limited to):

1. Banking and Financial Institutions (Licensing) (Amendment) Regulations, 2022
 2. The Banking and Financial Institutions (Capital Adequacy) Regulations, 2014 and The Banking and Financial Institutions (Capital Adequacy) (Amendment) Regulations, 2015
 3. The Anti-Money Laundering (Amendment) Act, 2022
 4. The Foreign Exchange Regulations, 2022
 5. The Banking and Financial Institutions (Corporate Governance) Regulations, 2021
 6. The Banking and Financial Institutions (Foreign Exchange Exposure Limits) Regulations, 2014
 7. The Banking and Financial Institutions (Consolidated Supervision) Regulations, 2014
 8. The Banking and Financial Institutions (Credit Concentration and Other Exposures Limits) Regulations, 2014
 9. The Banking and Financial Institutions (Disclosures) Regulations, 2014
 10. The Banking and Financial Institutions (External Auditors) Regulations, 2014
 11. The Banking and Financial Institutions (Internal Control and Internal Audit) Regulations, 2014
 12. The Banking and Financial Institutions (Liquidity Management) Regulations, 2014
 13. The Banking and Financial Institutions (Management of Risk Assets) Regulations, 2014
 14. The Banking and Financial Institutions (Physical Security Measures) Regulations, 2014
 15. The Banking and Financial Institutions (Prompt Corrective Actions) Regulations, 2014
- Additionally, NMB is a listed company and has to adhere to rules and regulations set out by the CMSA and the DSE.

Capital Adequacy

Capital adequacy and the use of regulatory capital are monitored daily by the Bank's management, employing techniques based on the guidelines developed by the Basel Committee, as implemented by the BoT, for supervisory purposes. The required information is filed with the BoT on a quarterly basis.

As set out in the Banking and Financial Institutions (Capital Adequacy) Regulations, 2014:

- Every bank shall commence operations with and maintain at all times a minimum core capital of not less than fifteen billion shillings (TZS15,000,000,000) or such higher amount as the Bank may determine.
- Every bank or financial institution shall maintain at all times a minimum core capital and total capital of not less than twelve and one half per cent (12.5%) and fourteen and one half per cent (14.5%) respectively of its total risk-weighted assets and off balance sheet exposures.



Commercial banks however have a three-year moratorium to comply with the increased capital adequacy requirements.

The Bank's regulatory capital as managed by its finance department is divided into two tiers:

- Tier 1 capital: share capital, retained earnings and reserves created by appropriations of retained earnings. Prepaid expenses and deferred charges are deducted in arriving at Tier 1 capital; and
- Tier 2 capital: qualifying subordinated loan capital and general provision which are held against future, presently unidentified losses and are freely available to meet losses which subsequently materialise.

The risk-weighted assets are measured by means of a hierarchy of five risk weights classified according to the nature and reflecting an estimate of credit, market and other risks associated with each asset and counterparty, taking into account any eligible collateral or guarantees. A similar treatment is adopted for off-balance sheet exposure, with some adjustments to reflect the more contingent nature of the potential losses.

During the year ended 31 December 2022, the Bank complied with all of the externally imposed capital requirements to which it is subject.





BOARD OF DIRECTORS, CORPORATE GOVERNANCE AND MANAGEMENT

The Structure of the Board

As at the date of this Information Memorandum, the Board of Directors comprised eight directors. The Board takes overall responsibility for the Bank, including responsibility for identifying key risk areas, considering and monitoring investment decisions, considering significant financial matters, and reviewing the performance of management business plans and budgets. The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles.

The Board is required to meet quarterly, with additional meetings convened as necessary. The Board delegates the day-to-day management of the business to the Managing Director assisted by the management team. The management team is invited to attend board meetings and facilitate the effective control of all the Bank's operational activities, acting as a medium of communication and coordination between all the various business units.

Corporate Governance

The Bank is committed to the principles of effective corporate governance. The Directors also recognize the importance of integrity, transparency and accountability. During the year the Board had board sub-committees to ensure a high standard of corporate governance throughout the Bank.

The Bank is led by independent members of the Board who, by their skills and diversity, contribute to the efficient running of the Bank. The Board is responsible for the overall corporate governance of the Bank, ensuring that appropriate controls, systems and practices are in place.

The Board regularly undergoes self-assessment and evaluation under the guidance of an independent party in order to improve the internal governance of the Board and its Committees.

Board Committees

The Board Committees act on behalf of the Board to direct the Bank effectively and accelerate the decision-making process. These committees that assist the Board execute its mandate, include:

Board Executive Committee

The Committee assists the Board in fulfilling its oversight responsibilities in accordance with the Articles of Association of the Company. The Committee exercises the powers of the Board in managing the business and affairs of the Company during the intervals between Board meetings, when action by the Board is necessary or desirable but convening a special Board meeting is not warranted or practical.

Board Audit, Risk and Compliance Committee

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

Board Human Resources & Remuneration Committee

The primary function of the Committee is to assist the Board of Directors in fulfilling its oversight responsibility to shareholders by ensuring that there are appropriate Human Resources policies and strategies that provide the Company with the capability to achieve its short and long-term business objectives. This includes recruiting high caliber talent, training, developing employees and maintaining a high-performance culture and employee engagement that will drive organization success.

The Bank has in place processes and procedures for determining remuneration to Directors. Management normally provides a proposal of fees and other emoluments paid to directors after having conducted a market survey. This survey is presented to the Board before being table at the annual general meeting for final approval.



Company Secretary

The company secretary provides support and guidance to the Board in matters relating to governance and ethical practices. The company secretary is also responsible for induction programs of new directors, keeping board members abreast of relevant changes in legislation and governance principles.

Board Credit Committee

The Committee assists the full Board and provides oversight in the management of credit risk by reviewing continuously the credit portfolio, credit standards and credit policy and approving individual credit facilities where in excess of limits delegated to management.

Below is a summary of the board committees and the members as at 31 December 2022:

	Main Board	Board Executive Committee	Board Audit, Risk and Compliance committee	Board Human Resources And Remuneration Committee	Board Credit Committee	Total
Dr. Edwin P. Mhede	Chairman	Member	n/a	n/a	n/a	953,656
Juma Kisaame	Member	Chairperson	n/a	n/a	Member	(164,020)
Benson Mahenya	Member	n/a	Member	n/a	n/a	789,636
George Mandepo	Member	n/a	n/a	Chairperson	Member	
Hendrik Reisinger	Member	n/a	n/a	Member	Chairperson	615,165
Aziz Dachi	Member	n/a	Member	n/a	n/a	
Clement Mwinuka	Member	n/a	Chairperson	n/a	n/a	431,672
Ramadhani Mwikalo	Member	Member	n/a	Member	n/a	

Source: NMB Audited Financial Statements for the year ended 31 December 2022

Codes and Regulations

NMB complies with applicable legislation, regulations, standards and codes, with the Board continually monitoring regulatory compliance

Shareholders' responsibilities

The shareholders' role is to appoint the Board of Directors and the external auditors. This role is extended to holding the Board accountable and responsible for efficient and effective corporate governance.

Strategy

The Board is responsible for appointing the executive management, adopting a corporate strategy, policies and procedures and monitoring operational performance including identifying risks impacting the Company.

Sustainability and Social Responsibility

The Bank firmly believes in acting as a responsible corporate citizen by supporting the communities in which it operates to foster socio-economic development. Through the bank's Corporate Social Responsibility ("CSR") arm, the Bank has been consistently supporting the communities it serves. The Bank's CSR agenda is underpinned by the key pillars of education, health, financial capability, and disaster recovery. The Bank sets aside 1% of the after-tax profit every year and allocates the funds towards implementation of various community support initiatives in line with its CSR pillars. The Bank also launched the NMB Foundation to enhance the corporate social investment agenda by broadening impact to communities and further continue to spur transformation of the country.



Directors' Qualifications and Experience

	Date of Birth	Nationality	Profession	Date of Appointment
Dr. Edwin P. Mhede	05-Dec-1978	Tanzanian	Economist	Appointed on 05 June 2020
Juma Kisaame	10-May-1963	Ugandan	Banker	Appointed on 05 June 2020
Benson Mahenya	19-May-1968	Tanzanian	Certified Public Accountant	Appointed on June 2021
George Mandepo	29-Dec-1975	Tanzanian	Lawyer	Appointed on 15 June 2019
Hendrik Reisinger	27- Mar-1964	Dutch	Economist/Banker	Appointed on 15 June 2019
Aziz Dachi	14-Jul-1975	Tanzanian	Auditor	Appointed on 03 June 2022
Clement Mwinuka	18-Sep-1963	Tanzanian	Certified Public Accountant	Appointed on 03 June 2022
Ramadhani Mwikalo	03-Jun-53	Tanzanian	IT Expert	Appointed on 03 June 2022

The Directors and the Company Secretary can be reached at NMB's Head Office, Ohio/Ali Hassan Mwinyi Road, P.O. Box 9213, Dar es Salaam.

Dr. Edwin P. Mhede - Board Chairman

Dr. Mhede was appointed to join NMB Bank's Board of Directors on 5th June 2020. Thereafter, he was elected as Board Chairman. He is a certified Director by the Institute of Directors of Tanzania. He is also a recipient of the prestigious Japanese Foreign Minister's Commendation. He holds a Ph.D. and Master's degree in Development Economics from the National Graduate Institute for Policy Studies, in Tokyo, Japan. Dr. Mhede also holds a Bachelor of Science degree in Agricultural Economics and Agribusiness from Sokoine University of Agriculture in Morogoro, Tanzania.

Dr Mhede is a development economist by training and practice, with over 16 years working experience in the public and private sectors. He has a deep exposure in the professional practice of development microeconomics, trade and industrialization, economic policy analysis and management, international negotiations, and the empirics of industrial research and investment. He is currently the Chief Executive of Dar Rapid Transit Agency (DART) where he is managing a multimillion US Dollar project for transforming the public transport services using the seminal public-private partnership (PPP) approach in Dar es Salaam. Also, he sits on the Board of the National Development Corporation (NDC) where he chairs the Finance and Investment Committee. He has held various technical assignments and management roles in the Government up to the level of Deputy Permanent Secretary of Trade and Investment at the Ministry of Industry, Trade and Investments and Commissioner General of Tanzania Revenue Authority.

He is highly recognized for leading multifaceted economic programs for the growth of the public and private sectors in Tanzania. He is a founder, and therefore, he became the first Head of Tanzania Kaizen Unit under the Ministry of Industry and Trade for promoting bottom-up approaches in igniting product (or service) quality and productivity improvement in the manufacturing firms and public offices.

In his early career, Dr. Mhede worked as a Short-Term Consultant for the World Bank Group, in the Project of African Competitiveness in Light Simple Manufactured Products. He briefly served as Advisory Manager of Tanzania Agricultural Development Bank (TADB) and a Collaborating Researcher with and for the Policy Research for Development (REPOA) of Tanzania, African Centre for Technology Studies (ACTS), in Nairobi, Kenya and The Open University of UK (OU).

**Aziz Jumanne Dachi - Non-executive Director**

Mr. Dachi was appointed to join NMB Bank's Board of Directors in June 2022. He holds a Bachelor of Science in Computer Science from the University of Dar es Salaam and is an Associate Certified Public Accountant - ACPA and Certified Information Systems Auditor (CISA).

Mr. Dachi brings a wealth of experience in the areas of Systems Audit, Technology and Innovation, and Governance. He is currently the Assistant Auditor General Technical Support Services at National Audit Office of Tanzania and has over 18 year's work experience in Government and International Organizations. He is highly recognized in auditing Information and Communications Technology ("ICT") systems and in participating in Government negotiations with its various stakeholders.

Clement Esau Mwinuka – Independent Non-executive Director

Mr. Clement Esau Mwinuka was appointed to join NMB Bank's Board of Directors in June 2022. He earned his Master's of Science in Economic Management Policy (Industrialization, Trade & Economic Policy) and Master's of Science in Finance, both from University of Strathclyde, Glasgow, Scotland. He also holds Advanced Diploma in Certified Accountancy (ADCA) from Mzumbe University and is an Associate member of Certified Public Accountants in Tanzania, CPA (T).

Mr. Mwinuka has longstanding professional background with a career spanning over 30 years for various Government institutions and international organizations. He has extensive experience in areas of Governance, Financial Management, Audit, Risk Management, and Strategy.

He is currently working as an Independent Consultant and has held various management roles within Tanzania and at the SADC Secretariat, and is highly recognized for his contribution in the development of the Community.

Ramadhani Mwikalo – Independent Non-executive Director

Mr. Ramadhani Mwikalo was appointed to join NMB Bank's Board of Directors in June 2022. He holds a Master's Degree in Engineering from University of Ottawa, Ontario, Canada and is a registered Professional Engineer in Ontario, Canada. He is also registered with ICT Commission in Tanzania as an ICT Professional.

Mr. Mwikalo is a seasoned technology professional with over 40 years' distinguished experience in the Technology sector. He is currently working as an independent consultant and has previously served various national and international organizations, providing expertise through his deep understanding of technology and their implications for organizations.

Nationally, Mr. Mwikalo contributed to the development of various core government service delivery digital systems. Internationally, he worked in the United States (Silicon Valley) and has registered three ICT patents in Biometrics identification and Blockchain technologies with United States Patents and Trademarks Office (USTPO).

Benson Mahenya – Independent Non-executive Director

Mr. Mahenya was appointed to join NMB Bank's Board of Directors in 2021. He is an Associate Certified Public Accountant with 30 years of experience in auditing, banking, finance, management and accounting. He holds a Master's Degree in Finance from the University of Strathclyde, Scotland, a Master's Degree in Business Administration (MBA) and a Bachelor of Commerce degree in Finance both from the University of Dar es Salaam.

Mr. Mahenya is currently the Co-Chief Executive Officer of GSM Group of Companies. He is also the founding partner of BM Associates, an auditing and advisory firm, where he assists clients in restructuring their operations to achieve effective internal controls, higher efficiencies and increased productivity.



Throughout his career, he has held various senior leadership roles including Director of Finance and Administration at BancABC, Director of Finance and Administration at T-MARC, Senior Manager of Finance and Control at NMB Bank and Business Support Manager at Standard Chartered Bank.

He has been involved as a member and chairman of boards of several international and local institutions. He is currently a volunteer board member at Tanzania Growth Trust (TGT). Other notable governance roles he held in the past include Board Chairman of TIB Corporate Bank and Board Member at PASS Trust and SEDA/VisionFund, a subsidiary of World Vision.

George N. Mandepo – Non-executive Director

Mr. Mandepo was appointed to join NMB Bank's Board of Directors in June 2019. He holds a Master's Degree in Construction Law (LLM) from the University of Strathclyde and a Bachelor of Laws (LLB) from the University of Dar Es Salaam where he specialized in Company and Banking Laws.

Mr. Mandepo has over 17 years of experience in Tanzania's legal sector and has successfully undertaken several advisory assignments in the field of business operations, primarily in litigation and arbitration as well as other forms of alternative disputes resolutions (ADR). He is a Director of Arbitration in the Office of the Solicitor General where he heads a unit that is responsible for handling arbitration both domestically and internationally.

He has participated in various sector committees for research, review and formulation of various legislations mainly in agricultural and mining sectors. He has also provided legal advice in the institutional restructuring and reformation of a number of public institutions. He has been involved in various regional and international working groups and consultancies for the preparation of several legal instruments and rendering implementation advice.

Juma Kisaame - Non-executive Director

Mr Kisaame was appointed to join NMB Bank's Board of Directors in June 2020. He holds a Bachelor of Commerce Degree in Accounting from Makerere University.

Mr. Kisaame has over 30 years' professional experience in Banking and Financial Services, with deep expertise in the areas of Development Financial, Commercial Banking, Leasing, and Debt Recoveries. His previous career experience includes working for Uganda Development Bank, DFCU Limited Uganda, Non-Performing Assets and Recovery Trust, DFCU Leasing, Eurafrikan Bank Tanzania, and DFCU Bank Limited. He retired in 2018 having served as Chief Executive Officer of DFCU Bank for 10 years.

He has also served in several Board positions over the last decade, including as Chairman of Uganda Investment Authority (2014-2016), Non-Executive Director Jubilee Holdings Limited Kenya (2016 - 2021), President of the African Leasing Association (2000-2005), and Vice Chairman Uganda Bankers Association (2008-2010). He is also currently the Chairman Uganda Revenue Authority and Chairman Jubilee Life Company in Uganda.

Hendrik Reisinger - Non-executive Director

Mr. Reisinger was appointed to join NMB Bank's Board of Directors in June 2019. He holds a Master of Science Degree in Economic History from the University of Groningen and a Master of Science Degree in Business Economics from the University of Groningen.

Mr. Reisinger has over 25 years of experience working within the financial services industry with deep expertise in banking and risk management, business analysis and investment management. He joined Rabo International in 1990 and has held positions in Area Management, Food & Agribusiness Research and Corporate Finance. In 2005, he was appointed as Senior Investment Manager, and in 2016 as Head of Investments, a position he held until 2018. As such, he was responsible for negotiating and structuring the acquisition of minority equity participations in leading retail banks in China, Mozambique, Zambia, Rwanda and Uganda.



Reisinger is currently an independent non-executive director with relevant experience in both Africa and Europe. He has also founded a private company providing financial advisory services and board room services.

Consolatha Mosha – Ag. Company Secretary

Ms. Mosha is the bank's Ag. Company Secretary responsible for ensuring compliance of the Bank and the Board of Directors with relevant laws, rules, and regulations as well as sound Corporate Governance practices. She provides guidance and support to the Board on its duties and responsibilities within the scope of the Bank's governance framework.

Ms. Mosha is a registered advocate and member of Tanganyika Law Society (Bar Association for registered advocates in Tanzania mainland) and East Africa Law Society. She holds a Bachelor of Laws degree from Mzumbe University and a Master's degree in Information Technology and Telecommunication Laws from Open University of Tanzania in association with United Kingdom Telecommunication Authority. She is also a graduate of Female Future program where she successfully attained a certification of competence in Corporate Governance.

She has a wealth of experience spanning over 10 years in the banking industry dealing in company secretary duties and corporate law. Prior to being appointed as the Ag. Company Secretary, Consolatha held various managerial roles in the bank in supporting contracts management and Retail Business.

Board Changes

In the year 2022, four of NMB's Non-Executive Directors; Leonard Mususa, George Mulamula, Christine Glover, and Theresia Mihayo left the Board. Aziz Dachi, Ramadhani Mwikalo and Clement Mwinuka were appointed to the Board at the 22nd Annual General Meeting of the Bank's shareholders.

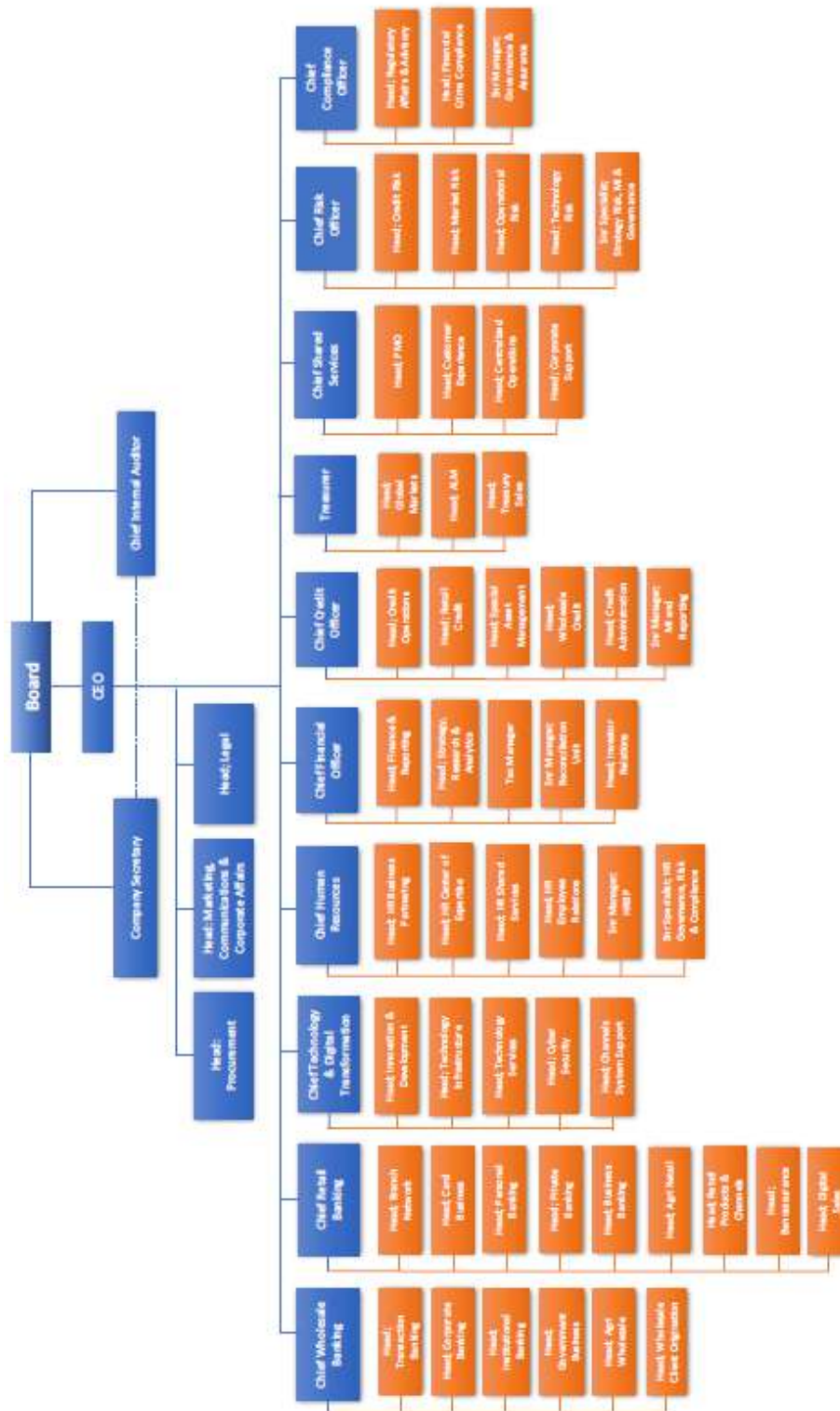
Directors Declaration

As at the date of application for listing and for a period of at least 2 years prior to that date:

- a. no petition under bankruptcy laws is or has been pending or threatened against any Director in any jurisdiction;
- b. there are and have been no criminal proceedings in which any Director was convicted of fraud or any criminal offence or where a Director was named subject of pending criminal proceedings nor are there any criminal or other offences or actions pending against me either within or outside Tanzania;
- c. and no Director have been, the subject of a ruling of a court of competent jurisdiction (in any jurisdiction) or governmental body, that permanently or temporarily prohibits or prohibited me from acting as an investment adviser, director or employee of a stockbroker, dealer, a director or employee of any financial institution or from engaging in any type of business practice or activity;
- d. no Director held any shares of the Company in each of the listed classes;
- e. no Director made any material acquisitions or disposals of share capital of the Issuer within a one year period prior to the public distribution; and
- f. there were no contracts existing between the Directors and the Issuer.



Management and Related Information





Key management committees

The senior management team executes its mandate through key management committees whose objectives are to implement the bank's strategy. These committees include:

Executive Committee

The purpose of the Committee is to assist the Managing Director in the performance of his duties in relation to the business.

The main responsibilities of the Committee are to:

- a. Determine and deliver financial and operational performance targets, and ongoing tracking, both in-year and over-time in accordance with agreed planning horizons
- b. Review the ongoing health of the overall business control framework; design and implement appropriate governance and control policies and standards; establish effective compliance monitoring programmes
- c. Recommend risk appetite; track the ongoing management of risk and adherence to risk appetite
- d. Review reports from all EXCO members, sub-and supporting committees on a regular basis.
- e. Manage and track any significant and strategic issues, including but not limited to matters of public policy, internal communications and reputational risk
- f. Oversee the management of the senior leadership, and talent proposition, including senior appointments

Assets & Liabilities Committee

ALCO is a Management Committee that reports to the Board Audit Risk and Compliance Committee (BARCC). The main purpose of ALCO is to achieve sustainable and stable profits within a framework of acceptable financial risks and controls. ALCO undertakes to maximize the value that can be generated from active management of its balance sheet and financial risks, within agreed risk parameters. It is therefore predominantly forward looking and scenario modelling focused.

Risk and Compliance Committee

The objective of the committee is to embed, and maintain effective control of risks in the Business by implementing ERMF; to oversee the management of the Business risk profile; and to provide assurance as to the design of the governance and control framework and the operational effectiveness of internal controls

Management Audit, Risk and Compliance Committee

The purpose of this committee is to monitor implementation of audit issues, review trends of key audits, risks and compliance issues across the bank as well as ensuring BARCC directives are implemented in a timely fashion.

Product Approval Committee

The objective of the Committee is to ensure that appropriate governance is followed on product development including Stakeholders' engagement and Customer value creation.

Customer Experience Management Committee

The purpose of the committee is to oversee the bank's medium-term strategic pillar to "Delight customers" by delivering innovative and transformative customer experience that promotes financial inclusion and wellbeing through:

- a. Determining, tracking and delivering customer experience targets
- b. Managing and tracking any significant and strategic issues relating to customer experience
- c. Reviewing the consumer protection control framework; designing and implementing appropriate governance and control policies and standards; establishing effective compliance monitoring programmes

Credit Committee

The purpose of the Credit Committee (CREDCOs) is to serve as NMB's main credit underwriting, monitoring and control function with a view to develop and grow a profitable loan book that guarantees the Bank a healthy credit portfolio and sustainable shareholders' value. At higher levels Wholesale CREDCO and Board Credit Committee (BCC) take more responsibility whereby the former reviews the Banks main



credit policy, operating manuals and procedures for approval by the latter. BCC has a total approval mandate for all credit applications which has been cascaded to the Management Credit Committees (Retail and Wholesale CREDCO's) based on the approval limit.

All key strategic decisions pertaining to credit matters such as design of loan products, risk appetite ceilings, relationship with BoT are managed and guided through Wholesale CREDCO with support and approval of the Board through its Board Credit Committee.

Management Tender Committee

The purpose of the Management Tender Committee (MTC) is to review and approve all purchases made above TZS 100 million.

Cost Efficiency Committee

The objective of the Cost Efficiency Committee is to ensure the Bank is cost efficient in the sense that the cost to income ratio is reduced to an optimal level and that the total income for the bank grows faster than operating costs (positive cost to income JAWs).

Management Credit Committees (Loan Portfolio Quality, Wholesale and Retail)

The credit committees were established to ensure the prudent management of the extension of credit facilities to customers, in accordance with the credit risk policies and procedures applicable to NMB.

Project Management Review Committee

The purpose of the committee is to support the objective of the NPA Policy, namely to ensure that the key risks associated with the introduction of new or amended products and services are identified, fully considered and addressed in a controlled manner prior to the launch of the product/service by:

- a. Ensuring that all initiatives that require NPA under the Policy are subject to thorough risk assessment and preparatory work before application is made for approval.
- b. Ensuring that the NMB NPA Process is complied with.
- c. Identifying, reporting and monitoring the remediation of breaches.
- d. Monitoring the control environment in the Bank in relation to the New Product Development Risk, and escalating control issues to the appropriate governance oversight committee.
- e. Ensuring that the NPA Training Framework is delivered effectively in the Bank so that all those who are involved in NPA work are aware of the Policy and Process requirements.

Anti-Fraud Round Table Committee

The purpose of the committee is to inform the management on the facts of the case and its investigation findings including:

- a. To find out if there are control failures / gaps which facilitated fraud incidences to happen.
- b. To give recommendations on remedial measures to stop / mitigate respective fraud incidents.
- c. To ensure appropriate disciplinary actions are taken by all staff who defraud the bank and for outsiders, ensure legal actions are taken against them.
- d. To reduce any losses and improve the internal controls
- e. To suggest immediate measures to limit any losses and improve the internal controls.

Data Governance Committee

The overall purpose for establishing a Data Governance Working Committee (DGWC) is to oversee and drive the implementation of the bank-wide Data Governance strategy, which includes, ensuring there are policies and procedures in place that support this strategy. In addition to monitoring data quality issues and ensuring compliance with the relevant data related regulations.



Executive Management

The senior management team comprises of professional executives with experience in their relevant fields. The members of this team as of 31 December 2022 are as indicated in the table below:

Name	Role
Ruth Zaipuna	Chief Executive Officer
Juma Kimori	Chief Financial Officer
Filbert Mponzi	Chief Retail Banking
Alfred Shao	Chief Wholesale Banking
Emmanuel Akonaay	Chief Human Resources Officer
Aziz Chacha	Treasurer
Benedicto Baragomwa	Chief Internal Auditor
Kwame Makundi	Chief Technology and Digital Transformation
Daniel Mbotto	Chief Credit Officer
Nenyuata Mejooli	Chief Shared Services
Doreen Joseph	Chief Risk Officer
Ezekiel Herman	Chief Compliance Officer

Ruth Zaipuna – Chief Executive Officer

Ms. Zaipuna is the Chief Executive Officer, responsible for driving the Bank's corporate strategy to deliver sustainable business growth. She is an Associate Certified Public Accountant (ACPA (T)) and holds a Master of Business Administration (MBA) in Finance and a Bachelor of Commerce (Hons) degree in accounting both from the University of Dar es Salaam.

Ms. Zaipuna has multisectoral experience, with emphasis in Audit & Consultancy and Banking Industries; having worked with PriceWaterhouseCoopers (PwC) as a Director, then with Standard Chartered Bank (Tanzania) in the capacities of Executive Director Finance & CFO as well as Business Finance Lead for the East African cluster. She joined NMB Bank PLC from Standard Chartered Bank as Chief Financial Officer in June 2018 and was appointed Chief Executive Officer in August 2020.

Ms. Zaipuna as an Independent Non-Executive Director at the Tanzania Portland Cement Company Limited (TPCC); Board member of Tanzania Ports Authority (TPA) and the Tanzania Petroleum Development Corporation (TPDC). She is also an Honorary Member in the Advisory Committee for the Tanzania Generation Equality Programme.

In recognition for her efforts in advancing the business case for gender diversity in Tanzania and Africa at large, the Accenture 10th Gender Mainstreaming Awards 2022, named Ruth Zaipuna, the Positive Role Model for Tanzania, and the Overall East Africa Inclusive Leader of the Year. At the continental level, the African Leadership Magazine awarded her the prestigious 'African Business Leadership Commendation Award' for 2022, for her outstanding stewardship towards supporting the country's overall socio-economic development agenda.

Benedicto Baragomwa – Chief Internal Auditor

Mr. Baragomwa is the Chief Internal Audit responsible for managing the internal audit and assurance activities of the Bank, reporting functionally to the Board Audit, Risk and Compliance Committee (BARCC) and administratively to the Chief Executive Officer. He holds a Master of Science in Economics and



Finance from University of Bradford (UK) and a Bachelor's Degree in Accounting & Finance from Mzumbe University (TZ). He is an Associate Certified Public Accountant (ACPA) by the National Board of Accountants and Auditors Tanzania, a Certified Information Systems Auditor (CISA) by ISACA and a Certified Director by the Institute of Directors in Tanzania (IoDT).

Mr. Baragomwa has extensive experience in auditing, corporate governance, strategy, risk, financial management and Data analytics. Prior to joining NMB Bank, he was an Audit Manager for ABSA Bank (formerly Barclays), having worked with KPMG East Africa as Senior Auditor, specializing in Financial Services Assurance. He has served the bank as Acting Chief Internal Auditor in two occasions and Acting Chief Financial Officer before his appointment to Chief Internal Audit. Mr. Baragomwa serves as a Board Member of the ISACA Tanzania Chapter.

Ezekial Herman – Chief Compliance Officer

Mr. Herman is currently the Chief Compliance Officer responsible for designing and implementing effective compliance programs to ensure that the bank adheres to the applicable laws, regulations, and ethical standards consistent with supporting the bank's strategic direction and growth aspirations. He is also responsible for managing the bank's regulatory relationships and assessing the adequacy of the efforts made by management and staff in complying with regulatory requirements and support management in building a robust compliance culture based on ethical standards of behavior and thus contributing to effective corporate governance.

Mr. Herman is an experienced professional in risk governance with over 16 years' practical experience in audit, financial crime risk management, and compliance with a deep understanding of Tanzania's regulatory environment. He holds Bachelor's Degree in Commerce with specialization in Accounting from the University of Dar es Salaam. He is a Certified Public Accountant (CPA) (T) and a member of the National Board of Accountants and Auditors Tanzania (NBAA).

Mr Herman rejoined NMB Bank in October 2022 as Chief Compliance Officer. Prior to this role, he worked for both local and international banks including Standard Chartered Bank, Barclays Bank and NMB Bank. He started his career as an auditor at Deloitte & Touché Tanzania office.

Aziz Chacha - Treasurer

Mr. Chacha is the bank's Treasurer and is responsible for overall asset and liability management, funding and capital optimization, foreign exchange as well as interest rate risk management. In addition, he is responsible for treasury's strategic direction.

Mr. Chacha is a Certified member of France-based ACI Financial Markets Association and holds an MBA from Manchester Business School of the University of Manchester, United Kingdom. He is currently pursuing a Doctorate Degree in Business and Management (PhD) from Strathmore University.

He has a wealth of experience spanning over 17 years in Treasury risk management, Treasury technology, capital markets/ corporate finance, capital planning and balance sheet management. Prior to joining NMB Bank in 2011, Mr. Chacha was in the Management Team of Barclays Tanzania, as the Country Treasurer.

Nenyuata Mejooli – Chief Shared Services

Ms. Mejooli is the Chief Shared Services responsible for leading the shared services support functions including customer experience, facilities, Business Continuity Management, operational transformation, and management and execution of strategic projects in the Bank.

Ms. Mejooli holds a Bachelor of Science in Electronics from Bangalore University (India) and a Master of Business Administration from Dublin City University (Ireland). She is also PRINCE 2 Practitioner and holds a leadership certificate from Gordon Institute of Business Science (GIBS), South Africa. She is also a Certified Board Member from ESAMI under the Female Future Program Tanzania and is a certified Director by Institute of Directors Tanzania (IoDT).



Ms. Mejooli is a seasoned banker with over 22 years' experience in Banking Operations, Operations risk, Quality assurance, and Business process improvement and re-engineering. She joined NMB Bank PLC from Standard Chartered Bank in September 2007 as Business Process Manager and has since held several roles including Senior Operations Manager, Senior Manager for Banking Operations, Head of Banking Operations and Head of Branch Network. Prior to her current appointment in June 2019, she was the Business Head; Shared Services since June 2018.

Kwame Makundi –Chief Technology and Digital Transformation

Mr. Makundi is the Chief Technology and Digital Transformation responsible for driving the Bank's digital and technology strategy.

He holds a Bachelor of Science in Computer Engineering and Information Technology from the University of Dar es Salaam (TZ) and Master of Business Administration (MBA) from Stellenbosch University, South Africa. He holds several IT certifications and has attended advanced courses in areas of IT service management, payments, banking, technology infrastructure, cyber security, emerging technologies, project management and leadership development.

Mr. Makundi has extensive experience in information, communication and technology (ICT), spanning over 16 years in technology leadership, operations and digital transformation. He joined NMB Bank PLC. in 2014 as Senior Manager; Service Desk and was later promoted to Head of Service Management in 2017. Prior to joining NMB Bank, he worked for telecommunication companies in Tanzania, including Tigo (MIC Group), Sasatel and Vodacom Tanzania.

Juma Kimori – Chief Financial Officer

Mr. Kimori is the Chief Financial Officer, responsible for strategy, planning, financial and regulatory reporting, tax compliance, business performance, research and analytics, investors relation and driving sustainability agenda for the bank.

He is an Associate Certified Public Accountant (ACPA (T)). He holds a Bachelor of Commerce in Accounting (Hons) from the University of Dar es Salaam and Master's Degree in Business Administration from ESAMI. He is a member of the National Board of Accountants, Institute of Internal Auditors (IIA) and a Certified Facilitator for the IIA with experience in delivering professional papers both within and outside Tanzania. He is also a Certified Director by the Institute of Directors Tanzania (IoDT).

Mr. Kimori started his career at PriceWaterhouseCoopers (PwC) as external auditor specializing on the audit of Financial Services. He has over 16 years of experience in banking, leadership, enterprise risk management, strategy formulation and execution, change management, corporate governance and reporting. He joined NMB Bank PLC. as the Chief Internal Auditor in 2018 responsible for assurance provision and reporting to the Board Audit, Risk and Compliance Committee (BARCC) functionally and administratively to the Chief Executive Officer (CEO). Prior to joining NMB Bank, he worked for Barclays Bank Tanzania as Chief Internal Auditor. Juma took additional role at Barclays Africa (now Absa) as Regional Director of Internal Audit providing leadership to the audit teams in Seychelles, Mozambique, Botswana, Zambia, Uganda, Ghana, and Zimbabwe. He has also served as a Board Member of IIA Tanzania since 2015 to 2020

Doreen Joseph – Chief Risk Officer

Ms. Joseph is the Chief Risk Officer responsible for overseeing the bank's overall risk strategy, planning, implementation, and coordination of all risk management activities through adequate management of Credit Risk, Market Risk, Liquidity, Operational Risk, Strategy Risk and Technology Risk.

She holds a Master's in Business Administration and a Bachelor's Degree in Commerce and Management both from the University of Dar es Salaam.

Ms. Joseph has over 15 years experience in risk management, leadership, strategy formulation and execution. Prior to joining NMB Bank, Doreen held several executive management roles including Chief



Manager Risk and Compliance at DCB Commercial Bank PLC and Senior Risk and Compliance roles at Twiga Bancorp and NBC Limited. She also worked with TIB Development Bank Ltd as a Principal Operational Risk Officer, and Deloitte and Touche' as an External Auditor. She has had several international attachments outside the country, notably with ABSA Bank South Africa and Development Bank of South Africa.

Emmanuel Akonaay – Chief Human Resources

Mr. Akonaay is the Chief Human Resources Officer responsible for driving the execution of the people agenda in line with the Bank's vision while providing the necessary guidance to the HR team in strategy implementation.

He holds a Master of Business Administration (MBA) from ESAMI and a Bachelor of Arts Degree from the University of Dar es Salaam. He is a certified Reward & HR practitioner and a certified Director by the Institute of Directors Tanzania (IoDT).

Mr. Akonaay has rich experience in Human Resources across diverse sectors including advisory, manufacturing, mining, and banking for over 16 years. Prior to his current role, Emmanuel was Head of HR Shared Services, responsible for designing and implementing staff welfare policies and employee relations in addition to leading optimal HR support functions. He joined NMB Bank from Ernst & Young as the country Head of Human Resources responsible to drive the HR agenda in strategic talent acquisition, development and retention. He previously worked with Barrick-Bulyanhulu Gold Mine, Serengeti Breweries and ABSA (formerly Barclays). Emmanuel serves as a Board Member of Prisons Corporation Sole (PCS).

Filbert Mponzi – Chief Retail Banking

Mr. Mponzi is the Chief Retail Banking responsible for development and execution of the Retail Banking Strategy, with focus on delivering the best in-class innovative, customer centric financial services for Individual, MSME and Agribusiness customers.

He is an Associate Certified Public Accountant (ACPA (T)). He holds a Bachelor of Commerce in Accounting (Hons.) from the University of Dar es Salaam and a Master of Business Administration from Eastern and Southern African Management Institute (ESAMI). He has also attended senior leadership courses at Harvard Business School (HBS) (USA) and Gordon Institute of Business Science (GIBS) in South Africa. He is also a Certified Director by the Institute of Directors Tanzania (IoDT).

Mr. Mponzi has over 17 years of experience in Retail Banking, MSME, Corporate Banking and Agri Business. He rejoined NMB Bank in June 2018 as Business Head; Wholesale Banking from NBC Bank. Before that, he worked at Barclays Tanzania, a member of Barclays Africa Group and recently Absa Group, where he served as Retail Banking Director and successfully drove the strategy to include Personal and Mass segments and pioneered the Distribution Optimization (Branches, ATMs and introduction of Agency Banking). He is a member of the Board of Trustees of Social Action Trust Fund (SATF), and a member of Investment Committee in SME Impact Fund.

Alfred Shao – Chief Wholesale Banking

Mr. Shao is the Chief Wholesale Banking responsible for Large Corporate customers and business, Transactional business, Government, and International Trade.

He is a certified accountant from the Association of Chartered Certified Accountants (ACCA). He holds a Master of Business Administration and Bachelor of Commerce in Corporate Finance, both from the University of Dar es Salaam.

Mr. Shao has over 17 years' experience in audit, asset portfolio management and risk assessment. Prior to joining the bank in 2020, Alfred worked with several international banks where he held various executive management roles including as Executive Director & Head of Commercial Banking at Standard Chartered Bank and as Head of Business Banking at Stanbic Bank.

**Daniel Mbotto – Chief Credit Officer**

Mr. Mbotto is the Chief Credit Officer, responsible for the overall credit function which includes the appraisal of loans, portfolio management, and collection of bad debts, and ensuring a sound portfolio quality.

He is a Certified Lender with advance certified credit skills recognized by Omega CSA and holds a Bachelor Degree in Business Management from the University of Mysore, India.

Mr. Mbotto is a seasoned banker with a wealth of experience spanning over 21 years holding various senior positions within local, regional and international banks, including assignments in the Seychelles and South Africa. Prior to his current role, he held similar positions at Stanbic Bank, National Bank of Commerce (NBC) and Barclays Bank. Throughout his career, he has accumulated a deep understanding of the Tanzanian market and attained strong requisites as a credit expert.

Employees

The Bank believes that its employees are its greatest resource and as such, every effort is taken to support the employees through various initiatives. The Bank is an equal opportunity employer and uses an objective recruitment process to ensure that the best available person is appointed to a position at any given time.

The Bank endeavors to ensure that training, career development and promotion of persons with disabilities should, as far as possible, be identical to those of other employees.

Initiatives that support employees include staff training in order to improve employees' technical skills and improve efficiency and effectiveness in delivering on commitments to customers. All employees receive some form of annual training to upgrade skills and enhance development.

Employees' benefits include:

- Medical assistance – all staff and their dependents (spouses and up to four children) are covered under a Bank-sponsored medical scheme, staff's parents and their in-laws are included under medical insurance with the current external service provider
 - Financial assistance – loans are available to staff subject to qualification of pre-set criteria and approval of management. These loan products include advances, mortgage loans, car and personal loans.
- As at 31 December 2022, the Bank had 3,544 employees.



TAXATION



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TAX





TAXATION

The following is a summary discussion of the tax regime relevant to issues of Notes under the Programme; the below is of general nature based on taxation law and practice in Tanzania and may be subject to changes after the date of this Information Memorandum. The following relates only to the position of persons who are the absolute beneficial owners of the Notes. This does not purport to be a complete analysis of all tax considerations relating to the Notes and so should be treated with appropriate caution. Prospective investors should consult their own professional advisors concerning the possible tax consequences of purchasing, holding and/or selling Notes and receiving payments of interest, principal and/or other amounts under the Notes and under the laws applicable to their country of citizenship, residence or domicile.

General

There are several tax legislations governing the tax law regime in Tanzania. However, for the purposes of the issue of Notes contemplated under the Programme, the predominant legislation affecting the Issuer is the Income Tax Act, Cap 332, R.E. 2004 (as amended from time to time over the years) (the “**Income Tax Act**”) which applies to all companies deriving income within Tanzania. The Issuer will therefore automatically be subject to this Act being a company incorporated and undertaking its business activities in Tanzania to the extent it has income, which has its source in Tanzania or is effectively connected with a Tanzanian trade or business.

Taxation of Noteholders

Interest Payments

Payments of interest on the Notes shall not be subjected to withholding as provided for in the Income Tax Act under Section 82 [e]. All payments in respect of the Notes will be made without deduction for or on account of withholding taxes. Section 82 [e] provides that the provision for requirement of payment of withholding tax shall not apply to “interest paid to a holder of corporate or municipal bonds issued and listed at the Dar Es Salaam Stock Exchange with effect from 1st July, 2022”.

In the event that unlisted Notes are issued, there is a likelihood that withholding tax will be applicable to those unlisted Notes. imposed within Tanzania. As set out in the Income Tax Act, where withholding tax is applicable on interest the Income Tax Act provides that withholding tax at the rate of 10% (ten per cent) will be deducted from interest payments made to Noteholders. Where a tax liability arises in respect of respect of holdings of the Notes, non - resident investors may be entitled to a tax credit in their country of residence, either under domestic law or under the relevant tax treaties.

Capital Gains

No capital gains tax is payable in Tanzania on the sale or disposal of debt securities, in accordance with the Income Tax Act. This exemption is statutory and subject to revision through changes in government policy. Prospective investors are advised to consult the Tanzania Revenue Authority or their own professional advisers in connection with capital gains tax.

Stamp Duty

So long as the Notes are listed on the DSE, no stamp, registration or similar duties or taxes will be payable in Tanzania in connection with the issue, transfer or redemption of the Notes in accordance with current legislation. This exemption is as per existing government policy and also subject to change.

Tax Treaties

Tanzania has entered into double taxation treaties with Canada, Denmark, Finland, India, Italy, Norway, Sweden, South Africa and Zambia. There is a three-way tax treaty between Kenya, Tanzania and Uganda, has been signed but is yet to come into force.



SUBSCRIPTION AND SALE

Application Procedure:

Application forms may be obtained from NMB Bank PLC or any appointed placing agent. Applications for “description of notes” Notes must be submitted directly to any one of the Placing Agents, so as to arrive no later than [5:00pm] (Tanzania time) on the date specified in the Applicable Pricing Supplement. Successful Applicants will be notified by the Calculation Agent and Registrar of the amount of Notes allotted to them on the Announcement Date specified in the Applicable Pricing Supplement.

I. **Payment for the Notes and Delivery:**

Payment for the Notes is to be made in full to the Fiscal Agent in immediately available funds by the date specified in the Pricing Supplement. The Notes will be delivered to investors not later than [15] days after the Issue Date as specified in the Applicable Pricing Supplement.

II. **Offering Restrictions:**

(a) **General:-**

No action has been taken by the Issuer or the Placing Agents in any jurisdiction that would permit an offering of any of the Notes, or possession or distribution of any Transaction Documents, in any country or jurisdiction where action for that purpose is required.

Each Placing Agent shall comply with all relevant securities laws and regulations in each jurisdiction in which it offers, sells or delivers the Notes or has its possession or distributes any of the Transaction Documents.

The Notes will be available to the general public in Tanzania through secondary trading upon being listed at the DSE.

The Issuer considers that Notes issued under this Information Memorandum will constitute a domestic issue of the Notes within Tanzania. The Arrangers and the Placing Agent have represented, warranted and undertaken that they will:

- (i) observe all applicable laws and regulations within Tanzania;
- (ii) will make initial offer or sales of Notes under this Information Memorandum in Tanzania and where relevant will comply with requirements of any other jurisdiction where the Notes will be offered;
- (iii) will distribute the Information Memorandum and/or any advertisement or offering material within Tanzania under circumstances that will result in compliance with all applicable laws and regulations; and
- (iv) will not distribute the Information Memorandum and/or any advertisement or offering material in any other jurisdiction other than any other manner as anticipated in the Information Memorandum.

It is intended by the Issuer and the Placing Agent that the Notes will only be sold pursuant to a domestic offer in Tanzania, and that any investor or potential investor who purchases the Notes shall inform themselves of the risks involved in investing in the Notes and has understood that the information contained in this Information Memorandum is consistent with information that would be required in connection with a domestic offer of securities in Tanzania which differs substantially from international markets.



(b) **United Republic of Tanzania:-**

The approval of the CMSA and the DSE has been obtained for the offering and issue of the Notes in Tanzania. The sale or transfer of Notes by Noteholders will be subject to, the Terms and Conditions and the provisions of the Information Memorandum. There are no other restrictions on the sale or transfer of Notes under Tanzanian law.

(c) **Listing:-**

Application will be made to the DSE for the “**description of notes**” Notes to be listed at the DSE.

United States

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act (**Regulation S**).

Prior to the issue of any Tranche of Notes under the Programme, each Lead Transaction Advisors who has (or will have) agreed to place that Tranche of Notes will be required to represent and agree that:

- (a) the Notes in that Tranche have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons except in certain transactions exempt from the registration requirements of the Securities Act;
- (b) it has not offered, sold or delivered any Notes in that Tranche and will not offer, sell or deliver any Notes in that Tranche (i) as part of their distribution at any time or (ii) otherwise until 40 (forty) Days after completion of the distribution, as determined and certified by the Lead Transaction Advisors(s) or, in the case of an issue of such Notes on a syndicated basis, the relevant Lead Manager, of all Notes of the Series of which that Tranche of Notes is a part, within the United States or to, or for the account or benefit of, U.S. Persons;
- (c) it will send to each Lead Transaction Advisor to which it sells any Notes in that Tranche during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of such Notes within the United States or to, or for the account or benefit of, U.S. Persons; and
- (d) it, its Affiliates and any Persons acting on its or any of its Affiliates behalf have not engaged and will not engage in any directed selling efforts in the United States (as defined in Regulation S under the Securities Act) with respect to the Notes in that Tranche and it, its Affiliates and any Persons acting on its or any of its Affiliates' behalf have complied and will comply with the offering restrictions requirements of Regulation S.

Until 40 (forty) Days after the commencement of the offering of a Series of Notes, an offer or sale of such Notes within the United States by any Lead Transaction Advisors (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an exemption from registration under the Securities Act.

European Economic Area

Prior to the issue of any Tranche of Notes under the Programme, each Lead Transaction Advisor who has (or will have) agreed to place that Tranche of Notes will be required to represent and agree that, in relation to each Member State of the European Economic Area which has implemented the EU Prospectus Regulation (each a **Relevant Member State**), with effect from and including the date on which the EU Prospectus Regulation is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of any of such Notes to the public in that Relevant State except that it may, with effect from and including the Relevant Implementation Date, make an offer of any of such Notes to the public in that Relevant Member State:



- (a) if the terms or drawdown Information Memorandum in relation to the Notes specifies that an offer of those Notes may be made other than pursuant to Article 1(4) of the EU Prospectus Regulation in that Relevant Member State (a **Non-exempt Offer**), following the date of publication of a Information Memorandum in relation to such Notes which has been approved by the competent authority in that Relevant Member State in accordance with the EU Prospectus Regulation and/or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such information Memorandum, if not a drawdown Information Memorandum, has subsequently been completed by the terms contemplating such Non-exempt Offer, in accordance with the EU Prospectus Regulation, in the period beginning and ending on the dates specified in the drawdown Information Memorandum or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;
- (c) at any time to fewer than 150 (one hundred and fifty) natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) subject to obtaining the prior consent of the relevant Lead Transaction Advisors or Lead Transaction Advisors nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation, provided that no such offer referred to in (a) to (d) above shall require the Issuer or any Lead Transaction Advisor to publish a Information Memorandum pursuant to Article 3 of the EU Prospectus Regulation or supplement a Information Memorandum pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression an “*offer of Notes to the public*” in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, and the expression “**EU Prospectus Regulation**” means Regulation (EU) 2017/1129 (as amended).

The Lead Transaction Advisors has represented and agreed, and each further Lead Transaction Advisor appointed under the Programme will be required to represent and agree that, in relation to any offering of Notes to which Directive 2014/65/EU on markets in financial instruments (as amended, **MiFID II**) applies, that such offering is in accordance with the applicable rules set out in MiFID II (including any applicable national transposition of MiFID II), including that any commission, fee or non-monetary benefit received from the relevant Issuer complies with such rules.

United Kingdom

Public Offer Selling Restrictions under the UK Prospectus Regulation

Prior to the issue of any Tranche of Notes under the Programme, each Lead Transaction Advisor who has (or will have) agreed to place that Tranche of Notes will be required to represent and agree that has not made and will not make an offer of any of such Notes to the United Kingdom except that it may make an offer of any of such Notes to the public in the United Kingdom:

- (a) if the final terms or drawdown Information Memorandum in relation to the Notes specifies that an offer of those Notes may be made other than pursuant to section 86 of the FSMA (a **Non-exempt Offer**), following the date of publication of a Information Memorandum in relation to such Notes which either (i) has been approved by the Financial Conduct Authority, or (ii) is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provision in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019, provided that any such Information Memorandum has subsequently been completed by the final terms contemplating such Non-exempt Offer in the period beginning and ending on the dates specified in such Information Memorandum or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Lead Transaction Advisors or Lead Transaction Advisors nominated by the Issuer for any such offer; or



- (d) at any time in any other circumstances falling within section 86 of the FSMA, provided that no such offer referred to in (a) to (d) above shall require the Issuer or any Lead Transaction Advisor to publish a Information Memorandum pursuant to section 85 of FSMA or supplement a Information Memorandum pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression "an offer of Notes to the public" in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "**UK prospectus regulation**" means Regulation (EU) 2017/1129 as it part of domestic law by virtue of the EUWA and regulations made thereunder.

Other regulatory restrictions: The Lead Transaction Advisors has represented and agreed, and each further Lead Transaction Advisor appointed under this Programme will be required to represent and agree, that:

- (a) *Financial Promotion:* it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 (*Financial Promotion*) of the FSMA) received by it in connection with the issue or sale of any Securities in which section 21(1) of the FSMA would not, if it was not an authorised person, apply to the Issuer; and
- (b) *General Compliance:* it has complied and will comply with all applicable provisions of the FSMA and the Financial Conduct Authority Handbook with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

Selling Restrictions Addressing Additional United Kingdom Securities Laws

Prior to the issue of any Tranche of Notes under the Programme, each Lead Transaction Advisor who has (or will have) agreed to place that Tranche of Notes will be required to represent and agree that:

- (a) in relation to any of the Notes in that Tranche which have a maturity of less than one year, (i) it is a Person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any of such Notes other than to Persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of such Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act, 2000 (the **FSMA**) by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any of the Notes in that Tranche under circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any of the Notes in that Tranche in, from or otherwise involving the United Kingdom.

General

Prior to the issue of any Tranche of Notes under the Programme, each Lead Transaction Advisor who has (or will have) agreed to place that Tranche of Notes will be required to agree that:

- (a) it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in each jurisdiction in which it purchases, subscribes or procures the subscription for, offers or sells Notes in that Tranche or has in its possession or distributes the Information Memorandum and will obtain any consent, approval or permission required by it for the purchase, subscription, offer or sale by it of Notes in that Tranche under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, subscription, offers or sales; and
- (b) it will comply with such other or additional restrictions as the Issuer and such Joint Lead Transaction Advisors agree and as are set out in the Applicable Pricing Supplement.

Neither the Issuer nor any of the Lead Transaction Advisors represent that Notes may at any time lawfully



be subscribed for or sold in compliance with any applicable registration or other requirements in any jurisdiction or pursuant to any exemption available thereunder nor assumes any responsibility for facilitating such subscription or sale.



GENERAL INFORMATION

Authorisation

The Bank has obtained all necessary consents, approvals and authorisations in connection with the issue of the Notes, including but not limited to a resolution of the Board of Directors of the Bank passed on 18th November 2022.

Share Capital

As at 31 December 2022, NMB's paid up share capital and reserves were TZS 1.685 billion, which was above the CMSA eligibility minimum requirement of TZS 50 million. It is expected that these levels will be maintained above TZS 50 million as long as the Notes remain outstanding.

Significant or Material changes

Save as disclosed in this Information Memorandum, there has been no significant change in the financial or trading position of the Bank since the most recent financial statements presented in the Reporting Accountants Report.

Disposals and Acquisitions

As at the date of this Information Memorandum, there was no acquisition or disposal of material assets otherwise than in the ordinary course of business.

Material Litigations

NMB has provided below a summary of material litigation which the Issuer was subject to as at the date of this Information Memorandum:

Case No.	Reference Name	Case Description	Estimated Claim Value (TZS)
Civil Appeal No. 427 of 2020	Omary Ally Fuku	Bank is appealing against High Court judgment that declared Fuku as the rightful owner of the plot under the NMB Eastern Zone office and Wami branch.	140,000,000
Labour/CMA/	Lilian Komwihangiro	Ex-staff is seeking payment of Tzs. 12 Billion in compensation for unfair termination	384,000,000
Civil Appeal No. 02 of 2022	Mohamed Hashil	Ex-staff was terminated for insubordination after refusing to attend meetings in relation to investigations into allegations of fraud and tax evasion against him. He successfully complained before the CMA which awarded him 12 months' compensation and remuneration from the date of unfair dismissal to the date of the award (20 January 2020) Bank's revision was unsuccessful,	158,778,000
Intended CAT Appeal	Mexon Energy	The Appelant is appealing against the judgment of High Court that dismissed his claim for breach of contract by bank's failure to hand him vacant possession of the bought collateral.	1,000,000,000



Intended Appeal from Land Case No. 1 of 2022	Maduhu Kisandu Silu	The Appellant intends to appeal against the decision of the High Court Land Division	364,995,991
Civil Case No. 1 of 2023	Mwita Otiso Marwa	Plaintiff sues the Bank for breach of contract and want of duty of customer care	145,719,000
Civil Appeal No. 15 of 2023	Anna Investment Limited	The Appellant is appealing against the judgement of the High Court (Land Division) in Land Case No. 185 of 2020	7,920,367,635
Labour Dispute No. CMA/DSM/ILA/160/2023	Sospeter Njile Magese	The ex-staff is complaining that he was unfairly terminated from employment and is seeking compensation to the tune of Tzs. 2.8 billion	120,000,000

In the Directors' opinion, after taking appropriate legal advice, the outcome of these legal claims will not give rise to any significant loss.

Estimated Expenses

	TZS
Advisors	790,700,000
CMSA Information Memorandum appraisal fees	95,000,000
DSE listing fees	35,400,000
ISIN Fee	300,000
IPO Processing fee	10,000,000
Annual Service Fee	2,070,000
Marketing costs	115,000,000
Printing of Depository Receipt Fee	2,000,000
Total	1,050,470,000

Auditors

The auditors of the Bank are currently Deloitte & Touche. The last audited accounts and financial statements were in respect of the 12-month period ending 31 December 2022, whereupon the auditors gave an unqualified audit opinion. The auditors have audited the Bank's annual accounts for the year 2022 in accordance with International Accounting Standards.

Consents

KPMG Tanzania, acting as Reporting Accountant, has given and has not withdrawn their consent to the issue of this Information Memorandum with the inclusion in it of its report in the form and context in which it appears.

Rex Advocates, acting as Legal Advisor in respect of the Notes, has given and has not withdrawn its written consent to the issue of this Information Memorandum with the inclusion in it of its legal opinion in the form and context in which it appears.



Annual General Meetings

Pursuant to article 48 of the Articles of Association, the Company shall each year hold a general meeting as its annual general meeting in addition to any other meetings in the year and shall specify as such in the notice calling the meeting; not more than fifteen months shall have elapsed between the date of one annual general meeting and the next. The annual general meeting shall be at the registered office of the company or such other place in Tanzania as the Directors shall appoint.

Borrowing Rights

The Company is duly authorised to borrow as outlined in Object (o) of NMB's memorandum of association and in article 103(t) of NMB's articles of association.

Voting rights

Pursuant to article 66 of the Articles of Association, subject to any rights or restrictions for the time being attached to any class or classes of shares, every member shall have one vote for each share of which it is a holder.

Election and removal of directors

The appointment of directors is regulated by the Memorandum and Articles of Association of the Company, as well as the guidelines issued by the Bank of Tanzania and the Capital Markets and Securities Authority. Shareholders with more than a 10% stake in the share capital of NMB are entitled to nominate one director for every 10% of the shares held by them. The names are presented to the AGM for ratification and appointments are submitted to BOT for approval.

All non-executive directors are subject to retirement by rotation and re-election by shareholders periodically in accordance with the articles of association. Rotation is staggered to ensure continuity of experience and knowledge. The number of terms an individual may serve is limited to 10 years as provided for by the Bank of Tanzania Guidelines on Corporate Governance.

Material contracts

NMB has no material contracts outside its ordinary course of business.

Documents Available for Inspection

As long as any Note remains outstanding, copies of the following documents will, when published, be available for inspection at the Specified Offices of the Issuer in Dar es Salaam, Tanzania:

- a. a copy of constitutive documents;
- b. a copy of all required authorisations with respect to the issue;
- c. a copy of the Information Memorandum between the Issuer and Paying Agent and Calculation Agent and Registrar;
- d. a copy of the Placing Agreement between the Placing Agents and the Issuer;
- e. a copy of the approval of the Capital Markets and Securities Authority in respect of this issue;
- f. a copy of the approval of the Dar es Salaam Stock Exchange;
- g. copies of audited financial statements for the five years ended 31 December 2022 and any audited financial statements for subsequent years; and
- h. a copy of the letter of "no objection" from the Bank of Tanzania in respect of this issuance of Notes.



INFORMATION MEMORANDUM

MULTI-CURRENCY MEDIUM TERM

NOTE PROGRAMME WORTH TANZANIAN SHILLINGS ONE TRILLION

AUGUST 2023

ANNEX B
Pricing Supplement

PRICING SUPPLEMENT



NMB BANK PLC

Issue of USD 73,000,000 Floating Rate Notes due 08 December 2026

Under its TZS 1,000,000,000,000 Multi-Currency Medium Term Note Programme

Bond Code: NMB-FRN01/2023/03

ISIN: TZ1996105213

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Information Memorandum dated on or about 1 September 2023. This Applicable Pricing Supplement must be read in conjunction with such Prospectus. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and such Information Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

DESCRIPTION OF THE NOTES

- | | | |
|----|--------------------------------|--|
| 1. | Issuer | NMB Bank Plc |
| 2. | Specified Office of the Issuer | NMB Head Office,
Ohio/Ali Hassan Mwinyi Road
Dar es Salaam
Tanzania |
| 3. | Status of Notes | Senior Unsecured |
| 4. | (a) Tranche Number | 1 |
| | (b) Series Number | 2 |
| 5. | Aggregate Principal Amount: | |

	(a) In Tranche	USD 73,000,000
	(b) In Series	USD 73,000,000
6.	Notes are freely transferable and fully paid up	Yes
7.	Interest	Interest-bearing
8.	Interest/Payment Basis	Floating Rate
9.	Form of Notes	Listed Book-entry Notes
10.	Automatic/Optional Conversion from one Interest/Payment Basis to another	Not Applicable
11.	Issue Date	08 December 2023
12.	Business Centre	Dar es Salaam (in respect of Interest Payment Dates)
13.	Additional Business Centre	New York
14.	Principal Amount per Note	USD 100,000
15.	Specified Denomination	USD 1,000,000 with integral multiples of USD 100,000
16.	Issue Price	100%
17.	Interest Commencement Date	08 December 2023
18.	Maturity Date	08 December 2026
19.	Specified Currency	USD
20.	Applicable Business Day Convention	Following Business Day
21.	Calculation Agent	NMB Bank Plc
22.	Specified office of the Calculation Agent	NMB Head Office, Ohio/Ali Hassan Mwinyi Road Dar es Salaam Tanzania
23.	Fiscal Agent	NMB Bank Plc
24.	Specified office of the Fiscal Agent	NMB Head Office,

		Ohio/Ali Hassan Mwinyi Road
		Dar es Salaam
		Tanzania
25.	Registrar	NMB Bank Plc
26.	Specified office of the Registrar	NMB Head Office, Ohio/Ali Hassan Mwinyi Road Dar es Salaam Tanzania
27.	Technical Advisor on the ESG Framework	Absa Bank Tanzania Limited and NMB Bank Plc
28.	Second Party Opinion Provider	Sustainalytics
29.	Final Redemption Amount	USD 73,000,000
30.	Method of Distribution	Private

FLOATING RATE NOTES

31.	(a) Interest Payment Date(s)	means 08 June and 08 December in each year up to and including the Maturity Date or, if such day is not a Business Day, the Business Day on which interest will be paid, as determined in accordance with the applicable Business Day Convention
	(b) Interest Period(s)	means each period commencing on (and including) an Interest Payment Date and ending on (but excluding) the following Interest Payment Date; provided that the first Interest Period will commence on (and include) the Interest Commencement Date and end on (but exclude) the following Interest Payment Date (each Interest Payment Date as adjusted in accordance with the applicable Business Day Convention)
	(c) Definitions of Business Day (if different from that set out in Condition 1)	Not Applicable
	(d) Interest Rate(s)	6-Month USD Term SOFR + 2.50 percent

(e)	Minimum Interest Rate	Not Applicable
(f)	Maximum Interest Rate	Not Applicable
(g)	Other terms relating to the method of calculating interest (e.g., Day Count Fraction, rounding up provision, if different from Condition 6.2	Actual/360
32.	Manner in which the Interest Rate is to be determined	Screen Rate Determination
33.	Margin	+ 2.50 percent to be added to the Reference Rate)
34.	Default Rate	2.00 percent above the Margin
35.	If Screen Determination	
(a)	Reference Rate (including relevant period by reference to which the Interest Rate is to be calculated)	6-Month USD Term SOFR
(b)	Interest Determination Date(s)	means 08 June and 08 December of each year until the Maturity Date.
(c)	Relevant Screen Page and Reference Code	Bloomberg
36.	If Interest Rate to be calculated otherwise than by reference the Terms and Conditions set forth in the Prospectus	<p><u>SOFR Definitions</u></p> <p>"SOFR Banking Day" means any day other than:</p> <p>(a) a Saturday or Sunday; and</p> <p>(b) a day on which the Securities Industry and Financial Markets Association (or any successor organization) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in US Government securities;</p> <p>"Term SOFR" means for each Interest Determination, the forward-looking term rate based on SOFR for the relevant maturity as provided by the Term SOFR Administrator to, and published by, authorized distributors of Term SOFR at 6:00 a.m.,</p>

New York time (or any amended publication time for Term SOFR, as specified by the Term SOFR Administrator in the CME Term SOFR benchmark methodology); provided, however, that if that rate is subsequently corrected and provided by the Term SOFR Administrator to, and published by, authorized distributors of Term SOFR within the longer of one hour of the time when such rate is first published by authorized distributors of Term SOFR and the republication cut-off time for Term SOFR, if any, as specified by the Term SOFR Administrator in the Term SOFR benchmark methodology then that rate will be subject to those corrections; and provided further that if such rate is less than zero, Term SOFR shall be deemed to be zero;

"Term SOFR Administrator" means the CME Group Benchmark Administration Limited (CBA) (or a successor administrator);

"Term SOFR Index Cessation Effective Date" means, in respect of Term SOFR and a Term SOFR Index Cessation Event, the first date on which Term SOFR would ordinarily have been provided and is no longer provided;

"Term SOFR Index Cessation Event" means in respect of Term SOFR:

- (a) a public statement or publication of information by or on behalf of the Term SOFR Administrator announcing that it has ceased or will cease to provide Term SOFR permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide Term SOFR; or
- (b) a public statement or publication of information by the regulatory supervisor for the Term SOFR Administrator, the Federal Reserve Bank of New York, an insolvency

official with jurisdiction over the Term SOFR Administrator or a court or any entity with similar insolvency or resolution authority over the Term SOFR Administrator which states that the Term SOFR Administrator has ceased or will cease to provide Term SOFR permanently, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide Term SOFR;

"Term SOFR Recommended Fallback Rate" means the rate (inclusive of any spreads or adjustments) recommended as the replacement for Term SOFR by:

- (a) the Term SOFR Administrator; or
- (b) if the Term SOFR Administrator does not make a recommendation, a committee officially endorsed or convened by the Federal Reserve Board or the Federal Reserve Bank of New York or the supervisor for the Term SOFR Administrator for the purpose of recommending a replacement for Term SOFR (which rate may be produced by the Term SOFR Administrator or another administrator) and as provided by the administrator of that rate (or a successor administrator) or, if that rate is not provided by the administrator thereof (or a successor administrator), published by an authorized distributor;

"Term SOFR Recommended Fallback Rate Index Cessation Effective Date" means, in respect of the Term SOFR Recommended Fallback Rate and a Term SOFR Recommended Fallback Rate Index Cessation Event, the first date on which the Term SOFR Recommended Fallback Rate would ordinarily have been provided and is no longer provided;

"Term SOFR Recommended Fallback Rate Index Cessation Event" means in respect of Term SOFR Recommended Fallback Rate:

- (a) a public statement or publication of information by or on behalf of the administrator of the Term SOFR Recommended Fallback Rate announcing that it has ceased or will cease to provide the Term SOFR Recommended Fallback Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide Term SOFR Recommended Fallback Rate; or
- (b) a public statement or publication of information by the regulatory supervisor for the administrator of the Term SOFR Recommended Fallback Rate, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator of the Term SOFR Recommended Fallback Rate or a court or any entity with similar insolvency or resolution authority over the administrator of the Term SOFR Recommended Fallback Rate which states that the administrator of the Term SOFR Recommended Fallback Rate has ceased or will cease to provide Term SOFR Recommended Fallback Rate permanently, provided that, at the time of the statement or publication, there is no successor

administrator that will continue to provide a Term SOFR Recommended Fallback Rate;

Term SOFR Fallback Provisions

- (a) Temporary Non-Publication of Term SOFR. If (I) Term SOFR for the duration of the relevant Interest Period is not published by the Term SOFR Administrator or an authorized distributor on an Interest Determination Date and is not otherwise provided by the Term SOFR Administrator on such date and (II) a Term SOFR Index Cessation Event shall not have occurred, then the rate for that Interest Determination Date will be the last provided or published Term SOFR for the duration of the relevant Interest Period;
- (b) A Term SOFR Index Cessation Effective Date. If a Term SOFR Index Cessation Event has occurred, the rate in respect of an Interest Determination Date occurring on or after the Term SOFR Index Cessation Effective Date will be, subject to subsections (c) and (d) below, the Term SOFR Recommended Fallback Rate for the duration of the relevant Interest Period;
- (c) Temporary Non-Publication of Term SOFR Recommended Fallback Rate. Subject to subsection (d) below, if there is a Term SOFR Recommended Fallback Rate before the end of the first SOFR Banking Day following the Term SOFR Index Cessation Effective Date but neither the Term SOFR Administrator nor authorized distributors provide or publish the Term SOFR Recommended Fallback Rate for the duration of the relevant Interest Period, then, in respect of an Interest Determination Date for which the Term SOFR Recommended Fallback Rate is required, references to the Term SOFR Recommended

Fallback Rate for the duration of the relevant Interest Period will be deemed to be references to the last provided or published Term SOFR Recommended Fallback Rate for the duration of the relevant Interest Period; provided, however, if there is no last provided or published Term SOFR Recommended Fallback Rate for the duration of the relevant Interest Period, then in respect of an Interest Determination Date for which the Term SOFR Recommended Fallback Rate is required, references to the Term SOFR Recommended Fallback Rate for the duration of the relevant Interest Period will be deemed to be references to the last provided or published Term SOFR for such period;

(d) No Term SOFR Recommended Fallback Rate or Term SOFR Recommended Fallback Rate Index Cessation Effective Date. If:

- (i) there is no Term SOFR Recommended Fallback Rate before the end of the first SOFR Banking Day following the Term SOFR Index Cessation Effective Date; or
- (ii) there is a Term SOFR Recommended Fallback Rate and a Term SOFR Recommended Fallback Rate Index Cessation Effective Date subsequently occurs,

then the rate for an Interest Determination Date occurring on or after the Term SOFR Index Cessation Effective Date or after the Term SOFR Recommended Fallback Rate Index Cessation Effective Date (as applicable) will be such rate as **the Calculation Agent** may determine to be an appropriate successor or replacement for Term SOFR based on derivatives market practices then in effect or such other commercially reasonable alternative for Term SOFR as may be selected by

the Calculation Agent in its sole discretion as an appropriate benchmark for financing under this Agreement;

37. If different from the Calculation Agent, agent responsible for calculating amount of principal and interest Not Applicable

PROVISIONS REGARDING REDEMPTION/MATURITY

38. Issuer's Optional Redemption: Yes
- If yes:
- (a) Optional Redemption Date(s) on an Interest Payment Date
- (b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s) 100%
- (c) Minimum Period of Notice (if different to Condition 8) 30 days
- (d) If redeemable in part:
- (i) Minimum Redemption Amount(s) USD 1,000,000 and integral multiples of USD 10,000
- (ii) Higher Redemption Amount(s) Not Applicable
- (e) Other terms applicable on Redemption None
39. Redemption at the option of the Noteholders: No
40. Early Redemption Amount(s) payable on redemption for taxation reasons Yes
41. Other terms applicable on Redemption Not Applicable

GENERAL

42. **Notes in issue** As at the date of this issue, the Issuer has issued Notes in the aggregate total amount of TZS0 under the Programme.
- The aggregate Nominal Amount of all Notes issued under the Programme as at the Issue Date, together with the aggregate Nominal Amount of

		this Tranche (when issued), will not exceed the Programme Amount.
43.	Additional selling restrictions	None
44.	(a) International Securities Identification Number (ISIN)	TZ1996105213
	(b) Bond Code	NMB-FRN01/2023/03
45.	Allotment policy	All applications shall be considered equally for purposes of allotment. In the event of oversubscription, allotment will be on a pro rata basis.
46.	Stock Exchange	Dar es Salaam Stock Exchange
47.	Exchange Control Approval	Not Applicable
48.	If syndicated, names of managers	Absa Bank Tanzania Limited NMB Bank Plc
49.	Credit Rating assigned to Notes, the Programme and/ or the Issuer as at the Issue Date (if any)	Moody's (B2 Positive)
50.	Governing law	Tanzanian
51.	Use of proceeds	The proceeds of the Notes will be used to finance eligible assets as defined in the NMB Sustainable Finance Framework
52.	Settlement Procedures and Settlement Instructions	<ul style="list-style-type: none"> • For Qualified Institutional Investors (QIIs): same day funds on the Issue Date to the Fiscal Agent • For investors other than QIIs: evidence of payment should be submitted to the Authorised Selling Agent, the Issuer together with the duly completed Application Form prior to the date Offer closes
53.	Details of bank account(s) to which payments are to be made in respect of the Notes Settlement Procedures and Settlement Instructions	Name: NMB Sustainable Bond_USD Account no: 10110000892

54.	Last Day to Register	27 May and 27 November each year, or if such day is not a business day, the business day before each books closed period;
55.	Books Closed Period	The Register will be closed from 28 May to 08 June and from 28 November to 08 December (all dates inclusive) in each year until the Maturity Date
56.	Stabilisation Manager (if any)	Not Applicable
57.	Tax	Payments of interest on the Notes shall not be subjected to withholding tax as provided for in the Income Tax Act under Section 82 e
58.	Material Change Statement	The Issuer hereby confirms that as at the date of this Applicable Pricing Supplement, there has been no material change in the financial or trading position of the Issuer and its subsidiaries since the date of the Issuer's latest reviewed/audited interim/annual financial statements for the six-month period ended date/ twelve months ended date. This statement has not been confirmed nor verified by the auditors of the Issuer.
59.	Board approval for issuance of the Notes	18 November 2022
60.	Other provisions	Condition 11.1.9 (b) of the Terms and Conditions will not apply to this issue of Notes

Salient Dates

Offer Opens	8.00 a.m. 25 September 2023
Offer Closes (T)	08 December 2023
Allotment Date	08 December 2023
Notification Date (via email/telephone)	08 December 2023
Issue Date	08 December 2023
Register submission date to CSDR	11 December 2023
CDS Account Upload Date	12 December 2023
Listing Date	12 December 2023

