



AML FINANCE LIMITED

2025 Tanzania Banking Sector Performance: Key Results, Trends, and Outlook

By Reginald Massawe, Managing Director, AML Finance Limited

1. Introduction and Purpose

This paper presents a structural and performance-based review of Tanzania's banking sector using published unaudited 2025 results. The 2025 results show that Tanzania's banking sector continues to generate strong profitability among leading institutions, with CRDB reporting net income after tax of **TZS 551.5 billion** and NMB reporting **TZS 646.9 billion**, while a number of smaller institutions remain weak or loss-making. The performance results also show that Tanzania's banking system is operating within a macroeconomic environment that remains broadly supportive of credit growth and financial stability, with sustained economic expansion and strengthening payment and transaction infrastructure.

AML Financial Analysis for Q4 2025

AML FINANCE LIMITED																							
UNAUDITED BANKS AND FINANCIAL INSTITUTIONS PERFORMANCE FOR Q4 2025																							
Amount in TZS Millions																							
S/N	Financial Institutions/Banks	Total Assets	Loan and Advances	Customer Deposit	Interest Income	Non Interest Income	Total Income	Non Interest Expense	Staff Costs	Net Income After Tax	% Change	ROA	ROE	CR		NPL	Number of Staffs	Staff cost/Total cost	Cost per Staff	Profit/ko/staff	Productivity/staff		
										2025	2024			2025	2024								
1	CRDB bank PLC	22,215,802	13,740,050	14,678,483	1,962,019	684,668	2,646,687	880,602	424,698	724,608	551,487	31	5.3	29.3	42.6	45.9	3.0	4,528	48	94	3,034	160	
2	NMB Bank PLC	17,182,708	10,430,093	12,248,900	1,548,329	631,216	2,179,545	673,361	375,642	749,772	646,893	16	4.0	27.0	37.0	38.0	2.5	4,088	56	92	2,551	183	
3	National Bank of Commerce (NBC)	5,351,961	3,442,417	3,902,375	460,437	164,069	624,506	228,498	116,059	148,987	117,792	26	3.1	26.9	51.3	55.0	3.1	1,190	51	98	2,893	125	
4	Exim Bank	3,986,597	2,136,984	3,201,018	294,916	126,223	421,139	207,360	97,988	83,089	92,151	(18)	2.3	18.8	63.5	58.6	2.0	1,298	47	75	1,646	64	
5	Azania Bank PLC	3,684,548	2,658,100	2,540,157	318,996	40,182	359,178	96,113	47,896	57,805	38,029	52	2.4	17.2	48.8	52.4	3.4	723	50	66	3,676	80	
6	Stanbic Bank	3,502,177	1,827,465	2,298,813	273,176	155,402	428,578	150,055	91,283	135,325	128,003	6	4.0	23.8	43.6	42.5	2.4	638	61	143	2,864	212	
7	The Peoples Bank of Zanzibar	2,805,126	1,624,329	2,187,304	180,736	66,389	247,125	79,745	24,805	79,712	62,750	27	4.1	25.7	32.3	37.3	2.0	569	31	44	2,855	140	
8	Tanzania Commercial Bank	2,277,879	1,494,563	1,566,255	217,438	69,973	287,411	134,865	74,200	33,347	31,939	-4	1.7	20.1	71.6	72.2	3.5	1,172	55	63	1,275	28	
9	Diamond Trust Bank Ltd (DTB)	2,105,807	1,153,289	1,618,839	168,863	46,016	214,879	84,089	34,308	55,256	53,790	3	2.9	15.8	51.3	52.7	1.8	631	41	54	1,828	88	
10	KCB Bank	1,863,251	1,202,077	1,157,477	174,432	46,270	220,702	53,971	24,453	66,793	50,812	31	3.9	26.0	36.4	42.4	2.4	339	45	72	3,546	197	
11	Standard chartered Bank	1,779,854	507,529	987,643	91,149	134,691	225,840	73,163	40,340	80,016	98,660	(19)	4.1	19.8	38.0	35.0	1.5	106	55	381	4,788	755	
12	ABSA	1,772,970	1,018,475	1,283,661	152,874	88,924	241,798	112,888	53,256	63,266	71,207	(11)	3.5	22.0	55.0	45.3	1.2	544	47	98	1,872	116	
13	Equity Bank	1,447,622	800,650	1,001,356	119,220	74,282	193,502	78,298	32,089	52,704	24,938	111	4.2	26.2	54.5	52.9	1.1	558	41	58	1,435	94	
14	Tanzania Agricultural Development Bank	1,317,163	806,302	-	85,319	10,374	95,693	39,910	17,590	28,759	18,611	55	3.0	6.0	49.0	43.0	2.5	150	44	117	5,375	192	
15	Citi Bank	1,000,907	227,450	542,710	82,763	37,192	119,955	43,490	16,029	32,045	67,845	(53)	2.7	25.8	49.6	22.1	-	50	37	321	4,549	641	
16	I & M Bank	951,222	527,976	663,965	122,888	31,704	154,592	65,153	20,057	15,387	15,148	2	1.8	11.0	55.0	54.9	2.5	234	31	86	2,256	66	
17	Bank of Africa (BOA)	805,258	471,905	540,285	76,408	17,276	93,684	48,849	20,401	7,332	13,119	(44)	0.9	6.6	84.6	70.6	1.4	299	42	68	1,578	25	
18	NCSA Bank Tanzania Ltd	596,622	301,167	286,786	60,752	12,772	73,524	39,693	18,048	15,003	26,154	(43)	2.6	14.6	75.7	70.3	2.9	206	45	88	1,462	73	
19	Access (Bank ABC)	535,454	284,353	355,621	51,556	13,430	64,986	36,205	17,207	5,391	(2,659)	383	1.0	10.7	86.0	(93.3)	3.0	274	48	63	1,038	20	
20	Ecobank Tanzania Ltd	480,075	223,757	283,993	29,494	13,671	43,165	23,619	10,731	4,223	9,148	(54)	1.1	10.7	84.0	71.3	0.9	124	45	87	1,804	34	
21	Mwanga Hukika Bank	470,076	305,267	325,141	47,902	13,085	60,987	18,504	8,359	12,582	9,973	26	3.0	21.0	30.0	31.0	0.5	195	45	43	1,565	65	
22	Habib African Bank Ltd	388,512	233,031	315,112	32,722	7,876	40,598	13,245	7,593	3,112	4,078	(24)	1.7	7.5	32.6	30.8	6.5	79	57	96	2,950	39	
23	Amana Bank	331,584	201,343	257,316	31,606	8,877	40,483	25,448	12,105	6,462	5,951	9	2.0	17.9	68.0	63.0	4.7	355	48	34	567	18	
24	Mkombozi Commercial Bank	316,628	188,352	238,674	35,644	10,713	46,357	20,415	9,922	12,930	9,041	43	1.0	7.0	44.0	46.0	4.0	196	49	51	961	66	
25	Bank of Baroda	274,126	173,067	189,487	22,341	3,548	25,889	10,035	4,728	4,459	5,848	(24)	1.7	7.8	54.6	54.1	3.5	59	47	80	2,933	76	
26	DCB Commercial Bank	260,485	133,736	143,451	34,848	5,472	40,320	19,355	10,299	109	(969)	(111)	-	0.3	92.9	104.8	7.0	273	53	38	490	0	
27	Akiba Commercial Bank	230,667	115,788	163,831	26,729	7,521	34,250	26,568	10,966	(4,785)	(5,823)	18	(2.1)	(18.4)	111.5	112.0	6.4	227	41	48	510	(21)	
28	Bank of India	211,039	137,247	154,324	19,119	2,773	21,892	7,179	3,512	3,649	3,632	8.5	2.3	8.0	32.8	34.2	2.9	34	49	103	4,037	107	
29	Masendeleo Bank	202,485	107,790	112,318	25,028	3,260	28,288	11,935	5,465	3,845	3,687	-4	2.0	14.9	63.0	61.0	4.5	129	46	42	836	30	
30	China Dashing Bank	135,264	28,903	14,950	12,954	12,186	25,140	13,021	3,292	3,253	2,631	24	3.6	4.5	64.7	67.7	38.0	36	25	91	803	90	
31	Letshego Faidika Bank	132,800	100,911	22,650	38,470	1,956	40,426	20,173	8,141	15,374	8,592	79	23.0	23.0	51.0	51.0	6.0	72	40	113	1,402	214	
32	United Bank for Africa (UBA)	131,676	24,681	96,548	9,584	8,550	18,134	20,515	8,888	(4,424)	(4,576)	3	(13.1)	(72.1)	113.0	56.3	11.4	150	43	59	165	(29)	
33	Selcom Microfinance Bank	102,266	44,810	76,021	24,793	3,997	28,790	18,536	10,715	1,866	1,280	46	2.0	11.3	64.4	76.6	10.1	319	58	34	140	6	
34	Mwalimu Commercial Bank PLC	97,822	65,914	75,095	11,843	4,433	16,276	8,830	3,618	4,411	369	132	189	0.5	2.3	91.2	96.9	1.4	80	41	45	824	5
35	FINCA Microfinance Bank	96,547	51,807	74,964	73,249	4,026	77,275	64,375	7,561	997	475	118	2.0	18.8	83.3	86.1	14.5	237	12	32	219	4	
36	Guaranty Trust Bank TZ Limited	78,088	23,733	59,422	5,045	3,310	8,355	8,066	2,968	(277)	(1,911)	86	(0.3)	(1.7)	96.5	110.6	3.1	63	37	47	377	(4)	
37	Uchumi Commercial Bank	76,401	42,258	51,143	8,584	1,266	9,850	6,490	3,495	5,203	614	(77)	0.4	18.3	65.9	62.9	11.3	57	54	67	741	4	
38	International Commercial Bank	66,338	13,255	37,863	4,553	2,692	7,245	6,575	2,409	1,455	676	115	(1.9)	(5.5)	90.8	50.5	5.2	56	37	43	237	26	
39	Vision Fund TZ Microfinance Bank Ltd	63,131	49,523	2,659	23,137	4,334	27,471	19,236	10,007	1,889	1,865	1	2.9	6.0	82.0	86.0	4.9	518	52	19	96	4	
40	First Dashing Finance Ltd	49,615	37,372	2,125	6,730	5,255	7,255	3,562	1,730	4,490	412	7	0.9	2.2	83.3	84.6	4.8	49	49	60	1,289	15	
41	MUCOBA Bank PLC	17,438	12,842	10,719	1,857	743	2,600	2,171	1,067	(38)	(82)	(146)	(16.8)	(1.1)	84.9	76.0	18.3	37	49	29	347	(1)	
42	TIB Development Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
43	Co-operative Bank of Tanzania (COOP)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total/Average	79,395,999	46,970,560	53,769,454	6,968,502	2,575,867	9,544,370	3,494,160	1,693,920	2,502,289	2,161,664	1.8	11.1	63.7	56.4	5.2	20,922	48	81	2,245	120		
	AML Finance Limited	43,322	26,177	-	9,461	1,281	10,742	3,140	1,708	3,317	2,646	25	8	24	38	41	4.5	59	54	29	444	56	

Sources:
Published unaudited financial statement, January 2026 on various Newspaper and Website

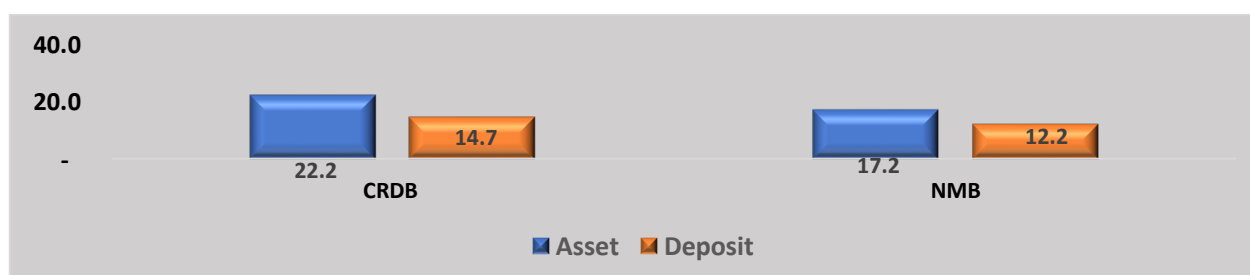
The sector’s performance should be interpreted in a post-COVID-19 context. Across Tanzania and peer markets, the COVID-19 period accelerated digital adoption and pushed banks toward faster modernization of transaction platforms, agent banking, and customer onboarding. The evidence for this structural shift is visible in the 2025 efficiency outcomes, where leading banks record cost-to-income ratios (CIR) below **45%**, while many smaller institutions remain above **70%** and in some cases above **100%**, indicating that technology-enabled operating models have increasingly become the dividing line between scalable banks and structurally constrained banks. This divergence is not unique to Tanzania; it is consistent with post-COVID banking outcomes across East Africa.

2. Market Structure and Concentration

The 2025 results confirm a highly concentrated banking sector. CRDB Bank Plc reports total assets of **TZS 22.2 trillion**, while NMB Bank Plc reports **TZS 17.2 trillion**. Together they account for roughly **TZS 39.4 trillion** in assets, compared to total sector assets in the dataset of **TZS 79.4 trillion**. This implies that the top two banks alone represent close to half of the total assets captured, confirming the structural statement that *Tanzania is effectively a two-bank system at the top, with everyone else competing for the remaining half*. The concentration is not merely an accounting outcome; it has operational and strategic consequences. The top two banks also report very large deposit bases, with CRDB deposits at **TZS 14.7 trillion** and NMB deposits at **TZS 12.2 trillion**, giving them combined deposits more than 50% of the total bank’s deposits.

This deposit dominance strengthens their ability to price loans competitively, invest in technology, and absorb rising compliance and operational costs. The long-run trend of increasing concentration is visible when comparing earlier-year datasets. *In the 2019 and 2020 datasets, the top banks already held a dominant position, but the 2025 scale gap appears wider as the largest banks have expanded their asset bases materially while many smaller institutions remain below TZS 1 trillion in assets*. This confirms that Tanzania’s sector is increasingly evolving toward a platform structure in which scale advantages compound over time.

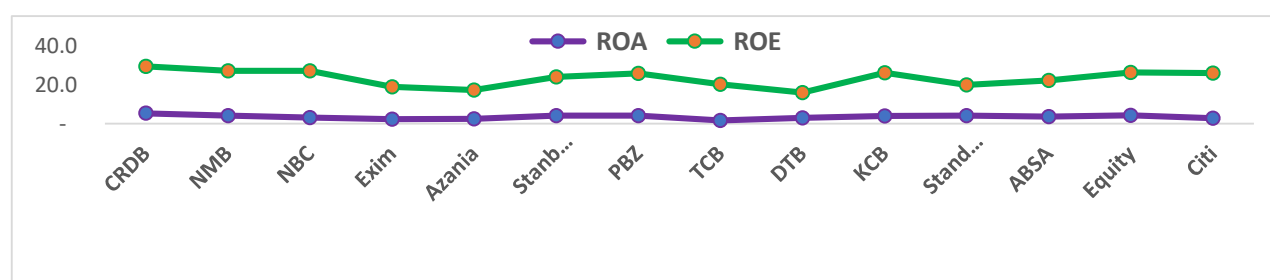
Figure: Dominance of Top Two Banks in Assets and Deposits – 2025



3. Profitability and Return Profile

The 2025 results show that the leading banks continue to deliver strong profitability and internationally competitive returns. CRDB reports ROA of **5.3%** and ROE of **29.3%**, while NMB reports ROA of **4.0%** and ROE of **27.0%**. NBC reports ROE of **26.9%**, while Stanbic reports ROA of **4.0%** and ROE of **23.8%**. These returns are exceptionally strong for a commercial banking sector and indicate that Tanzania’s leading institutions are not only growing but converting income into profit efficiently.

Figure 2: Selected ROA & ROE for Banks-2025



However, profitability is uneven across the sector. Several banks report negative year-on-year changes in net income, including Standard Chartered (-19%), Absa (-11%), Ecobank (-54%), and Citi (-53%). Other banks show very strong profit growth, including Equity (+111%), Letshego (+79%), and Azania (+52%). This dispersion suggests that sector performance is increasingly determined by business model positioning, efficiency, and risk discipline rather than by macroeconomic conditions alone. *The sector is therefore not experiencing uniform growth; it is experiencing a widening divergence between winners and laggards.*

4. Income Structure and Business Model Composition

The 2025 dataset indicates that Tanzania’s banking sector remains predominantly interest-income driven, reflecting the continued centrality of credit intermediation. The results also highlight the increasing significance of non-interest income. CRDB reports non-interest income of **TZS 684.7 billion**, while NMB records **TZS 631.2 billion**. In both cases, non-interest income accounts for approximately **27%** of total revenue, underscoring its growing contribution to the earnings structure of dominant banks. This means that for leading banks, non-interest income is no longer marginal; it represents a major component of total revenue and acts as a stabilizer during credit cycles.

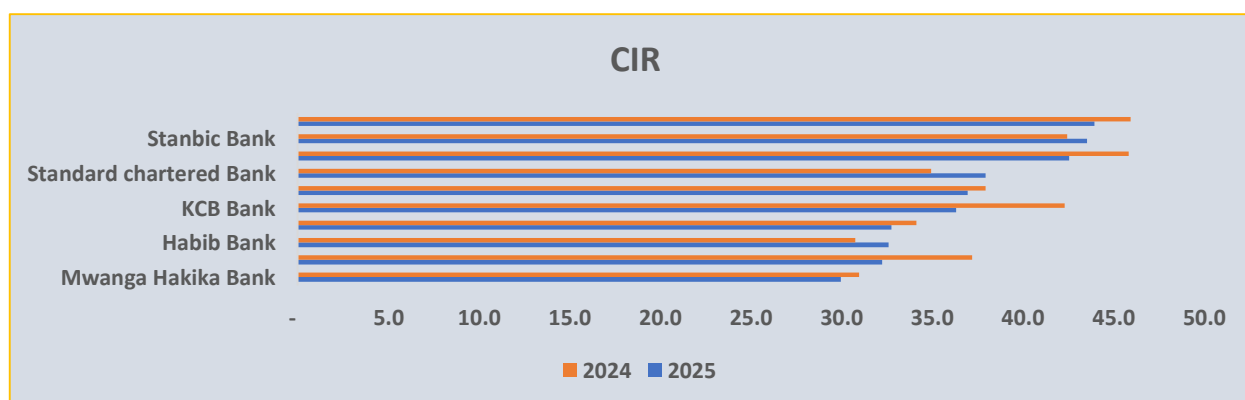
The prominence of non-interest income is particularly evident among corporate and international banks. For instance, Standard Chartered reports non-interest income of **TZS 134.7 billion** compared to interest income of **TZS 91.1 billion**, meaning that **60%** of its total

revenue is derived from non-interest sources, reflecting a predominantly fee-based and transaction-driven business model.

5. Operating Efficiency, Staff Cost, and the Productivity Relationship

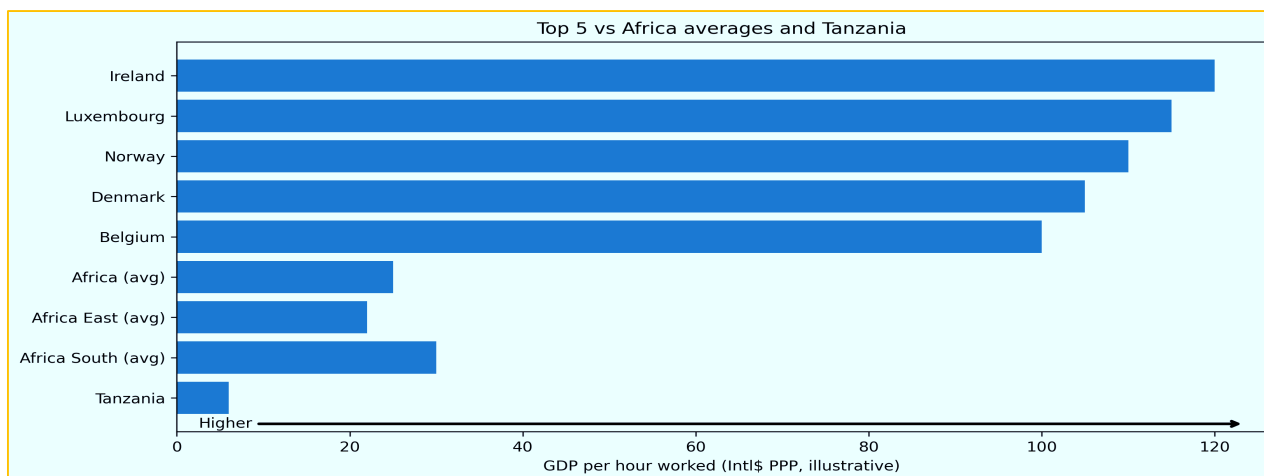
Efficiency is the clearest competitive differentiator in the 2025 results. NMB reports a CIR of **37%**, while CRDB reports **42.6%**. PBZ reports an even lower CIR of **32.3%**, showing that efficiency leadership is not confined to the largest banks. These outcomes imply strong operating leverage and the ability to scale revenue without proportionally scaling cost. In contrast, Tanzania Commercial Bank reports CIR above **70%**, while several smaller institutions report CIR above **80%** and some above **100%**. *Institutions with CIR above 90% are typically structurally challenged, as they have limited capacity to generate sustainable profit under normal conditions.*

Figure 3: Top Banks in Cost Efficiency (CIR) 2024–2025



A key driver of this divergence is workforce productivity. Globally, banking efficiency improves when institutions operate in economies with higher labour productivity, stronger digital penetration, and deeper skills density. *Tanzania's economy, while growing, remains characterized by lower labour productivity compared to advanced economies.* International benchmarks suggest Tanzania's output per worker is **USD 7,000 per year**, compared to roughly **USD 120,000** in the world's most productive economies. This reinforces that Tanzanian banking efficiency gains must be driven primarily by digitisation, automation, and operating leverage rather than wage suppression.

Figure 4: Labour Productivity Comparison



The dataset also shows that the best-performing banks often have high staff numbers and substantial staff costs, yet still achieve low CIR. Staff cost as a share of total cost varies widely, and cost per staff differs significantly, reflecting different business models and talent structures. However, cost per staff does not independently determine efficiency. Some institutions with relatively high cost per staff still achieve low CIR because their staff generate high income output and manage larger portfolios. Conversely, many smaller institutions show lower cost per staff but high CIR because productivity is low and operating scale is insufficient.

6. Asset Quality and Credit Risk Distribution

The 2025 results indicate that the largest banks have maintained relatively low NPL ratios, typically below **3%**. CRDB reports NPL of **3.0%**, while NMB reports **2.5%**. Standard Chartered reports **1.5%**, Absa **1.2%**, and Equity **1.1%**. Notably, **Citi Bank** continues to report an NPL ratio of **0%**. These figures suggest that Tanzania’s leading banks have strengthened underwriting, improved portfolio monitoring, and built more robust recovery capacity. The low NPL ratios among the largest banks are particularly significant because these institutions dominate assets and deposits, meaning that their stability anchors confidence in the financial system.

In contrast, many smaller institutions report materially higher NPL ratios. Several banks report NPL ratios above **6%**, with some above **10%** and extreme cases above **18%**, indicating that credit risk is disproportionately concentrated in the lower tier of the sector. The systemic implication is subtle but important: while the top of the sector appears stable and profitable, fragility may accumulate at the margins where high NPLs combine with weak profitability and high CIR.

7. Comparative Perspective: East Africa

The performance patterns observed in Tanzania are consistent with broader East African banking trends. Across Kenya, Uganda, and Rwanda, the banking sector has similarly evolved toward higher concentration at the top, stronger efficiency among platform banks, and rising structural pressure among smaller institutions. Tanzania’s two-bank dominance is particularly pronounced relative to some peer markets, but the underlying mechanism scale, efficiency, digital delivery, and platform economics is shared. The most consistent regional trend is that banks that have achieved large transaction volumes through mobile and agent ecosystems have structurally lower CIR and higher resilience, while smaller banks face rising compliance and technology costs that compress profitability.

This regional pattern is also reflected in a rising HHI (Herfindahl–Hirschman Index), indicating that the sector is structurally shifting toward higher concentration, where a small number of large platform banks increasingly dominate deposits, payments, and credit distribution. In such a structure, efficiency and stability at the top may improve due to scale and technology leverage, but competitive pressure weakens over time, raising the risk of pricing power, fee rigidity, and slower innovation outside the leading institutions. A higher HHI also implies that systemic risk becomes more concentrated, meaning that distress in one or two dominant banks can have disproportionate effects on financial stability, payment systems, and confidence across the sector.

8. Forward Outlook: Short-Term and Long-Term Futures

In the short term, the sector’s growth outlook remains positive. The leading banks are likely to continue expanding their balance sheets and profitability, supported by their deposit dominance, strong non-interest income, and superior efficiency. The short-term outlook is therefore one of continued growth, with the largest banks most likely to sustain high returns due to their operating leverage and technology investment capacity.

Table 1: Credit to the Private Sector Trend

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
2018	2.1	1.4	1.2	0.8	2.7	4.0	3.7	5.2	4.9	4.8	5.0	4.9	3.4
2019	7.3	9.2	9.6	10.6	9.0	7.6	12.2	8.2	9.3	9.8	8.9	6.2	8.99
2020	6.6	5.8	6.5	4.4	3.5	2.5	5.5	6.8	5.2	4.9	5.2	3.1	4.99
2021	2.6	2.5	2.3	4.8	4.7	3.6	4.1	3.2	4.6	5.6	7.8	10.0	4.65
2022	10.0	11.9	13.4	13.4	15.0	19.4	20.1	20.7	22.0	23.7	22.6	22.5	17.89
2023	23.1	22.5	22.9	22.5	22.5	21.2	20.8	21.0	19.5	17.9	18.3	17.1	21.91
2024	17.7	16.8	16.6	16.8	17.6	16.5	17.6	16.7	17.5	17.0	15.3	12.4	17.03
2025	12.8	13.2	14.0	14.8	17.9	15.9	15.9	16.2	16.1	16.1	18.1	23.5	16.20

Over the long term, the most probable trajectory is further consolidation and platform dominance. Institutions with persistent CIR above **70%** and NPL above **6%** are unlikely to remain competitive without restructuring, recapitalization, or strategic repositioning. The sector may therefore evolve into a structure where a small number of large platform banks dominate deposits, payments, and mass-market lending, while smaller institutions either consolidate or survive as niche specialists. Over time, data-driven credit models, fraud analytics, automated underwriting, and digital monitoring will become decisive. The future of banking competitiveness will therefore increasingly depend on digital capital—systems, data, and automation capacity alongside traditional financial capital, and in a lower labour productivity economy this dependency becomes even stronger because technology is the primary mechanism through which banks can raise output per employee and sustain globally competitive efficiency.