



BANK OF TANZANIA ACADEMY

Exciting Banking Career

RESEARCH ABSTRACTS BOOK

**THE 3RD COHORT OF POSTGRADUATE DIPLOMA IN
BANKING MANAGEMENT**

ACADEMIC YEAR 2024/25

NOVEMBER 2025



VISION

A world-class training Academy for competency-based capacity building on Central Banking and financial sector development.



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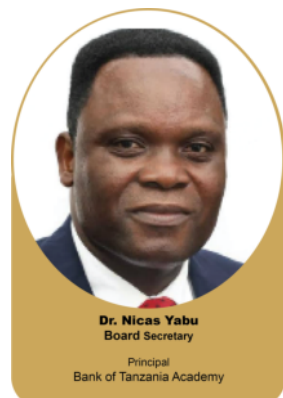
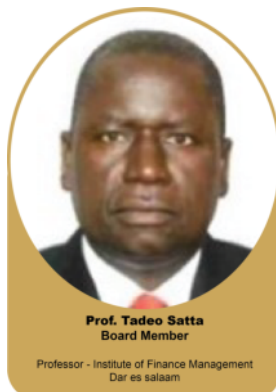
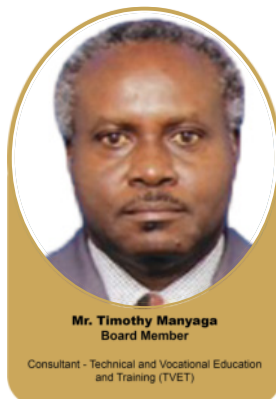
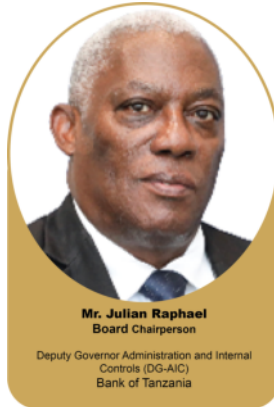
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FOREWORD

Welcome to this compilation of research abstracts from the research project papers of the Postgraduate Diploma in Banking Management programme's students of the Bank of Tanzania Academy for the Academic Year 2024/2025. It documents and showcases the diverse research undertaken by our students each reflecting a practical inquiry into the evolving dynamics of Tanzania's financial landscape. It serves as a concise reference for practitioners, policymakers, and scholars seeking evidence-based insights into contemporary issues and opportunities shaping the sector. Therefore, this publication marks an important milestone in our collective commitment to advancing applied research, innovation, and knowledge sharing within the financial sector.

In managing this programme, the Academy balances rigorous coursework with a strategic research project, recognising that meaningful improvements in banking practices and policy implementation require both conceptual understanding and empirical evidence. Therefore, each abstract represents an individual effort to interrogate a practical problem or emerging trend, applying relevant frameworks, data and methodologies that align with the Academy's objective of nurturing professionals with ethical competence and dynamic expertise.

To our students, we commend your dedication, curiosity, and commitment to producing research outputs that matter. We extend heartfelt appreciation to the academic supervisors and reviewers whose guidance assured the quality of each research project paper. These collaborative efforts have been instrumental in cultivating a strong research culture at the Bank of Tanzania Academy.

As we celebrate this achievement, may this Abstracts Book stand as a testament to our shared pursuit of academic excellence, professional relevance, and transformative knowledge.

Deputy Principal Academic Research and Consultancy

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ANALYZING CUSTOMER PERCEPTION OF MOBILE BANKING SECURITY: A CASE OF CRDB PLC MBEYA CITY BRANCH

BY

**DEOGRACIA DONALD MABUGA
REG. 2024-04-0001**

The study aimed to analyze customer perception of mobile banking security at CRDB Bank, Mbeya City Branch. It was guided by three specific objectives: to explore customer perceptions of security challenges in mobile banking, identify the main security threats affecting users, and assess the impact of perceived security risks on customer trust and usage.

The study adopted a cross-sectional design and employed a mixed-methods approach, integrating quantitative data from structured questionnaires with qualitative insights from semi-structured interviews involving 135 respondents and bank officers. Simple random sampling ensured fair representation among mobile banking users. Quantitative data were analyzed using descriptive statistics via Statistical Package for Social Science (SPSS), while thematic analysis was used for qualitative responses.

The study found that while most users expressed confidence in CRDB's mobile banking platform, significant knowledge gaps and awareness deficits persisted, especially regarding phishing, weak authentication, and application vulnerabilities. Phishing was the most experienced threat, and security concerns significantly influenced mobile banking usage patterns. Furthermore, trust levels were directly correlated with perceived risk, with many users indicating to increase usage if security were enhanced.

The study concludes that technical security measures alone are insufficient; trust must be fostered through user education, responsive customer support, and transparent communication. The study recommended to strengthen digital literacy programs, adopting multi-layered security systems, and enhancing real-time customer support. These interventions are vital to boost trust, usage, and resilience in CRDB Bank's digital banking services.

**FACTORS INFLUENCING PERFORMANCE OF MORTGAGE
FINANCING AMONG COMMERCIAL BANKS IN TANZANIA: A
CASE OF CRDB AND NMB BANK IN DAR-ES-SALAAM.**

BY

**DORIS DOMINICK NGOWI
REG. 2024-04-0002**

The study was conducted to assess factors influencing the performance of mortgage financing among commercial banks in Tanzania, with a focus on CRDB and NMB Bank in Dar-es-Salaam. Guided by three specific objectives, each linked to independent variables namely interest rate levels, borrower's income level, and mortgage valuation costs.

The study adopted a positivist philosophy, a deductive approach, utilized a cross-sectional survey research design. A sample of 45 respondents was selected, and primary data was collected using questionnaires measured on a five-point Likert scale. Data analysis was conducted using the Ordinary Least Squares (OLS) regression model.

It was found that interest rate levels have positive influence on the performance of mortgage financing. On examining the influence of borrower's income level on the performance of mortgage financing the study found that borrower's income level has no influence on the performance of mortgage financing. Regarding the influence of mortgage valuation costs on the performance of mortgage financing, the study found that mortgage valuation costs have negative influence on the performance of mortgage financing.

It was recommended that commercial banks should optimize mortgage interest rates and design income-sensitive products to improve performance and affordability. They are also encouraged to reduce valuation costs through partnerships and flexible payment structures. The Bank of Tanzania should support these efforts by strengthening regulatory oversight, promoting inclusive product design, and standardizing valuation practices to enhance mortgage accessibility and sustainability.

THE IMPACT OF BANKING CHANNELS ON SMALL AND MEDIUM ENTERPRISES (SMES) IN TANZANIA

BY

POLYKAPU ALOYCE TEMU
REG. 2024-04-0003

The study examines the impact of banking channels, specifically mobile banking, Automated Teller Machines (ATMs), internet banking, and new bank account openings, on the financial inclusion of Small and Medium Enterprises (SMEs) in Tanzania between 2018 and 2024. The research aims to evaluate how these channels have improved SMEs' access to credit, savings, insurance, and payment services, and identified persistent barriers to their effective utilization.

Using a descriptive methodology and secondary data from the Bank of Tanzania, the study found that mobile banking platforms such as M-Pesa and Airtel Money, significantly enhanced SMEs' access to microcredit and savings tools, with registered users increasing by over 130% during the study period. Mobile-based insurance products like Vodabima also gained traction, though adoption remains uneven due to financial literacy gaps. ATMs, which grew by almost 54%, improved cash accessibility, especially for SMEs in retail and agriculture. Internet banking adoption, showed a 398% increase in active users, supporting digital financial management for more tech-savvy SMEs. Additionally, the surge in new bank account openings, peaking at over 12 million in 2021, which indicates a growing trend toward SME formalization.

Despite these gains, challenges such as high transaction costs, limited internet infrastructure, and low financial literacy continue to hinder full financial inclusion. The study recommended that, while banking channels have positively influenced SME financial access, targeted policy interventions are essential to address the remaining barriers and ensure inclusive economic growth.

**THE ROLE OF MICROFINANCE INSTITUTIONS IN
EMPOWERING WOMEN ENTREPRENEURS: A CASE STUDY
OF BRAC TANZANIA FINANCE LIMITED.**

BY

**LULU JULIUS MPORE
REG. 2024-04-0004**

Microfinance is globally appreciated and acclaimed for providing poor people with the opportunity to generate incomes and addressing poverty. The study aimed to assess the role of Microfinance Institutions (MFIs) in empowering women entrepreneurs, specifically the case of BRAC Tanzania Finance Limited". It is focused on Dar es Salaam region, which is among the rapidly growing and leading regions in economic activities as well as the presence of the MFIs in Tanzania. Data was collected from a cross-sectional sample of 31 respondents and analyzed using Statistical Package for the Social Sciences (SPSS) software, applying Descriptive Statistical Analysis techniques.

The study findings indicated that challenges of accessing MFIs have great effect on empowering women entrepreneurs. The findings also showed that financial policies have great influence on the performance of microfinance services in women entrepreneurship. Further, the study developed a mitigating framework to address the existing problems that affect performance of MFIs in women's entrepreneurship. This study concluded that improvement of MFIs operational services and policy measures will bring a positive impact on economic advancement and reduction of poverty through empowerment of women entrepreneurs.

EFFECT OF NON-PERFORMING LOANS ON BANK LIQUIDITY: A CASE STUDY OF SELCOM MICROFINANCE BANK TANZANIA LIMITED

BY

**IMELDA YOHANA SANGA
REG. 2024-04-0005**

In recent years, the rise in non-performing loans (NPLs) has emerged as a critical concern for financial institutions, especially in the microfinance sector. These loans pose significant risks to liquidity, which is essential for banks to meet short-term obligations and maintain operational stability. This study investigated the effects of non-performing loans on bank liquidity, focusing on Selcom Microfinance Bank Tanzania Limited as a case study.

The main objective of the study was to assess how NPLs impact the liquidity position of the bank, with a specific focus on liquidity assets, liquidity ratios, and liquidity reserves. A quantitative research approach was used, relying on secondary data sourced from audited financial statements, regulatory filing, and official reports from the Bank of Tanzania. Descriptive statistics were used to summarise trends in liquidity and NPLs, and correlation and regression analysis were applied to examine the strength and nature of their relationship.

The findings indicated a negative correlation between the rise in NPLs and the bank's liquidity position, suggesting that higher loan defaults weaken the bank's ability to maintain adequate liquidity buffers. The study further indicated that as NPL levels increase, both liquidity ratios and reserves tend to decline, which undermine the financial stability of microfinance institutions.

The study concluded by recommending that microfinance institutions strengthen credit risk assessment frameworks, adopt proactive loan monitoring mechanisms, and align liquidity management practices with regulatory guidelines. The results provide valuable insights for bank managers, regulators, and policymakers seeking to enhance financial sector resilience in Tanzania.

ASSESSMENT OF CUSTOMER SATISFACTION AND SERVICE DELIVERY AT THE BANK OF TANZANIA.

BY

ANETH B. LEMA
REG. 2024-04-0006

In today's business environment, customer satisfaction plays a critical role in strengthening institutional trust and enhancing service outcomes. The study adopted a mixed-methods approach combining quantitative and qualitative data to examine factors affecting customer satisfaction, including service quality, complaint handling, communication, digital accessibility, and timeliness.

A sample of 70 customers was surveyed, including stakeholders from government institutions, commercial banks, and Bank of Tanzania staff. The findings revealed that over 90% of customers were satisfied with the professionalism and communication of Bank of Tanzania staff. While most participants did not experience service-related complaints, about 23% expressed concerns that there should be a stronger complaint management system to resolve customers' complaints. Furthermore, satisfaction with service delivery timeliness and accessibility was generally high, though gaps remain in technological infrastructure and personalized service, particularly in stakeholders from rural areas.

The study concluded by recommending that, though the Bank of Tanzania has made significant progress in service delivery, but continued efforts are needed to align services with rising customer expectations. It was further recommended that to strengthen in complaint handling, improving communication strategies, investing in digital systems and customer education, and adopting a more inclusive, stakeholder-driven approach to service enhancement.

ROLES OF AGENCY BANKING IN PROMOTING FINANCIAL INCLUSION IN TANZANIA: A CASE OF UBUNGO MUNICIPAL SUBURBAN AREAS

BY

ERICK EMMANUEL MALLYA
REG. 2024-04-0007

The study was conducted to examine roles of agency banking in promoting financial inclusion in Tanzania, specifically a case of Ubungo Municipal suburban areas. The study was guided by three specific objectives as indicated by independent variables namely, agency banking reliability of service, agency banking convenience of service and agency banking cost of services. The study adopted a positivist philosophy, deductive approach, utilize a survey strategy and adopted cross sectional research design.

The study covered a sample of 500 respondents above 384 estimated sample from the populations of customers through the use of convenience sampling technique. The study used primary data, which collected by using questionnaires measured in five points Likert scale. Data analysis was conducted using the Ordinary Least Squares (OLS) regression model.

The study found agency banking cost of services had no influence in promoting financial inclusion at Ubungo Municipal suburban areas. Also, it was found that agency banking reliability of service had a positive influence in promoting financial inclusion at Ubungo Municipal suburban areas. Further, the study found that agency banking convenience of service had positive influence in promoting financial inclusion at Ubungo Municipal suburban areas.

**THE IMPACT OF CUSTOMER ENGAGEMENT ON THE
PROFITABILITY OF COMMERCIAL BANKS IN TANZANIA: A
CASE STUDY OF PBZ BANK IN ZANZIBAR**

BY

**KIBAGO WARYOBA
REG. 2024-04-0008**

This study assessed the impact of customer engagement on the profitability of commercial banks in Tanzania. In today's competitive banking industry, customer engagement has emerged as a critical determinant of banking financial performance.

The study adopted a qualitative research approach to assess impact of the key elements of customer engagement; adoption of digital platform, personalized services, and communication strategies, on the profitability (ROA) of banks, specifically PBZ bank. To gather information, the survey covered directors, managers, supervisors, staff, and potential customers. The datasets were thematically analysed, and the findings revealed that the adoption of digital banking technology, customized services to customer preferences, and effective communication tactics positively influenced the performance of banks including profitability (ROA) to the greater extent.

The study concluded that, customer engagement by commercial banks plays a vital role in enhancing the overall performance of banks in Tanzania. Key aspects contributing to the performance include adoption of digital banking platforms, personalized service strategies and timely communication strategies. Recommendations including banks to consider financial digital technology innovations when creating their policies and developing lock-in tactics to the markets already taken to improve their performance.

DETERMINANTS OF CONTINUED CASHLESS MOBILE WALLET PAYMENT SERVICES IN TANZANIA: BUYERS' PERSPECTIVE AT KARIAKOO MARKET

BY

**MARTIN VALERIAN YODA
REG. 2024-04-0009**

The study was conducted to assess determinants of continued usage of cashless mobile wallet payment services in Tanzania based on buyers' perspectives at Kariakoo market. The study was guided by four specific objectives each linked to independent variables, namely, performance expectations, efforts expectations, facilitating conditions and perceived value. The study adopted a positivist philosophy, deductive approach, utilized a survey strategy and adopted cross sectional research design. The study covered a sample of 371 respondents out of 384 estimated sample from the populations of customers using convenience sampling technique.

The primary data used was collected through administering questionnaires whose responses were measured in five points Likert scale. The study analyzed data by using SmartPLS statistical package version 4 by employing the Structural Equation Model (SEM). The research findings revealed that performance and efforts expectations on the one hand and perceived value on the other hand had positive influence on continued usage of cashless mobile wallet payment services at Kariakoo market, whereas, facilitating conditions had none.

Based on the study findings, it is recommended that the Bank of Tanzania promote wider use of mobile cashless services by encouraging service providers to improve support systems through incepting a National Customer Service Charter. The Bank should also revise service costs to enhance perceived value by introducing incentives such as loyalty rewards and fair pricing. Additionally, service providers should expand infrastructure like agent networks and POS systems, while reinforcing value through integrated services and rewards to build user confidence and encourage sustained adoption.

**THE ROLE OF MOBILE MONEY BANKING ON TRADITIONAL
BANKING BUSINESS IN TANZANIA: THE CASE OF EXIM
BANK (T) LIMITED.**

BY

**ROGER TIMOTH
REG. 2024-04-0010**

This study investigated how the rapid growth of mobile money services has had impact on traditional banking operations, with a particular focus on the Exim Bank (Tanzania) Limited. The study employed a descriptive research design and targeted a sample of 100 respondents comprising 50 staff of Exim Bank selected through purposive sampling, and 50 customers of the bank selected via convenience sampling.

Data collection was conducted through structured questionnaires, supported by semi-structured interviews. The qualitative data were analyzed using descriptive statistics to interpret the likert scale responses. The findings revealed that mobile money banking has contributed to a shift in customer transactional behaviour, potentially reducing traditional deposit volumes. Furthermore, mobile money banking has been proven to have influence on customer loyalty, with mobile platforms presenting both a challenge and an opportunity for customer retention. Exim Bank has had encountered operational hurdles such as reduced foot traffic, fraud risks, and integration difficulties, but responded through strategic partnerships, digital innovation, and internal capacity building.

The study concludes that mobile money banking is reshaping the banking landscape in Tanzania and recommends that Exim Bank intensify its digital transformation, strengthen collaborations with mobile money providers, enhance cybersecurity, and redefine the role of physical branches to remain competitive in the evolving financial ecosystem.

FACTORS DETERMINING NON-PERFORMING LOANS IN TANZANIAN BANKING SECTOR: A CASE OF CRDB BANK

BY

**VICTOR WILLIAM MPOLI
REG. 2024-04-0011**

This study investigated the key factors contributing to non-performing loans (NPLs) and their impact on banking liquidity in Tanzania, with a specific focus on CRDB Bank. Using a mixed-methods approach, the research combined quantitative data from structured questionnaires with qualitative insights from interviews involving CRDB Bank employees and customers.

The study identifies three primary determinants of NPLs: customers' standard of living, income levels, and bank interest rates. Findings reveal that high living costs, inflation, and economic instability significantly impair borrowers' ability to repay loans. Additionally, low and unstable incomes, particularly among seasonal and informal sector workers, are strongly associated with increased loan defaults. High and fluctuating interest rates further exacerbate repayment challenges, reducing borrowers' financial resilience and increasing credit risk. The study concludes that NPLs at CRDB Bank are driven by a complex interplay of socio-economic and institutional factors, which in turn constrain banking liquidity.

Sequel to the findings, it is recommended that CRDB Bank may consider revising its credit assessment tools, start offering flexible repayment plans, enhance financial literacy, and implement interest rate negotiation models. The findings contribute to the broader understanding of credit risk management and offer practical strategies for improving loan performance and financial stability in Tanzania's banking sector.

**CHALLENGES FACING THE ADOPTION OF MOBILE
BANKING IN TANZANIAN COMMERCIAL BANKS; A CASE OF
NMB, TCB AND CRDB CUSTOMERS IN ILALA MUNICIPAL**

BY

**GLADNESS ERNEST MWASUBILA
REG. 2024-04-0012**

This study assessed the challenges affecting the adoption of mobile banking in Tanzanian commercial banks, focusing on NMB, TCB, and CRDB in Ilala Municipal.

The research was guided by three independent variables perceived cost, perceived security, and perceived service quality with mobile banking adoption as the dependent variable. The study adopted a positivist research philosophy, a deductive approach, and a survey strategy using a cross-sectional research design. The target population consisted of customers from NMB, TCB, and CRDB in Ilala Municipal, with a sample of 368 respondents selected from an estimated 384 using convenience sampling.

The study used primary data that was collected through a structured questionnaire featuring closed-ended questions measured on a five-point Likert scale. For data analysis, the study employed SmartPLS version 4 and utilized a Structural Equation Model (SEM). The findings revealed that while perceived cost and perceived service quality had a negative and a positive influence on mobile banking adoption, respectively; perceived security didn't have significant influence on the adoption.

Based on the study findings, it is recommended that commercial banks enhance cost transparency, improve cybersecurity through secure systems and customer education, and upgrade mobile banking platforms for better user experience. For the Bank of Tanzania, the study suggests enforcing standardized pricing for mobile services, strengthening security compliance and consumer protection policies, and integrating service quality benchmarks into the financial inclusion framework to promote trust and wider adoption of mobile banking.

THE IMPACT OF DIGITAL NEOBANKS ON THE FUTURE OF TRADITIONAL BANKING IN TANZANIA: A CASE OF CRDB BANK, NMB BANK, AND NBC BANK

BY

KENNETH FULGENCE LWEJUNA
REG. 2024-04-0013

This study assessed the impact of digital neobanks on the future of traditional banking in Tanzania. The main objective of the study was to assess the impact of digital neobanks on the future of traditional banking in Tanzania. The main objective pursued by the study was to assess the impact of digital neobanks on the future of traditional banking in Tanzania. The digital neobanks was measured by using descriptive statistical tools specifically percentages and frequencies; analyzed through Microsoft Excel 2016, based on survey responses and Likert scale ratings from bank customers, managers, and employees. A mixed-methods research design was used based at CRDB, NMB and NBC Banks in Dar es Salaam City of Tanzania.

A stratified random sampling technique was used to select three segments of 210 individuals in the sample who were 201 bank customers, 3 Bank managers and 6 bank employees. The data was collected by structured surveys and in-depth interviews. The findings revealed that use of mobile banking reduced visitations to bank branches for financial services. Also, digital banking offered more convention way of access to and making banking and financial services. Again, use of cheque at CRDB bank, NMB bank, and NBC bank had declined due to digital payment methods. Moreover, ATMs were being used less due to mobile money services and high preferences towards digital banking over traditional banking services.

Based on the findings of this study, it is recommended that banks in Tanzania, especially the biggest ones should leverage on advanced ICT devices to ensure more convenience banking services are offered, particularly, improving accessibility to financial service among customers and ultimately translating into improved of banks' performance. Secondly, traditional banks should lower fees charged on mobile banking and internet banking, especially making the fees below those of digital neobanks on similar or related services. Thirdly, traditional banks should be more innovative especially when introducing new products and services and devising new ways of serving customers in all touch points.

**THE ROLE OF ARTIFICIAL INTELLIGENCE IN ENHANCING
CREDIT RISK ASSESSMENT IN COMMERCIAL BANKS IN
TANZANIA: A CASE OF THREE DOMINANT COMMERCIAL
BANKS.**

BY

**JACKLINA JOSHUA TIBAIJUKA
REG. 2024-04-0014**

This study investigated the role of Artificial Intelligence technologies in enhancing credit risk assessment in commercial banks in Tanzania. Three large commercial banks in Tanzania namely NMB Bank Plc, CRDB Bank Plc and NBC Bank Limited were used as a case study.

The study employed a descriptive and explanatory research design. Further, the study used primary data for analysis, which was collected from the selected respondents from the trio banks through structured questionnaires. Credit risk assessment was measured by assessing changes in Non-Performing Loans (NPL) ratio, loan approval accuracy and default prediction accuracy before and after AI adoption. Logistic regression analysis was used to run the estimation model, specifically the binary logistic regression model which deals with probabilities to maximize the likelihood of observing the given sample data. So, Maximum Likelihood Estimation (MLE) was used to estimate the value of parameters (coefficients) by using SPSS software.

The result reveals that cutting-edge technical technologies to improve credit evaluation procedures have had become necessary due to the increase in non-performing loans and the complexity of financial transactions. While NLP makes it easier to analyze unstructured data, including customer reviews and opinions on social media, to assess borrower behavior, machine learning algorithms offer predictive capabilities that help banks more accurately detect possible defaulters. In a similar vein, DM methods enhance risk assessment and decision making by revealing hidden patterns and connections in huge datasets.

The study examined how these technologies are incorporated into current banking systems and how they affect the effectiveness and dependability of credit risk assessments using a mixed-methods methodology. Findings from the research revealed that implementing these technologies in Tanzania's banking industry greatly raises overall credit management, lowers operating expenses, and increases prediction accuracy. To improve risk mitigation techniques and guarantee financial stability, the study suggests a wider adoption of AI-driven technologies.

**INFLUENCE OF CORPORATE GOVERNANCE ON
FINANCIAL PERFORMANCE OF COMMERCIAL BANKS
IN TANZANIA: A CASE STUDY OF NMB, CRDB, NBC
AND EXIM BANK.**

BY

**ELISHA CHARLES NKYALU
REG. 2024-04-0015**

This study investigates the influence of corporate governance on the financial performance of commercial banks in Tanzania, using NMB, CRDB, NBC, and Exim Bank as case studies. Specifically, it examines the effect of board composition on capital adequacy, assesses how board control mechanisms affect liquidity levels, and evaluates the impact of management accountability on asset quality.

The study employs a quantitative research design, using secondary data sourced from audited financial reports and official publications covering the period 2014 to 2023. Statistical analysis was conducted through multiple regression using SPSS software to determine the strength and significance of the relationships among variables.

The findings reveal that board composition has a positive and statistically significant influence on capital adequacy, indicating that diverse and well-structured boards contribute to improved capital management. Similarly, board control mechanisms such as internal audit functions, board meeting frequency, and risk oversight significantly enhance bank liquidity by ensuring sound internal governance. Furthermore, the study establishes that management accountability positively impacts asset quality, as banks with stronger managerial oversight reported lower levels of non-performing loans and better credit risk management. Overall, the regression model confirms the robustness of the predictors, explaining a substantial proportion of the variance in financial performance. These findings underscore the strategic role of corporate governance in promoting stability and financial sustainability in the Tanzanian banking sector.

Based on the findings of this study, it is recommended that commercial banks strengthen their board structures, enforce accountability frameworks, and comply with governance best practices to enhance their financial performance. It also calls on regulators to implement stricter corporate governance guidelines tailored to the banking environment in Tanzania.

**CHALLENGES FACING SMALL AND MEDIUM ENTERPRISES
IN ACCESSING CAPITAL LOANS FROM FINANCIAL
INSTITUTIONS IN TANZANIA: A CASE STUDY OF DAR ES
SALAAM REGION**

BY

**JOVELYNE MUGISHA JORAM
REG. 2024-04-0016**

This study investigated the challenges facing Small and Medium Enterprises (SMEs) in accessing capital loans from financial institutions in Tanzania, with a focus in the Dar es Salaam region. SMEs play a vital role in national economic growth, job creation, and poverty alleviation. However, their access to formal credit remains a significant barrier to expansion and sustainability. The study aimed at assessing the extent to which high interest rates, collateral requirements, and financial literacy influence SMEs' ability to secure loans.

Using a descriptive research design, data was collected through structured questionnaires from a sample of 240 SME owners. Statistical analysis was conducted using SPSS, involving frequencies and cross-tabulations. The findings revealed that 58.3 percent of respondents were discouraged by high interest rates, and 73.3 percent viewed collateral requirements as a major limitation. Additionally, while 80 percent of respondents had attended financial training, 51.2 percent rated their understanding of loan procedures as average, showing gaps in practical financial literacy.

The study concluded that access to capital is significantly constrained by both financial institutions' requirements and SMEs' own financial capacities. It recommended the need for flexible loan terms, alternative collateral systems, and expanded financial literacy programs tailored for SMEs. These interventions can enhance credit accessibility, boost SME growth, and support Tanzania's wider economic development goals.

THE IMPACT OF NON-PERFORMING LOANS ON BANK PROFITABILITY: A CASE STUDY OF NMB BANK PLC IN TANZANIA

BY

RICHARD PAUL MWANJILE
REG. 2024-04-0017

This study investigated the impact of non-performing loans (NPLs) on the profitability of NMB Bank PLC in Tanzania. Non-performing loans are a persistent challenge in the banking sector, often eroding profitability, capital, and threatening financial stability.

The study employed a mixed-method research design, integrating both quantitative and qualitative approaches. Quantitative data was obtained from NMB PLC's audited financial statements and annual reports covering the period 2019–2023, while qualitative insights were gathered through interviews with bank managers and selected borrowers. Statistical techniques, including descriptive statistics, correlation, and regression analysis, were used to assess the relationship between NPLs and profitability indicators such as Return on Asset (ROA) and Return on Equity (ROE). The results revealed a significant negative relationship between NPLs and profitability, indicating that higher default rates reduce the bank's financial performance. The qualitative findings highlight factors contributing to loan defaults, including weak borrower monitoring, inadequate risk assessment, and external shocks such as market fluctuations.

The study concludes that effective risk assessment and enhanced monitoring mechanisms are essential in mitigating defaults and improving profitability. It is recommended that NMB PLC strengthens its credit appraisal systems, adopt risk-based lending practices, and leverage technology for loan monitoring. By addressing these challenges, NMB can improve asset quality, ensure sustainable profitability, and enhance resilience in the Tanzanian banking sector.

CHALLENGES FACING MICROFINANCE INSTITUTIONS IN DAR ES SALAAM, TANZANIA

BY

DENIS B. SIMON
REG. 2024-04-0019

The study used a quantitative approach and employed a cross-sectional descriptive research methodology. A standardized questionnaire that was distributed to MFI managers via Google Forms was used to collect data, which was analyzed using SPSS. While frequencies, proportions, and percentages were used to describe categorical data, measures of central tendency (mean, median, SD, and IQR) were used to summarize continuous variables. The study involved 97 Microfinance Institutions (MFIs).

Study results indicated that 90.7 percent and 73.2 percent of managers, respectively, acknowledged being aware of the 2019 Non-Deposit Taking restrictions and the 2024 Guidelines on Fees and Charges, while 81.4 percent said that the restrictions had a favorable effect on MFI performance. Further, 90.7 percent of respondents cited loan default as a danger to sustainability, with an average default rate of 7.3 percent. The most common claimed cause was financial illiteracy (63.9 percent), which was followed by over-indebtedness and bad credit evaluation (54.6 percent). A 64.4 percent increase in loan disbursement was a result of the implementation of digital or mobile financial technologies by 90.7 percent of MFIs, and primarily digital loan applications (63.9 percent).

According to the survey, many MFI managers were uninformed of important regulations, and loan defaults mostly brought on by clients' lack of financial literacy endanger sustainability. The usage of technology has enhanced dispersal. Stronger regulatory awareness is advised, where clients should be instructed on how to use loans responsibly and be required to submit a detailed repayment plan before receiving one, MFIs should thoroughly evaluate their clients' financial capacity before granting loans, and MFIs should promote the use of digital technology.

LENDING CHALLENGES FACING COMMERCIAL BANKS IN TANZANIA: AN EMPIRICAL INVESTIGATION

BY

GLORY MICHAEL
REG. 2024-04-0020

This study investigated the challenges facing lending in commercial banks in Tanzania, focusing on CRDB Bank, NMB Bank, and NBC Bank. The study aimed at examining the influence of regulatory and policy frameworks on lending practices, assessing the role of technology in addressing lending challenges, and evaluating the effectiveness of credit risk management strategies. A descriptive research design was employed, using both qualitative and quantitative methods. Data were collected from 50 participants comprising credit officers, loan managers, and risk analysts through structured questionnaires and document reviews. Data analysis involved descriptive statistics and thematic analysis.

Findings indicated that regulatory and policy requirements, including complex documentation procedures, significantly delayed loan processing. Digital technologies contributed positively to lending process through mobile loan services, automated credit scoring and electronic document verification. On the other hand, key barriers to adoption included high implementation costs, limited technical capacity and inadequate infrastructure. Commercial banks employed credit assessment, borrower monitoring, and use of credit information systems to manage credit risk. Portfolio diversification was seen as less effective. Overall, 86.8 percent of respondents expressed moderate to high confidence in their institutions' risk management capabilities.

The study concludes that digital investment, improved staff capacity, streamlined regulatory frameworks, and stronger credit risk systems are essential for enhancing lending performance. It recommends infrastructure upgrades, engagement with regulators, improved recovery mechanisms, and enhanced staff training.

**AN EMPIRICAL STUDY ON THE IMPACT OF CORPORATE
SOCIAL RESPONSIBILITY PRACTICES IN MICROFINANCE BANK
PERFORMANCE: EVIDENCE FROM PLATINUM CREDIT LIMITED**

BY

**JULIUS MAWINDA OWINO
REG. 2024-04-0021**

The study aimed at assessing the impact of Corporate Social Responsibility (CSR) practices on the financial performance of microfinance banks, using the case of Platinum Credit Limited. It empirically evaluated how CSR initiatives influence financial outcomes within the institution, focusing on three key areas: customer acquisition and retention, the relationship between CSR expenditures and profitability, and the effect of CSR on competitive positioning.

Employing a mixed-methods research design, the study combined quantitative surveys of 150 customers and 30 management staff, with qualitative interviews of 10 key management personnel, using stratified random and purposive sampling techniques, respectively. Quantitative data was analyzed using SPSS descriptive statistics, while financial performance was evaluated through indicators such as Return on Assets, Return on Equity, Net Profit Margin, Customer Growth Rate, and Market Share Increase.

Findings revealed that CSR initiatives significantly enhanced customer trust and loyalty, leading to improved acquisition and retention rates. Moreover, there was a significant perceived positive correlation between CSR spending and profitability, with CSR seen as a value-adding investment that bolsters the corporate image and attracts investors. Lastly, CSR practices were found to strengthen Platinum Credit Limited's positioning by differentiating it from its rivals. It is recommended that financial institutions integrate and align CSR Strategies with their institution strategy so as to increase their loyalties and earnings.

THE IMPACT OF MOBILE BANKING ON FINANCIAL INCLUSION: A CASE OF TANZANIA COMMERCIAL BANK

BY

HAPPINESS DEOCARIUS
REG. 2024-04-0023

This study assessed the impact of mobile banking on financial inclusion at Tanzania Commercial Bank (TCB), in Dar es Salaam, Tanzania, through a quantitative analysis of 100 systematically sampled customers. Findings show that mobile banking plays a key role in improving access to financial services by removing traditional barriers such as long distances to bank branches and limited banking hours. It is especially popular among younger and more educated users, who appreciate its convenience and ease of use. Services like bill payments and access to additional products such as insurance were widely used, although more complex services like loans and savings were used less frequently. Some users still faced challenges, including technical issues and network connectivity problems, but most found mobile banking simple to understand and use.

Overall, the study confirmed that both access to and active use of mobile banking services contributed significantly to promoting financial inclusion. The study concludes that while mobile banking drives inclusion at TCB by improving access and engagement, equitable adoption requires addressing infrastructure gaps, enhancing digital literacy for marginalized groups (e.g., elderly, less educated), and tailoring services to bridge usage disparities. The study recommends improvements on infrastructure investment, simplified interfaces, targeted financial education, and policy frameworks for cybersecurity and rural connectivity.

THE INFLUENCE OF WORKING ENVIRONMENT ON STAFF RETENTION: A CASE OF ABSA BANK TANZANIA HEAD OFFICE

BY

PASTORY PIUS MACHELA
REG. 2024-04-0024

This study examined how working environment affect employee retention at Absa Bank Tanzania. It specifically focused on four key environmental factors; team bond, physical environment, psychological environment, and organizational environment, to determine their predictive power on employee retention.

The study used a quantitative, cross-sectional design to examine how working environment influences staff retention at Absa Bank Tanzania. A simple random and purposive sampling technique was employed to select samples. Data were collected through structured online questionnaires rated on a Likert scale and administered to a sample of 75 Absa staff members. The data were analyzed using both descriptive statistics (frequencies, percentages, and tables) and inferential statistics techniques in SPSS, including mean scores, correlation analysis, and multiple linear regression to test the relationship between variables.

Findings revealed that the psychological environment was the strongest predictor of employee retention ($\beta = 0.454$, $p < 0.001$), followed by team bond ($\beta = 0.295$, $p = 0.003$) and physical environment ($\beta = 0.231$, $p = 0.010$). The organizational environment, indicating a positive beta ($\beta = 0.088$), was statistically insignificant influence ($p = 0.316$). Overall regression model explained 61.3% of the variance in employee retention ($R^2 = 0.613$), and was statistically significant ($F = 52.77$, $p < 0.001$). Correlation analysis supported these results, with psychological environment showing the highest connection with retention ($r = 0.674$), and all inter-predictor correlations remained below 0.70, indicating absent of multicollinearity.

The study concludes that developing a psychologically safe environment, promoting strong team cohesion, and ensuring a comfortable physical work setting are critical for enhancing employee retention. Although, organizational environmental factors appeared less influential, it may contribute to retention in the long-term. The study recommends targeted improvements in psychological, team support, workplace conditions, and policy frameworks. Future studies should extend beyond Absa Bank to improve applicability and generalizability of findings.

ROLE OF FINANCIAL LEASING IN ENHANCING THE AGRICULTURAL SECTOR IN TANZANIA

BY

MARIA R. WAMBURA
REG. 2024-04-0025

This study examines the role of financial leasing in enhancing agricultural productivity and mechanization in Tanzania, focusing on its effectiveness as an alternative financing mechanism for small- and medium-scale farmers. Despite the sector contributing 26.5% to GDP and employing over 75% of the population, Tanzanian agriculture remains constrained by limited access to capital, modern equipment, and financial services. Using a mixed-methods design, primary data were collected through structured questionnaires administered to 250 clients of PASS Leasing Company Limited and EFTA Limited, complemented by secondary data were obtained from published reports and institutional records.

The findings reveal that financial leasing significantly improves access to modern agricultural equipment, enhances productivity and cash flow management, and reduced dependence on traditional credit. Key advantages include flexible repayment terms, reduced collateral requirements, and increased operational efficiency. However, the challenges such as complex legal, limited financial literacy, and insufficient maintenance support constrain its full impact.

The study concludes that financial leasing holds strong potential to advance mechanization, increase yields, and promote sustainable agricultural transformation in Tanzania. The study recommends simplifying lease contracts, promoting farmer education, enhancing after-sales, and legal frameworks to expand the inclusiveness and effectiveness of leasing model across agricultural sector. These findings offer valuable insights for policymakers, leasing institutions, and development partners seeking to improve agricultural financing and foster inclusive economic growth.

**ANTECEDENTS OF FINTECH MICROCREDIT UPTAKE
AMONG WOMEN-LED MICROBUSINESSES: A CASE OF
UBUNGO MUNICIPALITY, TANZANIA**

BY

**SHADRACK MIJJINGA ENOCK
REG. 2024-04-0026**

Across Tanzania, thousands of women running microbusinesses continue to struggle with limited access to formal finance, despite the rise of digital financial solutions. This study examines the factors that drive or hinder their decision to adopt FinTech microcredit, with a focus on women-led enterprises in the semi-urban markets of Ubungu Municipality. Guided by a positivist philosophy and a cross-sectional research design, the study collected primary data through structured questionnaires rated on a five-point Likert scale. SmartPLS through Structural Equation Modeling (SEM) was employed to analyze the data.

The findings indicated that cost complexities negatively affect the uptake of FinTech microcredit, whereas loan-related advantages have a positive and significant influence. Conversely, terms compatibilities show no significant effect, suggesting that ease of use alone does not guarantee uptake. The study concludes that reducing transactional barriers and enhancing the perceived benefits of FinTech lending can empower more women entrepreneurs, strengthen microbusiness resilience, and accelerate Tanzania's digital financial inclusion agenda.

THE ROLE OF BANKING SECTOR IN IMPROVING FINANCIAL INCLUSION IN TANZANIA

BY

WINNIE MOHAMED NGORA
REG. 2024-04-0027

Financial inclusion has emerged as a vital component in economic development and poverty reduction. Despite notable progress, a significant portion of Tanzania's population remains unbanked or underbanked. The study examines how both traditional and digital banking services contribute to financial inclusion, focusing on strategies such as mobile banking, agent banking, and simplified account opening procedures. It explores the challenges that hinders broader access to banking services and highlights effective strategies for promoting inclusive banking.

A mixed-method research design was adopted, combining quantitative data from 200- 150 client with qualitative interviews conducted with banking professionals. The finding reveals that the expansion of digital banking platforms such as mobile banking and agency banking has significantly improved access to financial services, especially in rural areas. However, challenges such as limited financial literacy, inadequate infrastructure, and regulatory constraints continue to limit the impact of these initiatives on financial inclusion.

The study concludes that although banks in Tanzania have made substantial efforts toward financial inclusion through innovation outreach, a more collaborative approach involving the government, finTech companies, and NGOs is essential for achieving inclusive growth. Policy recommendations include promoting financial literacy, investing in ICT infrastructure, and fostering partnerships between traditional banks and digital financial services providers to expand access and sustainability.

THE ROLE OF INTERNATIONAL TRADE IN SHAPING TANZANIA'S FOREIGN EXCHANGE RESERVE

BY

FREDRICK RONALD LYIMO
REG. 2024-04-0028

Tanzania's participation in international trade has expanded, aiming to reshape its economic landscape and influence the country's external financial stability. This study aims to investigate how international trade activities shape the nation's foreign exchange reserves position. A robust regression model was employed, using secondary data covering 30 years (1994–2024). Specifically, international trade was proxied by three variables: export trade, import trade, and trade openness, to assess their impact on the accumulation and sustainability of foreign exchange reserves.

The findings reveal that export trade and trade openness measured through Foreign Direct Investment (FDI) have a positive impact on the Tanzania's foreign exchange reserves, whereas import trade exerts has negative influence. These results highlight the need to enhance export competitiveness and attracting FDI inflows to strengthen reserve accumulation, while managing import levels to prevent excessive reserve depletion.

The study offers key policy recommendations for policymakers and regulators, emphasizing the need to promote domestic production, enhance infrastructure development, and create a conducive investment climate to strengthen the sustainability of foreign exchange reserves. Nonetheless, the study's scope is limited to three trade-related variables; therefore, future research should integrate broader macroeconomic indicators such as inflation, interest rates, and remittance inflows to provide a more comprehensive perspective. Overall, the study enriches the understanding of trade reserve dynamics in developing economies and contributes to evidence-based policymaking aimed at promoting financial stability.

**CREDIT MONITORING, CREDIT HISTORY, AND ENTERPRISE
SIZE ON LOAN REPAYMENT AT FIRST HOUSING FINANCE
TANZANIA LIMITED, HEAD OFFICE, DAR ES SALAAM.**

BY

**FARAJI NOOR SENKORO
REG. 2024-04-0029**

This study examines the influence of credit monitoring, credit history, and enterprise size on loan repayment performance at First Housing Finance Tanzania Limited, Head Office, Dar es Salaam. The research was motivated by the persistent problem of non-performing loans (NPLs) that continue to undermine financial stability and institutional growth within Tanzania's housing finance sector.

A mixed-methods design was adopted, combining primary data from structured questionnaires administered to loan officers and borrowers with secondary data from repayment reports, credit bureau records, and internal monitoring documents. Correlation and multiple regression analyses were used to test hypotheses and determine the strength and direction of the relationships among the variables.

The findings show that credit monitoring is the strongest predictor of loan repayment performance, followed by credit history, while enterprise size exhibits a weak and statistically insignificant direct effect. The results underscore the importance of continuous monitoring, early-warning mechanisms, and technology-driven oversight in minimizing default risks.

The study recommends strengthening technology-based credit monitoring systems, enhancing collaboration with Credit Reference Bureaus, and adopting borrower segmentation strategies tailored to enterprise characteristics. These measures can reduce non-performing loans, improve portfolio quality, and promote financial stability in Tanzania's housing finance sector.

**FACTORS AFFECTING THE PERFORMANCE OF
MICROFINANCE IN TANZANIA: A CASE OF ASA
MICROFINANCE IN KINONDONI**

BY

**JESCA EDWARD BACHWA
REG. 2024-04-0030**

Microfinance institutions play a vital role in advancing financial inclusion, particularly among low-income households and small entrepreneurs. This study investigates the key factors influencing the performance of microfinance institutions in Tanzania, with a focus on ASA Microfinance in Kinondoni. The research specifically examines the impact of financial factors, operational efficiency, and external conditions on institutional performance.

A quantitative research approach was adopted, using structured questionnaires administered to 100 respondents. Data were analyzed using descriptive statistics and multiple regression techniques. The findings reveal that ASA's performance is significantly shaped by external factors, including macroeconomic variables (notably inflation and interest rates), the regulatory environment, technological advancement, industry competition, and prevailing social norms. High inflation and fluctuating interest rates were identified as major financial burdens that weakened repayment capacity and elevated operational risk.

The study concludes that sustainable performance requires robust financial risk management, including stress testing and scenario planning to mitigate macroeconomic volatility. It further recommends continued investment in digital and mobile banking technologies to enhance efficiency and expand outreach, particularly in underserved rural areas.

INFLUENCE OF CUSTOMER SERVICE ON CUSTOMER RETENTION. A CASE STUDY OF SELECTED NMB BRANCHES AT DAR ES SALAAM

BY

VIVIAN PIUS USANGA
REG. 2024-04-0031

Customer retention has become a strategic priority for commercial banks in Tanzania as competition intensifies and customer expectations evolve. This study investigates the influence of customer service on customer retention at NMB Bank in Dar es Salaam. Guided by the SERVQUAL model and relationship marketing theory, the study examined how service quality, customer satisfaction, customer loyalty, and customer feedback affect retention outcomes.

A descriptive research design with a mixed-methods approach was employed, covering five NMB branches: Bank House, Mlimani City, Ilala, Tegeta, and Sinza. Data were collected from 120 respondents selected using Yamane's formula at a 95% confidence level. Structured questionnaires and interviews were used, with instrument reliability confirmed by Cronbach's alpha values ranging from 0.72 to 0.83. Quantitative data were analyzed using descriptive statistics, correlation, and regression techniques in SPSS, while qualitative data were thematically analyzed.

Findings indicate that service quality dimensions responsiveness, reliability, and assurance significantly and positively influence customer retention. Customer satisfaction and loyalty further strengthen retention, while effective feedback mechanisms enhance responsiveness to customer needs.

The study concludes that delivering high-quality customer service is essential for sustaining long-term relationships and competitiveness. It recommends continuous monitoring of service quality, investment in satisfaction and loyalty programs, and stronger feedback systems to improve retention performance.

ASSESSING THE IMPACT OF CAPITAL STRUCTURE ON COMPANY'S PROFITABILITY: A CASE OF NMB BANK

BY

ANGELINA JOHN MACHIBYA
REG. 2024-04-0032

This study examines the effect of capital structure on the profitability of NMB Bank Plc in Tanzania. The analysis is based on secondary data covering the period from 2014 to 2024.

Using quantitative methods, the study investigates the relationship between equity financing, debt financing, and firm profitability. The findings reveal a statistically significant positive relationship between equity financing and profitability, suggesting that higher equity proportions enhance the bank's financial performance. Conversely, debt financing exhibits a statistically significant negative relationship with profitability, indicating that excessive reliance on borrowing increases financial costs and reduces returns.

These results underscore the importance of prudent debt management in maintaining sustainable profitability. The study concludes that while debt can serve as an instrument for business growth and capital expansion, excessive leverage may erode profitability and increase financial risk. It is recommended that NMB Bank periodically review and optimize its debt-to-equity ratio to achieve an optimal capital structure. Additionally, strengthening risk assessment and management frameworks will help mitigate potential financial distress arising from high debt exposure.

THE EFFECTS OF MACROECONOMIC VARIABLES ON THE FINANCIAL PERFORMANCE OF COMMERCIAL BANKS IN TANZANIA: A CASE OF NCBA BANK.

BY

KHALID HAFIDH KHALID
REG. 2024-04-0034

This study investigates the effect of key macroeconomic factors on the profitability of commercial banks in Tanzania, focusing on NCBA Bank. Specifically, it examines how interest rates, inflation, exchange rates, and deposit levels influence profitability, measured by Return on Equity (ROE).

A quantitative research approach was employed using time-series data from 2020 to 2025. Empirical analysis reveals that both net interest income margin and exchange rate fluctuations exert a positive and statistically significant influence on ROE, indicating that prudent management of interest rate dynamics and foreign currency exposure enhances profitability. Conversely, higher deposit levels are associated with reduced profitability, suggesting potential inefficiencies in deposit utilization or management. Inflation exhibited no significant effect, implying that the bank effectively adapts its strategies to inflationary pressures.

The study contributes to the limited empirical literature on macroeconomic determinants of bank profitability in Tanzania. It provides actionable insights for bank managers, policymakers, and regulators on optimizing interest rate and exchange rate risk management while improving deposit mobilization strategies. Strengthening these areas can enhance profitability and support the long-term financial stability of Tanzania's banking sector.



Hon. Emmanuel Tutuba, Governor of the Bank of Tanzania, front line seated at the middle in a group picture with Postgraduate in Banking Management Graduands during the 3rd Graduation Ceremony held at BOT Academy

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