CRDB BANK

The bank that listens

2025

Integrated Report & Consolidated Financial Statements



Accelerating Growth

Through Connected Experiences

Report Theme



The 2025 report theme, Accelerating Growth Through Connected Experiences, reflects CRDB Bank Group's focus on sustaining strong business momentum while deepening the quality, reach, and integration of customer, partner, and stakeholder interactions across its operating markets. It speaks to a year in which the Group advanced growth not only through balance-sheet expansion, but also through stronger linkages between physical channels, digital platforms, regional operations, partnerships, and customer-centred service delivery.

The theme is grounded in CRDB Bank's strategic direction under the EVOLVE Strategy (2023-2027), which seeks to grow the business, future-proof the organisation, and ring-fence the franchise through customer obsession, operational efficiency, digital transformation, talent optimisation, strategic partnerships, and responsible growth. In this context, connected experiences refer to the seamless way in which the Group brings together products, delivery channels, people, data, governance, and sustainability priorities to create enduring value for customers, communities, investors, employees, regulators, and business partners.

The theme is also consistent with the Group's integrated business model. CRDB operates through a broad network of branches, ATMs, agents, digital channels, subsidiaries, and specialised business lines serving retail, corporate, treasury, insurance, and Shariah compliant banking customers. By strengthening these connections and making them more responsive, convenient, and inclusive, the Group is better positioned to improve livelihoods, support economic development, and preserve value over the short, medium, and long-term.

About the Theme

At its core, this theme recognises that sustainable growth in banking today is increasingly shaped by how effectively an institution connects customer needs to relevant solutions, technology to service delivery, strategy to execution, and financial performance to wider economic and social impact. For CRDB, growth is not viewed as a standalone financial outcome; it is the result of a deliberate effort to build stronger and more meaningful connections across the value chain.

In 2025, these connected experiences were visible in the Group's continued expansion of financial access, growth in customers, strengthening of regional operations, enhancement of digital platforms, and further embedding of sustainability and stakeholder responsiveness into decision-making. The report theme therefore captures both performance and method: performance, because the Group delivered strong business growth during the year; and method, because that growth was driven by integrated, customer-led, digitally enabled, and strategically connected execution.

The theme also reflects CRDB's purpose of improving livelihoods and delivering sustainable impact, its vision of transforming lives and developing economies to their fullest potential, and its mission of providing disruptive solutions to unlock socio-economic value for stakeholders. It provides an appropriate lens through which the 2025 Annual Report explains how the Group used its six capitals, governance structures, and strategic capabilities to create and preserve value in a changing operating environment.





Board Responsibility and Approval Statement

The Board of Directors acknowledges its responsibility for the integrity, completeness, and balanced presentation of the 2025 Annual Report and the information contained in this report. In fulfilling this responsibility, the Board has considered the Group's operating context, strategic direction, governance framework, value creation model, and the principal matters that could reasonably affect CRDB Bank Group's ability to create, preserve, or erode value over time.

The Board is satisfied that this report presents a coherent view of the Group's business model, strategy, performance, governance, risk environment, and sustainability-related matters for the year ended 31 December 2025. The Board further confirms that the report has been prepared through a Group-wide reporting process involving management across the business, with oversight from the Management Committees and the Board and its relevant committees.

In relation to the audited financial statements included within the Annual Report, the Directors accept responsibility for the financial statements prepared using appropriate accounting policies, supported by reasonable and prudent judgments and estimates, in conformity with IFRS Accounting Standards and the requirements of the Companies Act No. 12 of 2002. The Directors are also responsible for maintaining proper accounting records and for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Accordingly, the Board believes that this Annual Report, taken as a whole, fairly reflects the matters that were material to CRDB Bank Group in 2025 and provides stakeholders with a sound basis for assessing the Group's performance, position, prospects, and stewardship.

Report Scope and Boundary

This Annual Report is the principal reporting document for CRDB Bank Group's activities and performance for the 2025 financial year. It covers the period from 1 January 2025 to 31 December 2025. Where relevant to a proper understanding of the Group's position and outlook, notable material events occurring after the reporting date and up to the publication of the report have also been considered.

The report is intended primarily for providers of financial capital, including shareholders, investors, lenders, and other capital market participants. At the same time, it includes information relevant to broader stakeholder groups, including customers, employees, regulators, suppliers, communities, and development partners, reflecting the Group's integrated thinking approach and its commitment to transparent, decision-useful communication.

The reporting boundary for the Group sections of the report comprises CRDB Bank Plc and its subsidiaries: CRDB Bank Burundi S.A., CRDB Bank DR Congo S.A., CRDB Insurance Company Limited, and CRDB Bank Foundation. For sustainability-related reporting, the reporting entity is aligned to the entities included in the Group's 31 December 2025 financial statements, with no reported changes to group structure during the reporting period. The reporting boundary also covers relevant leased assets and, where applicable, upstream and downstream value-chain considerations for the identification of sustainability-related risks and opportunities.

This report should therefore be read as a consolidated account of how the Group operated, performed, and created value during 2025 across its principal markets of Tanzania, Burundi, and the Democratic Republic of Congo.



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Our Reporting Scope And Boundary

This Annual Report constitutes the principal report of CRDB Bank PLC ("the Bank") and its subsidiaries (together, "the Group") to our stakeholders. It provides a clear, balanced and transparent account of the Group's performance, prospects and value-creation journey. The report has been reviewed and authorised by the Board of Directors ("the Board") and reflects how the Group creates sustainable long-term value while delivering on its purpose: to improve livelihoods and deliver sustainable impact.

The report presents an overview of the Group's strategy, business model, risks and opportunities, operational and governance performance for the financial year ended December 31, 2025, framed around the six capitals that underpin our integrated approach to value creation. It purposefully covers both financial and nonfinancial performance, demonstrating how our activities contribute to sustainable growth in the short, medium and long term.

In preparing this report, we have applied integrated thinking across our business, ensuring that our strategic priorities, resource allocation, risk management and performance outcomes are considered holistically. We have sought to align the content with the principles of integrated reporting, clearly illustrating the interconnections between our strategy, governance, performance and future outlook, and how these collectively support the Bank's ability to create enduring value for all stakeholders.

Materiality

The Group's material matters are those issues that have the potential to significantly influence our ability to create, preserve and deliver value over the short, medium and long term. In line with our commitment to transparency and accountability, we continuously seek to understand, assess, and disclose matters most relevant to our business and stakeholders.

The determination of material matters is informed by a comprehensive review of our business model, strategic priorities and operating environment, as well as the expectations and interests of our key stakeholders. These insights are gathered through regular and structured engagement with stakeholders as part of our normal course of business.

Through ongoing research, analysis and stakeholder engagement, we identify and assess environmental, social and governance (ESG) issues that may present significant risks to, or opportunities for, the Bank. This process enhances our understanding of the external and internal factors that could impact our performance, resilience and long-term sustainability.
The materiality determination process is central to the Group's decision-making and strategic planning. It provides a robust foundation for identifying key risks and opportunities, supports effective resource allocation, and underpins our ability to deliver sustainable value to our stakeholders.

Our Approach to the Preparation of the Integrated Report

Integrated thinking is embedded in the way the Bank manages its business, develops strategy and reports on performance. Our strategy is built around three strategic pillars, designed to optimise the use of key resources and foster strong relationships that support sustainable value creation over time.

A considered assessment of these strategic pillars informs both our strategic direction and the materiality assessment process, which, in turn, determines the content, structure, and focus of this Integrated Report. This ensures alignment between our strategy, performance, risks, opportunities and the information we disclose to stakeholders.

Reporting Frameworks

This Integrated Report has been prepared in accordance with the Integrated Reporting Framework, and the consolidated financial statements as per IFRS Accounting Standards (IFRS) and Tanzania Financial Reporting Standards 1 (TFRS), providing a balanced and holistic view of the Bank's financial and non-financial performance, governance, and future outlook.

Furthermore, our reporting is guided by the principles of the Dar es Salaam Stock Exchange listing requirements, Central Bank of Tanzania, National Board of Accountants and Auditors (NBAA), Capital Market and Securities Authority (CMSA) and Companies Act, No. 12 of 2002.



Acronyms & Abbreviations

AGM	Annual General Meeting
AI	Artificial Intelligence
AML	Anti-Money Laundering
ATM	Automated Teller Machine
BCM	Business Continuity Management
BoT	Bank of Tanzania
CASA	Current Account and Savings Account
CBF	CRDB Bank Foundation
CCO	Chief Commercial Officer
CFO	Chief Financial Officer
CIR	Cost-to-Income Ratio
CMSA	Capital Markets and Securities Authority
COO	Chief Operations Officer
CSI	Corporate Social Investment
CSAT	Customer Satisfaction Score
CX	Customer Experience
DEI	Diversity, Equity and Inclusion
DFI	Development Finance Institution
DRC	Democratic Republic of the Congo
DSE	Dar es Salaam Stock Exchange
EAC	East African Community
EAD	Exposure At Default
ECL	Expected Credit Loss
ESG	Environmental, Social and Governance
ESMS	Environmental and Social Management System
FVOCI	Fair Value Through Other Comprehensive Income
FVPL	Fair Value Through Profit or Loss
FY	Financial Year
GCF	Green Climate Fund
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
HR	Human Resources
HRBP	Human Resource Business Partner
IASB	International Accounting Standards Board
ICAAP	Internal Capital Adequacy Assessment Process
ICT	Information and Communication Technology
IFEM	Interbank Foreign Exchange Market
IFRIC	IFRS Interpretations Committee
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
ISSB	International Sustainability Standards Board
IT	Information Technology
KPI	Key Performance Indicator
LGD	Loss Given Default
MNO	Mobile Network Operator
MPC	Monetary Policy Committee
MSME	Micro, Small and Medium Enterprise
NBAA	National Board of Accountants and Auditors
NGO	Non-Governmental Organisation
NPL	Non-Performing Loan
NPS	Net Promoter Score
OCI	Other Comprehensive Income
OSHA	Occupational Safety and Health Authority
PAT	Profit After Tax
PBT	Profit Before Tax
PD	Probability of Default
POS	Point of Sale
REIT	Real Estate Investment Trust
ROAA	Return on Average Assets
ROAE	Return on Average Equity
SADC	Southern African Development Community
SASB	Sustainability Accounting Standards Board
SDG	Sustainable Development Goal
SME	Small and Medium Enterprise
SMR	Statutory Minimum Reserve
TCFD	Task Force on Climate-related Financial Disclosures
TIRA	Tanzania Insurance Regulatory Authority
TRA	Tanzania Revenue Authority
TZS	Tanzania Shillings
USSD	Unstructured Supplementary Service Data
WEO	World Economic Outlook

2025 Performance Snapshot

The Group delivered another year of strong expansion in 2025, marked by growth in assets, deposits, loans and profitability. Performance was supported by disciplined execution, balance-sheet expansion, and continued customer adoption across the Group. The visuals and tables below present the most decision-relevant indicators for the year and show how performance has evolved over the last five reporting periods.

Profit before tax
TZS 1,030.5bn

Profit after tax
TZS 728.6bn

Total assets
TZS 22,308.9bn

Customer deposits
TZS 14,930.5bn

Net loans and advances
TZS 13,723.3bn

Shareholders' funds
TZS 2,747.1bn

ROAA
5.3%

ROAE
29.5%

Cost-to-income ratio
41.6%

NPL ratio
2.9%

Earnings per share
TZS 280.4

Share price
TZS 1,530

Branches
261

ATMs
732

POS terminals
6,607

Agents
38,883

Customers
7.2m

Five-Year Highlights

Trend overview. Over the 2021–2025 period, the Group recorded consistent expansion in balance sheet and earnings. Total assets rose from TZS 8,817.6 billion to TZS 22,308.9 billion, customer deposits from TZS 6,489.6 billion to TZS 14,930.5 billion, loans and advances from TZS 5,040.4 billion to TZS 13,723.3 billion, and profit after tax from TZS 268.2 billion to TZS 728.6 billion.



Figure 2: Five-year profitability trend

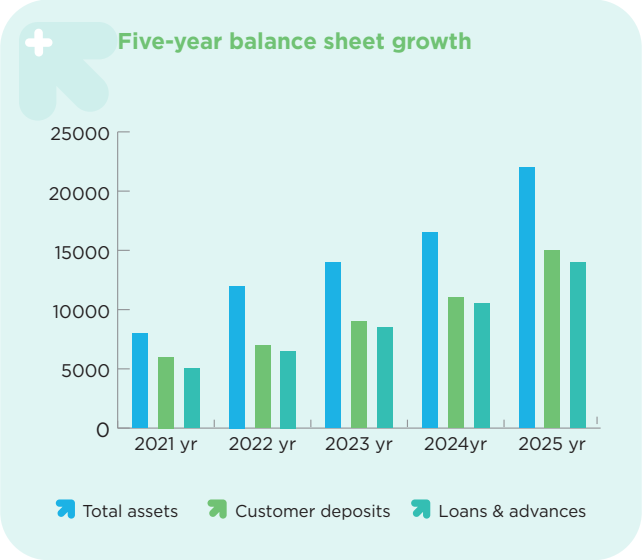


Figure 1: Five-year balance sheet growth

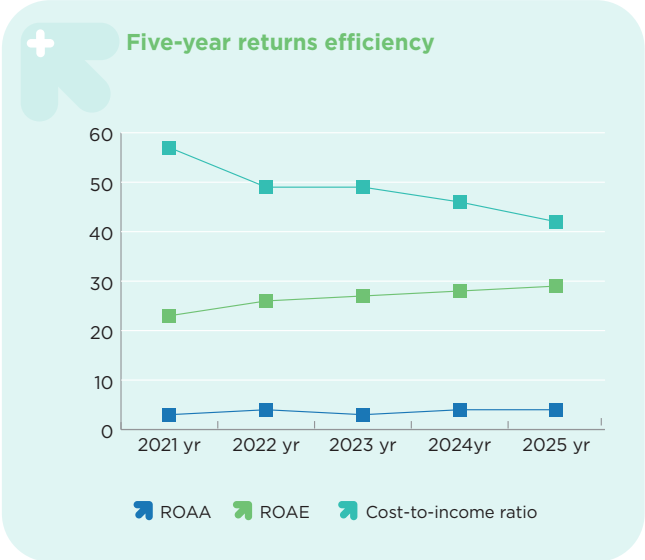


Figure 3: Five-year returns and efficiency

Five-Year Highlights Table

Metric	2021	2022	2023	2024	2025
Profit after tax (TZS bn)	268.2	351.4	422.8	551.5	728.6
Operating income (TZS bn)	900.2	1,052.5	1,255.5	1,518.4	1,883.8
Loans and advances (TZS bn)	5,040.4	6,876.5	8,443.5	10,360.8	13,723.3
Total assets (TZS bn)	8,817.6	11,636.6	13,321.3	16,698.8	22,308.9
Customer deposits (TZS bn)	6,489.6	8,200.4	8,856.0	10,934.1	14,930.5
Shareholders' funds (TZS bn)	1,219.3	1,479.1	1,781.5	2,173.2	2,747.1
EPS (TZS)	102.7	134.5	161.9	211.2	280.4
ROAA (%)	4.4%	4.9%	4.8%	5.2%	5.3%
ROAE (%)	22.0%	26.0%	26.7%	27.7%	29.5%
Cost-to-income ratio (%)	55.3%	49.4%	49.5%	45.7%	41.6%

The Value We Created

To Employees

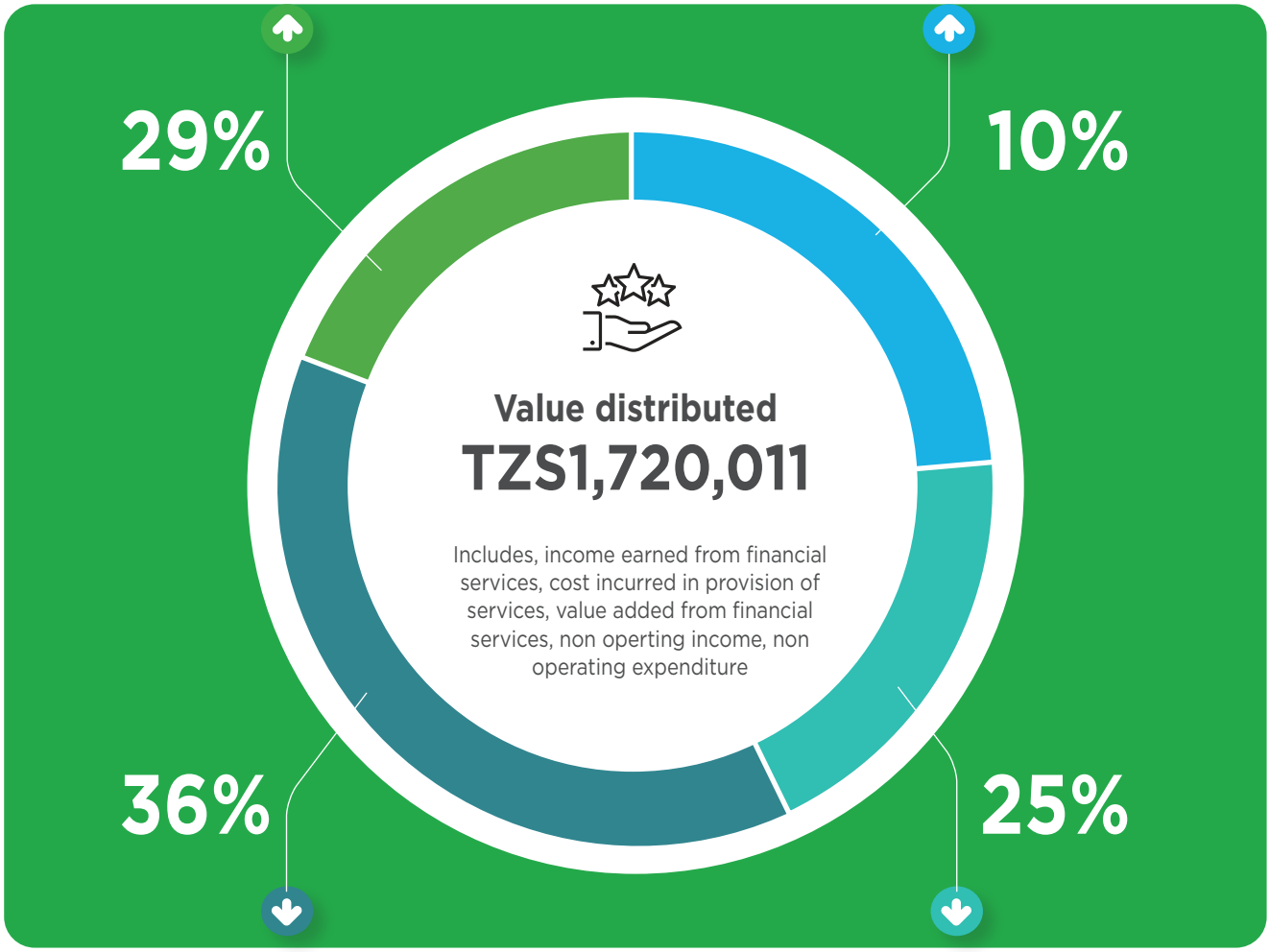
431,464	25%	380,448	29%

Includes salaries and other benefits

To Shareholders

235,065	10%	169,770	10%

Includes dividend to shareholders



To Government

681,424	40%	461,819	36%

Includes corporate tax, PAYE, skills & development levy, excise duty/ service levy and other taxes, VAT on services

To Expansion & Growth

437,354	25%	318,432	25%

Includes depreciation, deffered tax and retained earnings

2024

TZS Millions

Group Overview




CRDB
BANK

About Us

CRDB Bank Group PLC is an integrated financial services provider listed on the Dar es Salaam Stock Exchange (DSE) in Tanzania.

Our vision is to transform lives and develop economies to their fullest potential. The Bank contributes to sustainable growth and financial inclusion by offering a comprehensive range of financial services.

These services cater to individuals, small and medium-sized enterprises (SMEs), corporate banking, treasury and capital markets, premier banking and insurance services.





Mission, Vision and Values

PURPOSE

Improve livelihoods and deliver sustainable impact.

VISION

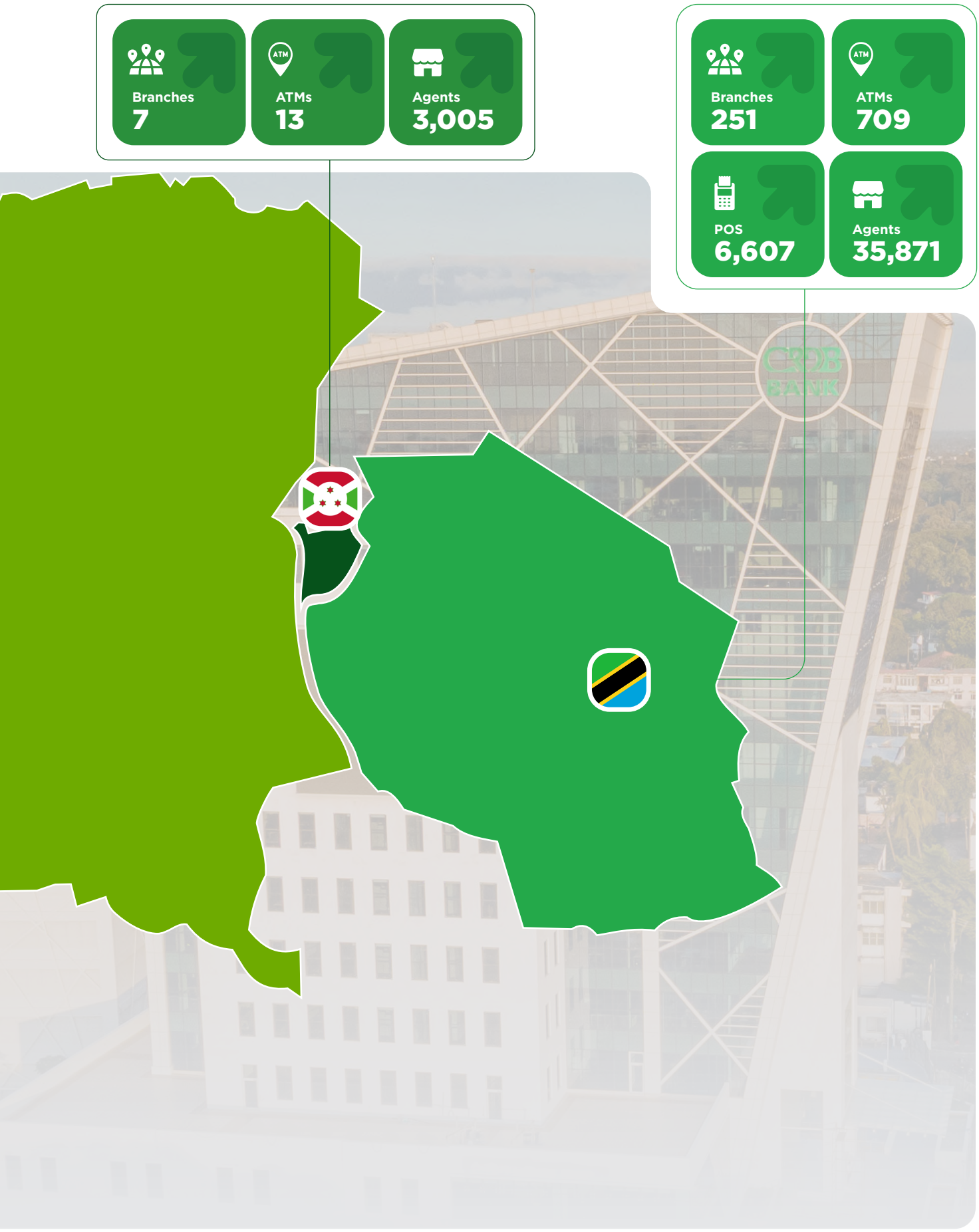
Transform lives and develop economies to their fullest potential.

MISSION

Provide disruptive solutions to unlock socio-economic value for our stakeholders.

- **Deliver impact**
- **Learn continuously**
- **Behave responsibly**
- **Achieve together**

Branches	ATMs	POS	Agents
261	732	6,607	38,883


Branches
7
ATMs
13
Agents
3,005
Branches
251
ATMs
709
POS
6,607
Agents
35,871

Our Heritage

We aspire to grow and deliver value for all our stakeholders.

For us, value is best illustrated in the quality of lives of our shareholders, our people and the community.

1996 — Incorporated as a limited company

2004 — Awarded - Euromoney -Best Bank in Tanzania

2005 — Launched SME Banking, Depositoriy ATMs and Microfinance Services

2009 — Launched SME Banking, Depository ATMs and Microfinance Services

2009 — Listed on the Dar Es Salaam Stock Exchange (DSE)

2012 — Established the first subsidiary outside Tanzania (in Burundi)













2016
Amongst first financial istitutions to obtain B-1 Credit ratings from Moody's

2019
Accredited by the GCF as a Direct Access Entity (DAE) for Green Financing in Tanzania

2022
Secured $200mn TACATDP Islamic Banking Bancassurance

2023
Established three new subsidiaries (CRDB DRC, CRDB Insurance and CRDB Foundation)

2024
Supported the establishment of The Co-operative Bank of Tanzania (CBT)

2025
Established a Representative Office in the United Arab Emirates UAE



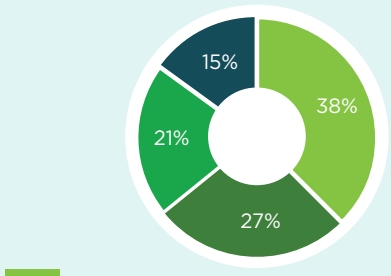
Investor Factsheet

The Group delivered strong growth in 2025, with double-digit expansion across assets, deposits, loans and earnings, while sustaining solid returns and market leadership.

Number of Issued shares	2,611,838,584
Total Number of Authorized shares:	4,000,000,000
Number of shareholders as of 31 st December 2025:	59,545
Primary Listing Exchange:	Dar es Salaam Stock Exchange (DSE)
Ticker	CRDB
Listing year	June 2009
Cross-listed Exchange	NIL
Free float	65.3%
Closing Share Price on 31st December 2025	TZS. 1,530
Price appreciation in December 2025 (yoy):	128%
Market capitalization as of 31 December 2025	TZS. 3,996.1 billion
Price/Book	1.43X
Earnings per share as of December 2025	TZS.280.4
Dividend per share 2025	TZS.90
Dividend policy:	Up to 35% of distributable profits
Total shareholders' equity	TZS. 2,747.1 billion

2025 Investor Calendar Event	
Date	
28th January 2025	FY 2024 Financial Results Announcement
10th April 2025	Publication of 2024 Audited Financial Statement
30th April 2025	1Q 2025 Financial Results Announcement
17th May 2025	Annual General Meeting (AGM)
29th July 2025	IH 2025 Financial Results Announcement
30th October 2025	Q3 2025 Financial Results Announcement

Shareholders per category



Shareholding clusters as of 31st December 2025

No of shares		
Above 10%	894,828,676	34.3%
Less than 10%	508,125,199	19.5%
Less than 1%	1,208,884,709	46.3%
Number of Issued shares	2,611,838,584	100%

Major shareholders above 5% as of 31st December 2025

Entity	Number of Shares	%Shareholding
Danida Investment Fund	548,067,648	21.0%
PSSSF Pension Fund	346,761,028	13.3%
National Social Security Fund - UGANDA	206,246,402	7.9%
Number of Issued shares	2,611,838,584	100%

Business Model

CRDB Bank Group's business model converts financial, human, manufactured, intellectual, natural, and social capital into value for customers, shareholders, regulators, communities, and employees.

Inputs
Capital, people, technology, brand, channels

Core activities
Deposit mobilisation, lending, payments, trade, treasury, insurance

Outputs
Access to finance, transactions, investments, risk protection, digital service

Outcomes
Profitability, inclusion, resilience, shareholder returns, impact

Products and Services

The Group serves a broad customer base through Retail Banking, Al Barakah Banking, Corporate Banking, Treasury & Capital Markets, Insurance, and Foundation-led inclusion initiatives. The table below links products to target customers and 2025 highlights.

Customer base	Products & services	Target customers	2025 highlights
Retail Banking	Deposits and savings; loans and credit facilities; fixed deposits; bancassurance offerings; digital banking; agency banking.	Individuals, MSMEs, community-based groups, cooperatives.	Customer base grew to 7.2 million; NPS improved to 75%; CSAT remained 90%; nationwide scale supported by 261 branches, 732 ATMs, 6,607 POS terminals and 38,883 agents.
Al Barakah Banking	Shariah-compliant financing; asset-based financing; Sukuk investments; Islamic transaction and deposit solutions.	Individuals, groups, SMEs, corporates seeking Shariah-compliant banking.	Shariah-compliant financing rose 61% to TZS 240.3 bn; deposits grew 101%; total assets reached TZS 338.8 bn; Sukuk investments stood at TZS 44.7 bn.
Corporate Banking	Working capital finance; trade finance; project finance; advisory; asset finance; transactional banking.	Large corporates, institutions, government entities, multinationals and parastatals.	Supported strong balance-sheet growth, with Group net loans and advances rising to TZS 13.7 tn. CRDB retained strong market relevance in trade and corporate intermediation.
Treasury & Capital Markets	FX solutions; liquidity management; hedging; custodial and investment services; government securities.	Corporates, institutions, financial institutions, high-net-worth and market participants.	Helped optimise liquidity, support investment income and balance-sheet deployment in a year of strong growth and stable capital and liquidity buffers.
Insurance & Bancassurance	Life and non-life insurance distribution; underwriting support; claims interface; risk management fees.	CRDB and non-CRDB customers through branch and digital channels.	Insurance revenue grew by 96% to TZS 41.4 bn; investment income rose by 132% to TZS 2.9 bn; CRDB Insurance PAT reached TZS 4.4 bn. Bancassurance earned TZS 28.9 bn in commissions and TZS 23.1 bn in risk management fees.
Foundation & inclusion platforms	Financial literacy, entrepreneurship support, women and youth empowerment, community programmes.	Women, youth, MSMEs, underserved and rural communities.	Imbeju and related inclusion platforms supported wider social reach; women and youth reached increased materially, with community investment aligned to health, education, environment, and youth empowerment.

2025 Recognition

An award is not just recognition for us. It's reassurance for you.

In 2025, CRDB Bank's performance was independently validated by leading global and regional institutions. These recognitions are not an end in themselves; they are evidence of consistent execution, measurable impact, and our ability to deliver against our strategic priorities. It means when you choose CRDB, you are choosing a financial partner that is trusted, tested and consistently delivering – one that puts your ambitions, your growth, and your future at the centre of everything we do.

LEADERSHIP & INSTITUTIONAL EXCELLENCE

Strength at the Core, Confidence in the Future

2025 Bank Of The Year
Euromoney

2025 Strongest Bank In Tanzania
The Asian Banker

2025 Safest Bank In Tanzania
Global Finance





DIGITAL INNOVATION & CUSTOMER EXPERIENCE

Redefining Access, Empowering Possibility

Best Mobile Banking App – Africa
Global Finance World's Best Digital Bank Awards

Best Mobile Banking App – Tanzania
Global Finance World's Best Digital Bank Awards

Best Digital Bank (Consumer)
Global Finance World's Best Digital Bank Awards

FINANCIAL REPORTING EXCCELLENCE

Maintaining the Highest Standards of Financial Reporting

1st Winner in the Banking Category for the Best Presented Financial Statements Award for the year 2024
Finance
National Board of Accounting and Audit (NBAA)

1st Winner in the Banking Category for the Best Presented Financial Statements Award for the year 2024
Finance
National Board of Accounting and Audit (NBAA)

1st Runner Up in EA Banks Category
Financial Reporting Award (FiRe)

Winner in Tanzania
Financial Reporting Award (FiRe)

SME GROWTH & ECONOMIC EMPOWERMENT

Financing the Backbone of Economic Progress

SME Bank Of The Year
Euromoney

Best Sme Banks Awards
Global Finance

SME Bank Of The Year
The African Banker

Best SME Bank In Tanzania
The Digital Banker

Best Trade Finance Bank
Global Trade Review



SUSTAINABILITY & PURPOSE-LED BANKING

Financing Progress, Preserving the Future

Islamic Finance Awards
Euromoney

Most Progressive Islamic Banking Window
Global Islamic Finance Awards (Gifa)

Best Bank For Sustainable Finance
Euromoney

Best Agribusiness Financing Bank – Tanzania
International Business Magazine

PEOPLE, CULTURE & EMPLOYER BRAND

Empowered People, Exceptional Service

Top Employer – Tanzania Chapter
Top Employer Program

Excellence In Visa Activation Award
Visa

Service Excellence In The Banking Sector
Chartered Institute Of Customer Management (Cicm)

As CRDB Group, we are proudly recognized internationally, across the region, and within our nation — a testament to the meaningful value we consistently create for our stakeholders.



Management Team

The executive office is led by the Group CEO and Managing Director, supported by the Chief Commercial Officer, Chief Operations Officer, Chief Financial Officer, and departmental directors responsible for enterprise execution across the Group.



Dr. Abdulmajid M. Nsekela
Managing Director & Chief Executive Officer
MBA-IBF; PGD Business Administration



Frederick Nshekanabo
Chief Financial Officer
MSc Finance; CPA(T); Advanced Diploma in Accountancy



Boma O. Raballa
Chief Commercial Officer
MBA; BA (Accounting)



Bruce Mwile
Chief Operations Officer
MBA (Finance); BCom (Finance)



Mussa Kitambi
Director of Corporate Banking
Master's degree in Banking and Finance



Alexander Ngusaru
Director of Treasury & Capital Markets
Master of Business Administration (MBA)
B.Com Finance



James Mabula
Director of Risk and Compliance
MSc Finance; MBA; PG Dip. Financial Management; Advanced Diploma in Accounting



Xavery Makwi
Director of Credit
CPA (T), PGD (Legal Practice), LST, LLB, MBA, B.com (Finance)



Admin Mwansasu
Director of Banking Operations
Bachelor of Commerce in Accounting



Edward Erick Mpina
Ag. Director of ICT
MSc Engineering Management
BSc Computer Science



Bonaventure Paul
Director of Retail Banking
MSc Accounting & Finance; ADA; CPA(T)



Godfrey Sigalla
Director of Internal Audit
CPA(T); PGD Tax Management; B.Com (Accounting); MBA (Finance)



Godfrey Rutasingwa
Director of Human Resources
Master's degree in Public Administration; Bachelor's degree in Education



Tully-Esther Mwambapa
Director of Corporate Affairs and MD, CRDB Bank Foundation
MBA; BA Public Administration & International Relations



Wilson Mnzava
Managing Director, CRDB Insurance Company Ltd.
MSc Insurance & Actuarial Science; PGD in Cooperative



Pendason Philemon
Director of Procurement
MBA, CSP (T), CIPP



Pascal Mihayo
Director of Legal Services and Company Secretary
LLB Mzumbe University, LLM Taxation Law, UDSM, Post Graduate Diploma, Law School of Tanzania



Fredrick Siwale
Managing Director, CRDB Bank Burundi
MBA; PGD in Business Administration



Leo Ndimbo
Director of Business Transformation
PGD- BA, Int'l Adv. Dip in Computer Engineering (IADCE)



Jessica Nyachiro
Managing Director, CRDB Bank Congo
MBA International Business; B.Ed; Diploma in Accounting



Management architecture

The Executive Office, led by the Managing Director and supported by Chiefs, is enabled by Directors overseeing core functional areas. These functions collectively provide strategic leadership, operational support, risk and compliance oversight, financial management, technology enablement, customer and market engagement, governance, security, and continuity, ensuring effective execution of the Group's mandate and sustainable performance.

Strategic Partnerships for Sustained Progress

We partner with global development and financial leaders to build resilience, spark growth, and create lasting impact.

Our Partners



General Banking Partners

KFW
FinDev Canada
DBSA Development Bank of Southern Africa
TDB
FMO Entrepreneurial
SMBC
RAKBANK
بنك أبوظبي التجاري ADCB
citi
Investec
FAB First Abu Dhabi Bank
Emirates NBD
بنك دبي التجاري Commercial Bank of Dubai
المشرق mashreq
RMB
Deutsche Bank

Risk Sharing Partners

PROPARCO Groupe AFD
Norfund
GuarantCo Guarantees for Development
IFU
AFC Africa Finance Corporation
European Investment Bank
AFREXIMBANK
DFC
IFC

Enabling/ Ecosystem Partners

VISA
mastercard
Ria
vodacom
UnionPay 銀聯
airtel
Western Union
yas
AMERICAN EXPRESS
African Trade Insurance Agency
giz Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
UNDP
responsAbility
FSDTanzania Beyond Access
TTCL
halotel
GREEN CLIMATE FUND







Our Operating Context



Board Chairperson's Statement



Dear Shareholders,

I am delighted to present the CRDB Bank Group 2025 Annual Report at a time when the Group continues to demonstrate the strength of its franchise, the clarity of its strategic direction, and the discipline of its governance. Under the Board's stewardship, the year under review was defined by solid execution, sustained growth, and a continued commitment to building a resilient institution capable of creating long-term value for shareholders, customers, and the wider economy.

Operating Environment

The global economy demonstrated notable resilience throughout 2025, expanding by an estimated 3.2%, despite persistent headwinds from heightened trade policy uncertainty and escalating geopolitical tensions. This resilience was underpinned by several supportive factors, most prominently robust private consumption, continued capital investment in technology intensive sectors, broadly accommodative financial conditions, and supportive macroeconomic policies in major economies.

Within this context, the operating environment across the Group's footprint in Tanzania, Burundi, and the Democratic Republic of Congo was uneven, requiring sound judgment and firm decision-making. Conditions across the three markets necessitated close strategic coordination at the Group level and careful calibration of growth, risk, and capital deployment. The Board remained firmly focused on safeguarding institutional strength while enabling responsible and sustainable growth. Accordingly, the Group pursued expansion with prudence, maintained strong controls and capital discipline, and continued to invest in digital capabilities, internal controls, and human capital to build enduring organisational resilience.

A defining strength of the year was clarity of intent, matched by depth of oversight. The Board and its Committees sustained a strong governance cadence through formal meetings, targeted deep dives, and active engagement on regulatory, strategic, and risk matters. Our oversight focused on five key priorities: whether growth was sustainable and supported by stable funding; whether earnings were of high quality and sustainable; whether risks were identified and managed in a timely and decisive manner; whether the operating platform remained secure and scalable; and whether management execution remained aligned with long-term value creation for shareholders and stakeholders alike.

Across each of these dimensions, the Board is satisfied that the Group acted with discipline, stayed focused on fundamentals, and strengthened the franchise for the future.



Strategic Oversight, Performance, and Balance Sheet Stewardship

During the year under review, the Board's oversight remained firmly focused on ensuring alignment between strategy, governance, performance, and disciplined risk management. Particular emphasis was placed on balancing growth with resilience and strengthening execution across key transformation initiatives. The Group delivered strong financial performance for the year ended 31 December 2025, with profit after tax increasing by 32.1% to TZS 728.6 billion, underpinned by sustained growth in both funded and non-funded income streams.

The strong growth in profitability achieved during the year translated into enhanced shareholder returns, reflecting the effectiveness of the Group's strategic and operational initiatives. This performance was evident in the increase in earnings per share to TZS 280.4 from TZS 211.2 in 2024, underscoring the Group's ability to generate sustainable value for its shareholders while maintaining a solid financial footing and positioning itself for continued growth.

Alongside financial performance, risk governance remained a core priority. The Board maintained close oversight of portfolio quality, concentration risks, capital adequacy, and liquidity through robust committee structures and comprehensive management reporting.

Balance sheet growth was deliberately guided by quality considerations, with total assets growing by 33.6% to TZS 22.3 trillion. The Board continued to focus on optimising the funding mix, promoting a stable, granular, and relationship-driven deposit base while maintaining strong liquidity buffers. This was evidenced by a year-end liquidity ratio of 30.3%, well above the regulatory minimum. The Board is satisfied that the Group's capital strength, liquidity resilience, and risk governance framework provide a solid foundation for sustainable and profitable growth, while preserving strategic flexibility across market cycles.

Building Enduring Shareholder Value

The Board regards the creation of shareholder value as a fundamental and enduring responsibility, advanced through disciplined growth, prudent capital stewardship, and sound governance. It is not pursued through short-term optimisation, but through the steady strengthening of the Group's financial position, strategic capacity, and long-term resilience. In this context, the Board remains focused on ensuring that performance is translated into sustainable value, supported by strong fundamentals and a clear long-term direction.
In the 2025 financial year, Shareholders' funds increased by 28.8% to TZS 2,747.1 billion. Return on average equity stood at 29.5%, and return on average assets was 5.3%. These outcomes are significant not only in absolute terms but also in what they reflect about the underlying quality of the business. They speak to the Group's resilience, the discipline applied in execution, and its continued ability to generate sustainable returns while preserving balance sheet strength.

The Board has been encouraged by strong market recognition of this performance during the year. The 128.4% YoY appreciation of the Bank's share price from TZS 670 to TZS 1,530, together with the growth in market capitalisation, is a powerful endorsement of the confidence investors place in our strategy, governance, and long term direction. More importantly, it reflects trust in the discipline, resilience, and consistency with which the Group continues to execute.
The Board views this confidence with humility and a deep sense of responsibility and remains committed to sustaining performance and value creation in a manner that is prudent, transparent, and aligned with the long term interests of all stakeholders.
Dividend Recommendation

The Board has recommended a dividend of TZS 90 per share, an increase from TZS 65 per share in the prior year, resulting in a total proposed distribution of TZS 235.1 billion, up from TZS 169.8 billion, subject to shareholder approval at the Annual General Meeting. In the Board's view, this recommendation appropriately reflects the Group's strong performance in 2025, while preserving a prudent balance between rewarding shareholders and retaining sufficient capital to support future growth, resilience, and strategic flexibility.

32.1%
Profit after tax increased to TZS 728.6 billion

33.6%
Total assets growing to TZS 22.3 trillion.

28.8%
Shareholders' funds increased to TZS 2,747.1 billion.

128.4%
YoY appreciation of Bank's share price from TZS 670 to TZS 1,530

Governance Effectiveness and Leadership Continuity

Strong governance remains the foundation of long-term value creation and institutional resilience. The Board maintained close oversight of leadership transitions during the year, ensuring that changes at both Board and management level were executed in an orderly manner consistent with tenure provisions, succession planning, and sound governance practice across the Group.

Following the shareholder election process, Mr Abdul Ally Mohamed, Ms Grace Philotea Joachim, and Dr Donald Mmari were elected to represent shareholders with holdings below 1%, while Dr Fred Matola Msemwa was returned to the Board as representative of shareholders holding between 1% and 10%. In addition, the position of Independent Non-Executive Director was refreshed through the election of Dr Judika L. King'ori, succeeding Mr Martin Steven Warioba.

Collectively, these developments strengthened continuity in oversight, preserved Board independence, and maintained the balanced mix of competence, judgement, and perspective required to support the Group's next phase of growth. The Board also records its deep appreciation for the long and distinguished service of Dr Ally Hussein Laay and Eng. Boniface Charles Muhegi, whose retirement marked the completion of notable tenures that contributed significantly to the Bank's governance journey.

At the management level, the Board kept close focus on continuity in critical functions, including technology leadership, to protect execution momentum on the Group's digital and platform agenda. The Board also maintained active oversight of enterprise priorities that directly shape Group strength, including business continuity preparedness, service stabilisation, customer experience performance and deposit mobilisation discipline. This reflects our clear conviction that enduring performance is built through operational readiness, disciplined execution, and sound governance.



Sustainability and Shared Value

The Board remains clear and consistent in its view that long-term financial performance is inseparable from the resilience of the communities and economies we serve. During the 2025 financial year, the Group advanced a balanced model that combines strong financial delivery with deliberate investment in financial inclusion, enterprise growth, and social and climate responsiveness. Sustainability considerations remained embedded in governance deliberations, risk oversight, and strategic decision-making, reinforcing the Group's commitment to responsible banking.

Through the work of the CRDB Bank Foundation and strategic partnerships, the Group continued to support national and regional development priorities. Particular focus was directed towards SME development, women-led enterprise, youth entrepreneurship, and climate-positive initiatives. These interventions contribute meaningfully to enterprise development, livelihood support, and the broadening of economic opportunity across the communities and sectors we serve.

The Board considers this work to be an important extension of the Group's long-term value-creation agenda. It strengthens stakeholder confidence, reinforces the Group's social licence to operate, and supports the development of broader and more sustainable economic participation.



Future Outlook

Looking ahead, the Board remains confident in the Group's strategic direction, the maturity of its governance framework, and the strength of its leadership. Our priorities for the period ahead are clear: sustain execution discipline, protect earnings quality, preserve capital strength and overall risk integrity, proactively manage emerging risks such as cybersecurity and climate change, and accelerate customer-centred innovation on a resilient operating platform.

The Group remains well-positioned to capture opportunities arising from a supportive macroeconomic backdrop and continued demand for quality financial services. Across Burundi and the Democratic Republic of Congo, the Board will maintain a prudent stance, with continued attention to portfolio quality, liquidity, foreign-exchange management, and operational resilience. At the same time, the Group will continue to widen its strategic reach by deepening its presence in regional and international corridors, including selective corridors, in support of trade, connectivity, and long-term franchise relevance.

The Board remains fully committed to ensuring that growth is pursued responsibly, managed prudently, and aligned consistently with the long-term interests of shareholders and stakeholders alike.

Appreciation

On behalf of the Board of Directors, I extend my sincere appreciation to our Customers, Shareholders, Regulators, Business partners, and all other Stakeholders for the trust and confidence you continued to place in the Group throughout 2025.

I also record the Board's deep appreciation to my fellow Directors, the Board Committees, and the Boards of our subsidiaries for their diligence, wise counsel, and steadfast commitment to sound governance across the Group. Their collective oversight, judgement, and stewardship remained central to the Group's stability, strategic progress, and long-term resilience.

My gratitude is equally extended to the Group Chief Executive Officer, Management, and staff across the Group for their professionalism, discipline, and commitment in advancing our strategic priorities while maintaining high standards of service, control, and execution.

The progress achieved during the year reflects shared purpose and collective effort across the institution. We remain deeply grateful for the confidence placed in us and resolute in our responsibility to continue justifying that trust through strong governance, responsible banking, and the sustained creation of long-term value.



Prof. Neema Mori
Board Chairperson

Taarifa ya Mwenyekiti wa Bodi



Wapendwa Wanahisa,

Nina furaha kuwasilisha kwenu Ripoti ya Mwaka 2025 ya Benki ya Benki ya CRDB katika kipindi ambacho inaendelea kudhihirisha umadhubuti wa kampuni yake, uwazi wa mwelekeo wa kimkakati, na nidhamu katika utawala wake. Chini ya uongozi wa Bodi, mwaka uliopita ulijipambanua kwa utekelezaji madhubuti, ukuaji thabiti, na dhamira endelevu ya kujenga taasisi himimilivu yenye uwezo wa kujenga thamani ya muda mrefu kwa wanahisa, wateja, na uchumi kwa ujumla.

Mazingira ya Uendeshaji

Uchumi wa kimataifa ulionesha uhimilivu wa hali ya juu katika mwaka mzima wa 2025, ukikua kwa wastani wa asilimia 3.2, licha ya changamoto zinazoendelea kutokana na hali ya kutotabirika kwa sera za biashara na kuongezeka kwa mivutano ya kijiopolitiki duniani. Uhimilivu huu ulichangiwa na mambo kadhaa wezeshi, hususani matumizi makubwa ya sekta binafsi, uwekezaji endelevu wa mitaji katika sekta zenye teknolojia za hali ya juu, mazingira ya kifedha yenye unafuu mkubwa, na sera thabiti za uchumi mkuu katika mataifa makubwa.

Katika muktadha huu, mazingira ya uendeshaji katika maeneo ambayo Benki inafanya kazi nchini Tanzania, Burundi, na Jamhuri ya Kidemokrasia ya Kongo hayakufanana, jambo lililohitaji busara na ufanyaji makini wa maamuzi. Hali katika masoko hayo matatu ilihitaji uratibu wa karibu wa kimkakati katika ngazi ya Benki na upimaji makini wa ukuaji, vihatarishi, na utumiaji wa mitaji. Bodi iliendelea kulenga zaidi katika uimarishaji wa taasisi huku ikiwezesha ukuaji wa kiuwajibikaji endelevu. Hivyo, Benki iliendelea kufanya upanuzi kwa tahadhari, ikidumisha udhibiti wa mifumo imara na nidhamu ya mtaji, na iliendelea kuwekeza katika mifumo ya kidijiti, udhibiti wa ndani, na rasilimaliwatu ili kujenga uhimilivu wa kudumu wa benki.

Mafanikio makubwa yaliyojipambanua zaidi katika mwaka uliopita yalikuwa uwazi wa malengo yetu uliofungamana ipasavyo na kiwango cha usimamizi. Bodi na kamati zake zilidumisha mnyororo thabiti wa utawala bora kupitia vikao rasmi, uchambuzi wa kina wa maeneo mahususi, na ushiriki katika masuala ya udhibiti, mikakati, na vihatarishi. Usimamizi wetu ulijikita katika maswali makuu matano, ambayo ni iwapo ukuaji ulikuwa endelevu na uliowezeshwa na vyanzo imara vya kifedha; mapato yalikuwa ya ubora wa juu na endelevu; vihatarishi vilitambuliwa kwa wakati sahihi na kudhibitiwa kikamilifu; mifumo ya uendeshaji ya kidigiti iliendelea kuwa salama na yenye uwezo wa kupanuka; na utekelezaji wa menejimenti uliendelea kuzingatia utengenezaji wa thamani ya muda mrefu kwa wanahisa na wadau wote kwa ujumla.



Katika kila moja ya masuala haya, Bodi imeridhika kuwa Benki ilifanya kazi kwa nidhamu, iliendelea kuzingatia misingi mikuu, na iliimarisha kampuni kwa ajili ya siku zijazo.

Usimamizi wa Utendaji wa Kimkakati na Mizania

Katika mwaka uliopita, Bodi iliendelea kujikita kikamilifu kwenye usimamizi wa ulinganifu kati ya mkakati, utawala bora, na usimamizi wenye nidhamu wa vihatarishi. Msisitizo wa kipekee uliwekwa katika kuwianisha ukuaji na umadhubuti na kuimarisha utekelezaji katika programu muhimu za mageuzi. Benki ilipata matokeo bora ya kifedha kwa mwaka ulioishia tarehe 31 Desemba 2025, huku faida baada ya kodi ikiongezeka kwa asilimia 32.1 hadi kufikia shilingi bilioni 728.6. Ongezeko hili lilichangiwa na ukuaji endelevu wa vyanzo vya mapato ya riba na yasiyo ya riba.

Ukuaji madhubuti wa faida uliopatikana katika mwaka uliopita uliwezesha kuongezeka kwa faida kwa wanahisa, kama ishara ya ufanisi wa mikakati na mipango ya utendaji ya Benki. Matokeo haya yalionekana katika ongezeko la mapato kwa kila hisa hadi kufikia shilingi 280.4 kutoka shilingi 211.2 ya mwaka 2024. Mafanikio haya yalidhihirisha uwezo wa Benki wa kutengeneza thamani endelevu kwa wanahisa wake huku ikidumisha misingi imara ya kifedha na kujiweka katika nafasi ya ukuaji endelevu.

32.1%

Faida baada ya kodi ikiongezeka hadi kufikia shilingi bilioni 728.6

33.6%

Jumla ya mali ikikua hadi kufikia shilingi trilioni 22.3

Sambamba na utendaji wa kifedha, usimamizi wa vihatarishi uliendelea kuwa kipaumbele kikuu. Bodi iliendelea kusimamia kwa karibu ubora wa shughuli zetu, mrundikano wa vihatarishi vya mikopo, utoshelevu wa mtaji, na ukwasi kupitia kamati zake madhubuti na ripoti za kina za menejimenti.

Upanuzi wa mizania uliongozwa kimkakati na vigezo vya ubora, huku jumla ya mali ikikua kwa asilimia 33.6 hadi kufikia shilingi trilioni 22.3. Bodi iliendelea kujielekeza katika kukuza vyanzo mchanganyiko vya mapato, kuimarisha msingi wa amana ambao ni thabiti, anuai, na unaozingatia mahusiano mazuri na wateja, huku ikidumisha kinga madhubuti za ukwasi. Hatua hizi zilidhihirishwa na uwiano wa ukwasi wa mwisho wa mwaka wa asilimia 30.3, ambao ni juu zaidi ya kiwango cha chini cha kisheria. Bodi imeridhika na umadhubuti wa mtaji wa Benki, uhimilivu wa ukwasi, na mfumo wa usimamizi wa vihatarishi uliweka msingi thabiti wa ukuaji na faida endelevu huku ukilinda unyumbufu wa kimkakati katika nyakati tofauti za soko.

Ujenzi wa Thamani ya Kudumu ya Wanahisa

Bodi inauona ujenzi wa thamani ya wanahisa kuwa jukumu la msingi na la kudumu, linaloendelezwa kupitia ukuaji wenye nidhamu, usimamizi makini wa mtaji, na utawala thabiti. Thamani hii haijengwi kupitia uboreshaji wa muda mfupi, bali kupitia uimarishaji thabiti wa hali ya kifedha ya Benki, uwezo wa kimkakati, na uimara wa muda mrefu. Katika muktadha huu, Bodi inaendelea kujikita katika kuhakikisha kuwa utendaji unatafsiriwa kuwa thamani endelevu, inayowezeshwa na misingi imara, na mwelekeo bayana wa muda mrefu.

Katika mwaka wa fedha wa 2025, mtaji wa wanahisa uliongezeka kwa asilimia 28. hadi kufikia shilingi bilioni 2,747.1. Faida ya wastani wa mtaji wa wanahisa ilikuwa asilimia 29.5, na faida ya wastani wa rasilimali ilikuwa asilimia 5.3. Matokeo haya ni muhimu si tu kwa kiasi halisi kilichopatikana, bali pia kwa jinsi yanavyoashiria ubora, umadhubuti, na uwezo wa Benki kuzalisha faida pamoja na nidhamu endelevu ya menejimenti katika utekelezaji wa majukumu yake.

Bodi imetiwa moyo na namna utendaji huu ulivyotambuliwa na soko katika kipindi cha mwaka husika. Ongezeko la asilimia 128.4 la thamani ya hisa za Benki mwaka hadi mwaka kutoka shilingi 670 hadi shilingi 1,530 likiambatana na ukuaji wa thamani ya Benki sokoni, ni uthibitisho tosha wa imani ya wawekezaji kwa mkakati, utawala, na mwelekeo wetu wa muda mrefu. Muhimu zaidi, ongezeko hili liliakisi imani katika nidhamu, umadhubuti, na msimamo ambao Benki iliendelea nao katika utekelezaji. Bodi ilipokea imani hii kwa unyenyekevu na uwajibikaji mkubwa, na inaendelea na dhamira yake ya kudumisha utendaji na uongezaji wa thamani kwa tahadhari, uwazi, na uzingatiaji wa maslahi ya muda mrefu ya wadau wote.

28.8%

Mtaji wa wanahisa uliongezeka hadi kufikia shilingi bilioni 2,747.1

128.4%

Thamani ya hisa za Benki mwaka hadi mwaka kutoka shilingi 670 hadi shilingi 1,530

Pendekezo la Gawio kwa Wanahisa

Bodi inapendekeza gawio la shilingi 90 kwa kila hisa, ikiwa ni ongezeko kutoka shilingi 65 mwaka uliopita, na kufanya jumla ya mgawanyo wa faida unaopendekezwa kuwa shilingi bilioni 235.1 ikilinganishwa na shilingi bilioni 169.8 mwaka uliopita. Pendekezo hili linasubiri idhini ya wanahisa katika Mkutano Mkuu wa Mwaka. Kwa mtazamo wa Bodi, pendekezo hili linaakisi vyema utendaji imara wa Benki kwa mwaka 2025, huku likidumisha uwiano wa tahadhari kati ya kuwatuza wanahisa na kubakiza mtaji wa kutosha kwa ajili ya kusaidia ukuaji wa baadaye, ustahimilivu, na unyumbufu wa kimkakati.

Ufanisi wa Utawala na Uendelevu wa Uongozi

Utawala madhubuti unaendelea kuwa msingi wa ujenzi wa thamani ya muda mrefu na ustahimilivu wa taasisi. Bodi ilidumisha usimamizi wa karibu wa mabadiliko ya uongozi katika kipindi cha mwaka uliopita, ikihakikisha kuwa mabadiliko katika ngazi za Bodi na menejimenti yalitekelezwa kwa utaratibu unaozingatia masharti ya ukomo wa madaraka, mipango ya urithishaji wa uongozi, na mwenendo bora wa utawala ndani ya Benki. Baada ya mchakato wa uchaguzi miongoni mwa wanahisa, Bw. Abdul Ally Mohamed, Bi. Grace Philotea Joachim, na Dkt. Donald Mmari walichaguliwa kuwakilisha wanahisa wenye umiliki wa chini ya asilimia 1, na Dkt. Fred Matola Msemwa alirejeshwa kwenye Bodi kama mwakilishi wa wanahisa wenye umiliki wa kati ya asilimia 1 na 10. Aidha, nafasi ya Mkurugenzi Huru Asiye Mtendaji ilifanyiwa marekebisho kupitia uchaguzi wa Dkt. Judika L. King'ori, akichukua nafasi ya Bw. Martin Steven Warioba.

Kwa pamoja, mabadiliko haya yaliimarisha uendelevu wa usimamizi, yalidumisha uhuru wa Bodi, na yalidumisha mchanganyiko sahihi wa ujuzi, busara, na mitazamo inayohitajika kufanikisha awamu inayofuata ya ukuaji wa Benki. Bodi pia inatambua na kutoa shukrani za dhati kwa utumishi wa muda mrefu na uliotukuka wa Dkt. Ally Hussein Laay na Mhandisi Boniface Charles Muhegi, ambao kustaafu kwao kumehitimisha vipindi vya uongozi vilivyochangia kwa kiasi kikubwa katika safari ya utawala wa Benki.

Katika ngazi ya menejimenti, Bodi iliweka mkazo mkubwa katika kudumisha uendelevu wa majukumu muhimu, ikiwa pamoja na uongozi wa teknolojia ili kulinda kasi ya utekelezaji wa ajenda ya Benki kuhusu masuala ya kidijiti na mifumo ya kielekitroni. Bodi pia iliendelea kusimamia kikamilifu vipaumbele vya Benki vinavyojenga umadhubuti wa taasisi, ikiwamo utayari wa uendelevu wa biashara, utangamano wa huduma zetu, utendaji unaozingatia mahitaji ya wateja, na nidhamu ya ukusanyaji wa amana. Hatua hizi ziliakisi imani yetu thabiti kuwa utendaji endelevu hujengwa kupitia utayari wa kiutendaji, nidhamu katika utekelezaji, na utawala bora

Uendelevu na Thamani ya Pamoja

Bodi inaendelea kuwa na mtazamo bayana na thabiti kwamba utendaji wa kifedha wa muda mrefu hauwezi kutenganishwa na umadhubuti wa jamii na uchumi tunaouhudumia. Katika mwaka wa fedha 2025, Benki iliendeleza mfumo wenye uwiano unaounganisha utoaji wa huduma za kifedha na uwekezaji wa makusudi katika ujumuishaji wa kifedha, ukuaji wa biashara, na uwajibikaji wa kijamii na tabianchi. Masuala ya uendelevu yaliendelea kujumuishwa katika mijadala ya utawala, usimamizi wa vihatarishi, na ufanyaji maamuzi wa kimkakati, hivyo kuimarisha dhamira ya Benki kuwa benki inayowajibika.

Kupitia kazi za Taasisi ya Benki ya CRDB na washirika wa kimkakati, Benki iliendelea kusaidia vipaumbele vya maendeleo vya kitaifa na kikanda. Msisitizo mahususi ulielekezwa katika maendeleo ya biashara ndogondogo na za kati, biashara zinazosimamiwa na wanawake, ujasiriamali wa vijana, na mipango inayozingatia tabianchi. Hatua hizi zilichangia kwa kiasi kikubwa katika uendelezaji wa biashara, kuimarisha ustawi wa jamii, na upanuzi wa fursa za kiuchumi katika jamii na sekta tunazozihudumia.

Bodi inachukulia kazi hii kama sehemu muhimu ya ajenda ya Benki ya ujenzi wa thamani ya muda mrefu. Inaimarisha imani ya wadau, uhalali wa kijamii wa Benki wa kufanya kazi, na husaidia maendeleo ya ushiriki mpana na endelevu wa kiuchumi. Kwa mtazamo wa Bodi, uwiano huu kati ya matokeo ya kijamii na malengo ya kibiashara inaendelea kuwa muhimu kwa uimara na umuhimu wa taasisi.



Mwelekeo wa Siku Zijazo

Ikitazama mbele, Bodi inaendelea kuwa na imani na mwelekeo wa kimkakati wa Benki, ukomavu wa mfumo wake wa utawala, na umadhubuti wa uongozi wake. Vipaumbele vyetu kwa kipindi kijacho vinajibainisha waziwazi, ambavyo ni kudumisha nidhamu katika utekelezaji, kulinda ubora wa mapato, kuhifadhi nguvu ya mtaji, na uadilifu wa jumla wa usimamizi wa vihatarishi. Vipaumbele hivi vinatekelezwa sambamba na udhibiti wa umakini wa vihatarishi ibuka kama vile usalama wa kimtandao na mabadiliko ya tabianchi, na uharakishaji wa uvumbuzi unaomlenga mteja kwenye mfumo madhubuti wa utendaji.

Nchini Tanzania, Benki imejipanga vyema kutumia fursa zinazotokana na hali nzuri ya uchumi mkuu na mahitaji endelevu ya huduma bora za kifedha. Nchini Burundi na Jamhuri ya Kidemokrasia ya Kongo, Bodi itadumisha msimamo wa tahadhari, ikiendelea kutoa kipaumbele katika ubora wa mikopo na rasilimali, ukwasi, usimamizi wa fedha za kigeni, na umadhubuti wa kiutendaji. Wakati huohuo, Benki itaendelea kupanua wigo wake wa kimkakati kwa kuimarisha kuwapo kwake katika maeneo ya kikanda na kimataifa, ikiwa pamoja na maeneo mahususi, ili kusaidia biashara, maunganisho, na umuhimu wa taasisi kwa muda mrefu.

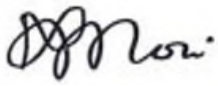
Bodi inaendelea kujitolea kikamilifu kuhakikisha kuwa ukuaji unafikiwa kiuwajibikaji, unasimamiwa kwa umakini, na unaendana ipasavyo na maslahi ya muda mrefu ya wanahisa na wadau wote kwa ujumla.

Shukrani

Kwa niaba ya Bodi ya Wakurugenzi, ninatoa shukrani zangu za dhati kwa wateja wetu, wanahisa, wadhibiti, washirika wa kibiashara, na wadau wengine wote kwa kuendelea kutuamini na kututegemea kama Benki katika kipindi chote cha mwaka 2025. Pia, ninawasilisha shukrani za dhati za Bodi kwa wakurugenzi wenzangu, kamati za bodi, na bodi za kampuni zetu tanzu kwa juhudi, ushauri wa busara, na dhamira yao thabiti katika utawala bora ndani ya Benki. Usimamizi wa pamoja, busara, na uwajibikaji wao uliendelea kuwa nguzo kuu ya utulivu, maendeleo ya kimkakati, na umadhubuti wa muda mrefu wa Benki.

Shukrani zangu pia ziwaendee Mkurugenzi Mtendaji, menejimenti, na wafanyakazi wote wa Benki kwa weledi, nidhamu, na kujitolea kwao katika kuendeleza vipaumbele vyetu vya kimkakati huku wakidumisha viwango vya juu vya huduma, udhibiti, na utekelezaji.

Maendeleo yaliyopatikana katika kipindi cha mwaka uliopita yanaakisi malengo na jitihada za pamoja ndani ya taasisi. Tunaendelea kushukuru sana kwa kutuamini na tuko thabiti katika jukumu letu la kuendelea kuhalalisha imani hiyo kupitia utawala bora, benki inayowajibika, na ujenzi endelevu wa thamani ya muda mrefu.



Prof. Neema Mori
Mwenyekiti wa Bodi



Our Operating Context

How the external environment, industry dynamics and principal risks shaped CRDB Bank Group's performance and strategic choices in 2025

2025 Operating Environment

Tanzania's operating context in 2025 remained broadly supportive for banking-sector growth. The macro-economic backdrop was characterized by resilient real GDP growth, contained inflation, strong expansion in private sector credit and broad money, an adequately capitalized and profitable banking system, and improving external-sector buffers. For CRDB, this environment supported balance-sheet expansion and stronger earnings, but it also heightened competition for deposits, increased sensitivity to regulation on pricing and conduct, and reinforced the need to manage cyber, market, compliance and climate-related risks with discipline.

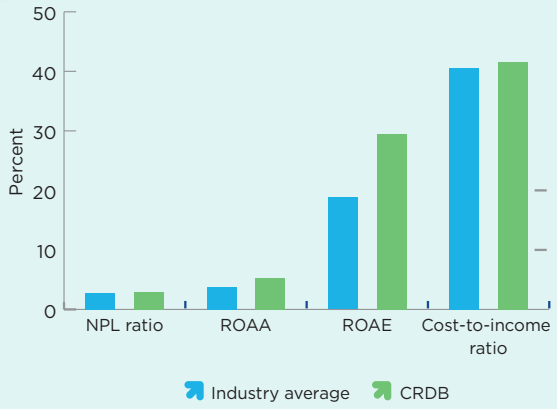
The 2025 environment presented a constructive but more demanding setting for financial institutions. Demand for credit remained firm, supported by growth in trade, agriculture, construction, mining and communications, while inflation stayed within the national medium-term target band. At the same time, competition for deposits intensified, government securities remained an important alternative asset class, regulatory expectations continued to rise, and customer preferences kept shifting toward faster, simpler and lower-cost digital experiences.

Within this context, CRDB Bank sustained strong growth in assets, deposits and loans, maintained asset quality within regulatory thresholds, and continued to leverage its scale, brand, delivery channels and digital platforms. The Group also benefited from its broad business mix, including retail, corporate, treasury, insurance, agency banking, Islamic banking and subsidiaries in Burundi and the Democratic Republic of Congo.

Industry Trends and Competitive Landscape

The competitive landscape continued to evolve in three interlinked directions. First, the banking sector remained fundamentally sound, with adequate capitalisation, liquidity and profitability at system level. Second, digital adoption accelerated across the market, reshaping customer expectations around convenience, turnaround time and service availability. Third, non-bank competitors, particularly mobile network operators and fintech-led models, continued to pressure pricing, interface design and transaction convenience.

CRDB versus banking-sector benchmarks in 2025



CRDB versus banking-sector benchmarks in 2025

CRDB audited financial statements, section on performance in the banking industry; Bank of Tanzania for sector context.

CRDB Bank remained one of the leading banking franchises in Tanzania, with reported market shares of 29% in total assets, 29% in deposits, 31% in loans and advances, and 24% in the capital base. This scale remains strategically important because it provides room for product depth, cross-sell, funding flexibility and operating leverage. However, size also raises the bar on resilience, governance, technology uptime, service consistency and risk discipline.

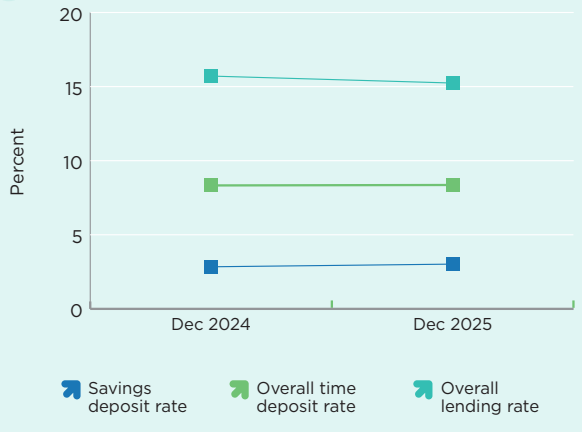


Macro-economic Overview

Bank of Tanzania reports indicate that Tanzania's economy remained resilient in 2025, supported by low and stable inflation, expanding credit conditions, and a sound financial sector. The table below highlights the external indicators most relevant to CRDB's operating context.

Indicator	2025 position	Why it matters to CRDB Bank
Real GDP growth	5.5%	Supports credit demand, transactions, deposit mobilisation and operating confidence across customer segments.
Headline inflation	3.6%	Contained inflation helps preserve purchasing power and planning certainty for households and businesses.
Broad money (M3) growth	25.8%	Signals strong liquidity expansion in the economy and supports intermediation opportunities.
Private sector credit growth	23.5%	Creates room for portfolio growth, especially in value chains, trade, MSMEs and retail lending.
Central Bank Rate	5.75%	Frames short-term pricing conditions and monetary policy transmission.
Overall lending rate	15.27%	Influences pricing, loan demand and customer affordability.
Savings deposit rate	3.02%	Shapes competition for deposits and customer returns.
Overall time deposit rate	8.36%	Reflects the cost of term funding in the domestic market.
Foreign exchange reserves	USD 6,329 million; 4.9 months of import cover	Supports external-sector resilience and confidence in the domestic foreign exchange market.
Banking-sector NPL ratio	2.8%	Confirms broad sector resilience, but also sets a discipline benchmark for underwriting and collections.

Selected domestic interest rates



Selected domestic interest rates, December 2024 to December 2025

Bank of Tanzania Monetary Policy Statement, February 2026; Quarterly Statistical Bulletin, quarter ending December 2025.

Interpretation. The macro picture was broadly supportive of growth, but not costless. While inflation and monetary conditions remained stable, banks still faced competition for customer deposits and sensitivity to pricing in both local and foreign currency markets. For CRDB, this meant balancing growth with pricing discipline, liquidity management and active balance-sheet optimisation.

Opportunities and Constraints Affecting Value Creation

Value-creation opportunities and constraints

How external conditions translated into growth levers and operating pressures during 2025.

From a reporting perspective, value creation in 2025 was shaped by the interaction between enabling external conditions and countervailing pressures. Positive drivers included strong private sector credit expansion, stable inflation, improving external-sector liquidity, regulatory clarity for non-interest banking, and continuing demand from large projects, supply chains, SMEs, women and youth. Countervailing pressures included deposit competition, evolving regulation on fees and conduct, digital disruption, technology investment needs, and heightened climate and geopolitical uncertainty.

Dimension	Opportunity / constraint	Implication for value creation	CRDB Bank response in 2025
Credit environment	Opportunity	Stronger credit growth supported loan-book expansion and fee-generating activity in linked value chains.	Expanded lending across corporate, SME and retail segments while maintaining reported NPL ratio at 2.9%.
Inflation environment	Opportunity	Low and stable inflation improved planning visibility and preserved purchasing power.	Maintained customer activity and scaled deposits and transactions through branch, agent and digital channels.
Regulatory reform	Opportunity	Non-interest banking regulations created additional growth headroom for Islamic banking.	Strengthened Al Barakah operating platform and governance.
Funding conditions	Constraint	Competition for deposits and alternative yields in government securities increased funding costs.	Focused on deposit mobilisation, balance-sheet optimisation and product depth.
Pricing oversight	Constraint	Tighter oversight of channel fees constrained some non-funded income lines.	Offset pressure partly through higher volumes and broader customer activation.
Technology change	Constraint	Customer expectations shifted toward seamless digital and assisted-digital journeys.	Scaled SimBanking, agency banking and channel improvements while simplifying processes.
Climate and external volatility	Constraint	Weather risk, commodity swings and external shocks affected customer affordability, collateral values and operating costs.	Embedded ESG, environmental and climate-risk considerations in risk management and appraisal.



Principal Risks and External Factors Shaping Performance

The operating environment in 2025 presents a range of interconnected risks that could materially influence financial performance, resilience, and long-term sustainability. Effective management of these risks requires disciplined governance, robust controls, and proactive monitoring across credit quality, liquidity, market conditions, regulatory compliance, operations, and strategic positioning. Management's emphasis is therefore focused on strengthening underwriting and portfolio oversight, maintaining sound liquidity and balance-sheet management, enhancing compliance and cyber resilience, and responding to emerging climate and competitive dynamics. Together, these actions are designed to safeguard earnings, protect capital and reputation, and support sustainable growth in an increasingly complex and competitive financial landscape.

Principal risk / factor	How it can affect performance	2025 management emphasis
Credit risk	Deterioration in borrower cash flows, sector stress, or collateral weakness can impair earnings and capital through higher ECL and NPLs.	Portfolio review discipline, underwriting controls, sector monitoring and early-warning management.
Liquidity risk	Deposit concentration shifts, maturity mismatch or funding-market stress can affect the ability to meet obligations and fund growth.	ALCO oversight, diversification of funding sources and active liquidity management.
Market and foreign exchange risk	Adverse movements in interest rates, exchange rates and security prices can affect earnings, valuation and customer affordability.	Treasury centralisation, risk limits, stress testing and balance-sheet sensitivity management.
Compliance and regulatory risk	Regulatory breaches or misinterpretation can lead to fines, remediation costs and reputational damage.	Daily monitoring of regulatory changes, staff awareness and conformance testing.
Operational and cyber risk	Service interruption, fraud, data loss or cyberattack can disrupt delivery channels, impair trust and raise cost of control.	Cyber-risk management plan, technology upgrades and segregation of duties.
Climate-related risk	Physical and transition risks can affect customers, collateral values, operating sites and future access to capital.	Environmental and social risk screening, climate-related policy integration and green finance initiatives.
Competition and customer behaviour	Aggressive pricing and rapid digital innovation by peers, MNOs and fintechs can compress margins and increase acquisition costs.	Customer-centric redesign, channel investment and network-led distribution strength.

Overall assessment

The operating context in 2025 was supportive of growth but demanding in execution. It rewarded banks that combined scale with pricing discipline, strong risk management, funding agility, digital capability and regulatory readiness. CRDB Bank's performance indicates that the Group was able to convert this context into stronger earnings and market position while continuing to invest in the systems, governance and capabilities required for sustainable long-term value creation.

Stakeholders, Material Matters and Strategy







Stakeholder Engagement

Effective stakeholder engagement is central to business sustainability and long-term value creation. The Group's engagement approach combines regular dialogue, formal reporting, operational feedback loops, and issue escalation so that stakeholder concerns are not only heard, but translated into responses, priorities and performance actions across the business.

Customers
- NPS 75%
- CSAT 90%
- Customer base 7.2m

Employees
- 4,528 workforce
- Training and development spend TZS 9.4bn
- 2,657 staff trained
- Attrition rate 2%

Communities
- – TZS 2.7bn CSI
- 879,285 capacity-building beneficiaries
- 367,813 financial inclusion beneficiaries

Government / suppliers
- TZS 681.4bn taxes paid
- 93% suppliers sourced locally



Engagement model

The Group's engagement cycle is continuous: listen through multiple channels; assess what matters most; respond through products, processes, policy or governance action; monitor outcomes through KPIs and feedback; and integrate lessons into strategic planning, risk management and resource allocation.

Key stakeholder groups and engagement channels

Stakeholder group	Modes of engagement	Frequency	Key concerns and expectations	Management response/ mitigation
Shareholders / Investors	AGM; annual report; shareholder seminar; investor meetings; quarterly reports	Continuous	Return on investment; compliance; governance and ethical practices	Continuous engagement; robust risk management and internal controls; continuous business performance improvement
Employees	Performance appraisal; engagement initiatives; annual feedback survey	Continuous / annual review	Fair remuneration; recognition; career development; safe and healthy work environment	Engagement programmes; health and wellness; training; equity, diversity and inclusion
Customers	Customer visits; call centre; website and social media; customer satisfaction survey	Continuous	Innovative solutions; convenience through digital channels; service excellence; cyber-risk management	Data security and privacy awareness; product and service improvement based on feedback
Suppliers	Regular meetings; phone calls; surveys	Continuous	Fair bidding; timely payments; ethical practices; service feedback	Timely settlement; whistleblower policy; monthly reconciliations; continuous engagement
Regulatory authorities	Regular meetings; policy updates and directives; mandatory filings	Continuous	Compliance	Policy formulation, enforcement and compliance oversight
Community / Society	Regular meetings	Continuous	Financial literacy; inclusive growth	Community support and access to financing; partnership on social and environmental issues

Material Matters

Enterprise material matters : There are a set of factors that affected the Group's ability to create value in 2025. These matters reflect the external environment and the Group's own transformation journey, covering macroeconomic pressure, competition, technology, stakeholder demands, regulation and emerging risk.

Material matter	Risk / impact on value creation	Group response
Global economic trends (USD shortage)	Higher cost of servicing foreign borrowings and forex procurement; potential stress in foreign-currency loans	Implement BoT guidance on reduction of USD usage; reduce issuance of FX loans; limit USD cash withdrawals
Increasing competition	Pressure on deposits and non-funded income	Continue delivering innovative products and services in an increasingly automated and digitised environment; campaigns to grow deposits and fee income
Disruptive technologies and digital adoption	Higher technology investment and cyber-security training costs	Invest in new technologies; mandatory cyber-security training; specialist upskilling for cyber teams
Rising stakeholder expectations	Higher operating and investment costs linked to ESG reporting, digital transformation and data protection	Adopt integrated and sustainable reporting; major systems upgrades; deepen stakeholder engagement
Ongoing regulatory and policy changes	Additional compliance and training costs; potential pressure on shareholder returns	Invest in compliance; engage policymakers and communities; train staff on new regulations
Current and emerging risks	Service disruption from cyber-attacks; higher cost of assessing climate-vulnerable collateral; added climate-risk compliance cost	Maintain strong cyber and data-protection framework; dedicated cyber unit; partnership with GCF on climate-related matters





How Material Matters Shape Strategy

Financial year 2025 marked the midpoint of our EVOLVE Strategy, and in many ways, it was the year the strategy moved from ambition into evidence. Three years in, the strategy is no longer a framework on paper; it is visible in our day-to-day operations, from how we serve customers, allocate capital, and show up across our markets.

In 2025, the Group witnessed the compounding effect of disciplined execution. The investments made in the digital backbone in years one and two began translating into measurable productivity, deeper customer engagement, and stronger revenues.

The Bank's regional footprint, that now goes from Tanzania to Burundi, the DRC, and a new Representative Office in Dubai moved the Group decisively from a Tanzanian champion toward a regionally connected, globally aware financial services group.

As we enter the final two years of EVOLVE, the task is clear: convert momentum into permanence. The bank we are building today must be fit not only for 2027, but for the decades beyond.

Strategic linkage. The relationship between material matters and strategy is direct. Each material matter influences choices around growth, cost discipline, technology investment, risk appetite, stakeholder engagement, compliance and sustainability integration.

Material matter	Strategic implication	Primary EVOLVE pillar(s)
Global economic trends / forex pressure	Balance-sheet optimisation, cautious foreign-currency lending, funding discipline	Ringfence; Grow
Increasing competition	Sharper customer value proposition, product innovation, channel expansion and deposit mobilisation	Ringfence; Grow
Disruptive technologies and digital adoption	Core systems modernisation, automation, cyber resilience and digital capability building	Grow; Futureproof
Rising stakeholder expectations	More transparent reporting, stronger service quality, ESG integration and faster response loops	Ringfence; Futureproof
Ongoing regulatory and policy changes	Investment in compliance, staff training and governance oversight	Ringfence; Futureproof
Current and emerging risks	Risk culture, cybersecurity, climate-risk capability and resilience planning	Futureproof; Ringfence

Materiality determination process



Two-step materiality process used in the 2025 update. The Group also considered upstream and downstream value-chain activities in the assessment (see Note 2.2).

What this means in practice

Materiality is not treated as a static list. It is linked to context: the geographies in which the Group operates, the regulatory landscape, the products and services it offers, the resources it depends on, and the relationships that support its value chain. This ensures that material information remains relevant to primary users of the financial statements and decision-useful for wider stakeholders.

Group Strategy Overview

During the 2025 FY, the Group entered the third year of implementing its five-year strategy, themed EVOLVE. The strategy is designed to strengthen market position, unlock growth potential, and prepare the business for longer-term resilience through sustainability, governance and adaptation.

The EVOLVE strategy architecture for 2025 and beyond.



Strategic framework

Objective lens	Strategy focus
Strategic	Provide distinctive customer experience; attract new and retain existing customers; increase transaction income; comply with regulation; increase market share
Economic	Improve return on equity; grow quality loan book responsibly; improve efficiency ratio
Operational	Digital transformation; develop automated solutions; train and develop employees
Social	Help surrounding communities; promote financial inclusion; build a reputation as an employer of choice
Environmental	Ensure environmental sustainability



Strategic Priorities for 2025 and Beyond

2025 execution priorities

The Group had six strategic focus areas for 2025:

- Protect the Bank's financial strength and market share
- Build a resilient and responsible organization
- Enhance operational efficiency and effectiveness through workforce optimisation
- Accelerate automation, innovation and digital adoption to improve customer experience
- Prioritise regulatory and compliance readiness
- Advance local and regional expansion

Priorities for 2026 and beyond

Looking forward, the Group's 2026 aspirations provide a practical bridge from 2025 execution to the remaining EVOLVE horizon. These priorities speak to a strategy that is simultaneously growth-seeking and risk-aware, with explicit emphasis on retail and MSME penetration, customer experience, subsidiary collaboration, sustainability, compliance and productivity.

2026 Group aspirations:

- **Expand the Retail Mass Market** – extend our reach to underserved retail segments through tailored product offerings, affordable pricing, and strengthened distribution channels that bring services closer to customers.
- **Grow the MSME Segment** – deepen penetration into underserved MSME markets by introducing relevant financial solutions, accessible pricing models, and distribution approaches that align with their unique business needs.
- **Optimise the Core Banking System (CBS)** – enhance the robustness, security, and scalability of our core banking infrastructure to ensure seamless operations and support future growth.
- **Improve Customer Experience** – elevate every customer interaction by streamlining processes, enhancing responsiveness, and delivering service that anticipates needs and consistently exceeds expectations.
- **Strengthen Subsidiary Synergies** – unlock value through strategic collaboration across group entities, leveraging shared capabilities, cross-selling opportunities, and unified market strategies to maximise collective impact.
- **Optimise Channels –** redesign and balance our channel mix to integrate digital convenience with strategic physical presence, ensuring accessibility and efficiency for all customer segments.
- **Advance Sustainability & Compliance –** embed sustainability principles and regulatory compliance into our core business practices to build stakeholder trust and support long-term organizational resilience.
- **Boost Operational Efficiency –** improve resource utilization by automating repetitive tasks, eliminating inefficiencies, and accelerating service delivery while maintaining quality across the organization.

Resource allocation and forward investment

The forward resource-allocation plan provides another lens on strategic intent.

For 2026, the Group planned capital expenditure and project funding of TZS 168.2 billion, with 66% allocated to ICT, up from 47% in 2025. This reflects a deliberate strategic bias towards cyber resilience, core banking optimisation, digital solutions and scalable operating capacity.

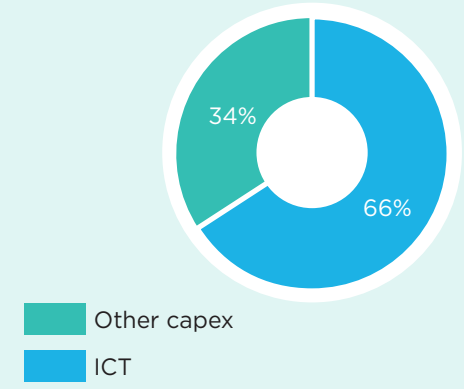
Group planned capital expenditure and project funding of

TZS 168.2 billion

Funding and strategic flexibility

The bank will rely on a mix of short- and long-term funding tools to support strategy execution, including customer deposits, interbank lines, debt financing, and strategic partnerships. This balance is important because it enables the Bank to finance growth while preserving liquidity, capital strength and operational resilience.

2026 capex allocation (TZS 168.2 bn planned)



Planned 2026 capex allocation: ICT share versus other capex.

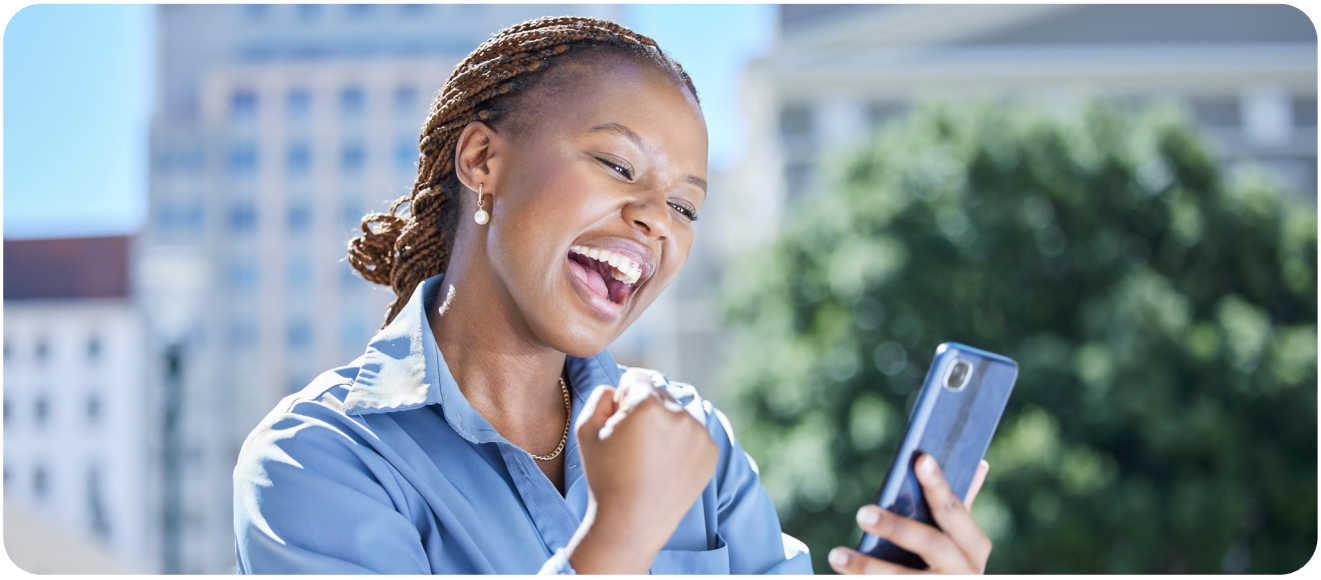
Strategic KPI scorecard

The table and chart below show that the Group exceeded most key 2025 thresholds, including ROE, ROA, balance-sheet growth and capital strength, while also maintaining NPLs and cost-to-income within target tolerance.

KPI	Target 2025	Actual 2025	Assessment
Return on Equity	> 27.0%	29.5%	Achieved
Return on Assets	> 5.0%	5.3%	Achieved
Cost-to-income ratio	< 55.0%	41.6%	Achieved
Customer deposit growth	> 12.0%	36.5%	Achieved
NPL ratio	< 5.0%	2.9%	Achieved
Loan growth	> 10.0%	32.5%	Achieved
Asset growth	> 15.0%	33.6%	Achieved
Total capital ratio	> 14.5%	17.8%	Achieved

How we delivered the KPIs set

- Strengthened stakeholder relationships through continuous engagement and customer-centric initiatives across all segments.
- Leveraged a highly competent Board, strong leadership, and an experienced management team to drive disciplined execution of our priorities.
- Accelerated digital transformation investments, enhancing operational efficiency and improving customer experience across all digital channels.
- Optimised branch operations under the new operating model, improving service delivery, productivity, and internal controls.
- Enhanced staff capability and culture by promoting self-learning, professional development, and social capacity-building programs.
- Streamlined Headquarter and branch processes to improve coordination, eliminate redundancies, and maximise resource utilisation.
- Implemented paperless withdrawals using SimBanking, reducing transaction turnaround time and improving service convenience.
- Automated Service Level Agreements (SLA) across the Bank to enhance accountability, improve customer satisfaction, and ensure timely service delivery.



Strategic Value Unlocks (KPI Dashboard)

Indicator	Value Driver	YOY CHANGE	2025	2024	2023
PROFITABILITY					
Group Profit After Tax (TZS bn)	Growth/Productivity	↑	728.6	551.5	422.8
Subsidiary Contribution to Group PAT	Productivity	↓	5.50%	6.21%	5.83%
Return on Average Assets	Productivity	↑	5.30%	5.20%	4.80%
Cost to Income Ratio	Capital Risk Management	↑	41.60%	45.7%	45.5%
Return on Equity	Growth/Productivity	↑	29.50%	27.70%	26.70%
Non-Funded Income Contribution	Growth/Productivity	↑	31.20%	30.50%	32.50%
BUSINESS GROWTH					
Total Assets (TZS bn)	Business Growth	↑	22,309	16,699	13,321
Total Loans & Advances (TZS bn)	Business Growth	↑	13,723	10,361	8,443
Customer Deposits (TZS bn)	Business Growth	↑	14,930	10,934	8,856
Shareholders' Funds (TZS bn)	Growth/Productivity	↑	2,747	2,173	1,781
ASSETS QUALITY					
NPL Ratio	Capital Risk Management	→	2.90%	2.90%	2.8%
Cost of Risk	Capital Risk Management	↑	0.40%	0.50%	0.3%
Gross Loans to Customer Deposit Ratio	Capital Risk Management	↑	94%	95%	95%
CAPITAL AND LIQUIDITY					
Tier I Capital Ratio	Capital Risk Management	↑	16.10%	16.3%	16.0%
Total Capital Ratio	Capital Risk Management	↑	17.80%	17.2%	17.5%
Liquidity Ratio	Capital Risk Management	↑	30.30%	28.2%	27.0%
SHAREHOLDERS VALUE					
Dividend Per Share (TZS)	Growth/Productivity	↑	90	65	50
Dividend Payout Ratio	Growth/Productivity	↑	32.30%	32.20%	30.90%
Share Price (TZS)	Growth/Productivity	↑	1530	670	460
DEEPENING ACCESS					
Number of Bank Agents	Productivity/Efficiency	↑	38,883	36,650	34,627
Digital Adoption – Usage Accounts	Productivity	↓	40%	41%	33%
Digital Channel Usage	Productivity	→	97%	97%	95%
SERVICE EXCELLENCE					
Net Promoter Score (NPS)	Productivity	↑	75%	56%	53%
Mystery Shopping Score	Productivity	→	90%	90%	87%
Customer Satisfaction Index	Productivity	→	90%	90%	89%
PEOPLE AND INCLUSIVITY					
Retention Rate	Productivity	↑	98.0%	97.0%	97.4%
Women in Leadership (Senior Mgmt)	Productivity	→	35%	35%	33%

KEY

MBO - Management and Board Oversight ↑ Positive Change → No Change ↓ Negative Change

					OUTLOOK		
	2022	2021	Benchmark	2025 Target	Medium Term	Long Term	Assurance
	351.4	266.2	551.5	743	Increase	Increase	MBO
	6.6%	5.1%	6.21%	8.6%	Increase	Increase	MBO
	4.9%	4.4%	5.20%	4.00%	Increase	Increase	MBO
	49.4%	55.6%	45.7%	43%	Maintain	Maintain	MBO
	26%	22%	27.70%	27%	Grow	Grow	MBO
	28.70%	28.30%	30.50%	39%	Grow	Grow	MBO
	11,637	8.817.6	16,699	20,934	Grow	Grow	MBO
	6,877	5,040	10,361	12,229	Grow	Grow	MBO
	8,200	6,490	10,934	14595	Grow	Grow	MBO
	1,479	1,219	2,173	2,734	Increase	Increase	MBO
	2.8%	3.1%	2.90%	<2.0%	Maintain	Maintain	MBO
	1.0%	1.4%	0.50%	<1%	Maintain	Maintain	MBO
	84%	80%	94.80%	<95%	Sustain	Sustain	MBO
	17.0%	20.0%	16.3%	>14%	Sustain	Sustain	MBO
	18.5%	20.8%	17.2%	>18%	Sustain	Sustain	MBO
	27.0%	25.5%	28.2%	>20%	Sustain	Sustain	MBO
	45	36	65	88	Grow	Grow	MBO
	33.40%	35.10%	32.20%	35%	Maintain	Maintain	MBO
	380	280	670	670	Book+	Book+	MBO
	28,214	19,855	36,650	Grow	Grow	Grow	MBO
	25%	18%	41%	>30%	Maintain	Maintain	MBO
	94%	90%	97%	>90%	Maintain	Maintain	MBO
	45%	45%	56%	>60%	Management	Improve	Management
	83%	79%	90%	>85%	Management	Improve/sustain	Management
	87%	79%	90%	>90%	Management	Improve/sustain	Management
	98.0%	98.2%	97.0%	>95%	Maintain	Sustain	Management
	30%	28%	35%	>30%	Maintain	Improve	Management



Review of Strategic Execution



Group CEO & Managing Director's Statement



Dear Shareholders,

The 2025 financial year marked the third year of our strategy execution journey and was defined by disciplined delivery across the Group.

Having established a clear strategic direction and built momentum in prior years, our focus during the year was on deepening execution - translating strategy into measurable outcomes, initiatives, and decisions. Across our footprint in Tanzania, Burundi, and the Democratic Republic of Congo, this demanded resilience, consistency, and a firm focus on the fundamentals that matter most: growing quality business, mobilising stable deposits, strengthening customer experience, expanding digital adoption, preserving asset quality, and continuing to invest in an operating platform capable of supporting our long-term regional ambition.

I am pleased to report that we closed the year with strong profitability, solid balance sheet growth, underpinned by disciplined lending, deposit-led funding, improved efficiency, and continued discipline in risk and capital management. These outcomes reflect not only the consistency of our execution but also the commitment of our people and the enduring trust that our customers, shareholders, and partners continue to place in the Group.

Performance at a Glance

During the year under review, the Group delivered profit before tax of TZS 1.03 trillion, up 32.3% from TZS 778.8 billion in the previous year, while profit after tax increased by 32.1% to TZS 728.6 billion from TZS 551.5 billion in 2024. Earnings growth was broad-based, supported by higher core interest income, Islamic financing and investment products, and improved non-interest income, while operating efficiency strengthened, with the cost-to-income ratio improving to 41.6% from 45.7% in 2024.

Asset quality remained within risk appetite, with the non-performing loan ratio at 2.9%. Returns remained strong, with returns on average assets at 5.3% and returns on average equity at 29.5%.

The balance sheet expanded materially, with total assets reaching TZS 22.3 trillion, customer deposits growing by 36.5% to TZS 14.9 trillion, and loans and advances increasing by 32.5% to support productive sectors of the economy. Capital and liquidity positions remained strong, and the Group contributed TZS 681.4 billion in taxes, reinforcing its role in national economic development.

36.5%

Customer deposits grew to TZS 14.9 trillion,

Loans and advances to customers increased by

32.5%

Our subsidiaries continued to post positive contributions to the Group, affirming the strength of our regional and multi entity model. The Burundi business delivered prudent growth and improved profitability, supported by stronger deposit mobilisation, while the Democratic Republic of Congo operation continued to build scale and market presence, remaining in an investment phase. Our insurance business also recorded strong momentum, benefiting from scale, product relevance, and disciplined execution.

Together, these businesses continue to strengthen the Group's long-term diversification and regional relevance.

Operating Environment Across Our Markets

The global economy remained resilient throughout 2025, absorbing shocks stemming from heightened trade policy uncertainty and escalating geopolitical tensions. The resilience was underpinned by a combination of supportive factors, most notably robust private consumption, sustained capital investment within technology-intensive sectors, broadly accommodative financial conditions, and supportive macroeconomic policies in major economies.

Our 2025 performance was delivered in a varied operating environment. In Tanzania, macroeconomic conditions remained broadly supportive. Inflation stayed within the Bank of Tanzania's target range, domestic demand remained resilient, and credit appetite held firm across priority sectors. These conditions created room for disciplined growth, but they also demanded close management of liquidity, pricing, and execution quality in an increasingly competitive market.
In Burundi, the operating environment remained more constrained. Foreign exchange shortages, periodic fuel scarcity, and structural market frictions required heightened prudence in liquidity deployment, customer engagement, and balance sheet management. In the Democratic Republic of Congo, growth prospects remained supported by the mining economy, but the operating environment also underscored the need for strong risk governance, measured execution, and resilient operating controls. Across all our markets, intensified competition for deposits, rising customer expectations, and the imperative for consistent service quality reinforced the importance of customer relevance, digital scale, and operational effectiveness.

Strategy to Execution in 2025

Throughout the year, we executed against clear strategic priorities that have become embedded in how we plan, govern, and deliver. This included deepening customer obsession; accelerating digital and data transformation; strengthening operational efficiency; growing quality lending in priority sectors; broadening our regional and international capability; building a resilient and responsible organisation; and investing in people and culture.

These priorities were not treated as abstract ambitions. They were translated into management action through monthly performance reviews, sharper accountability, and cross-functional execution discipline. This helped us sustain momentum in a year where the quality of execution mattered as much as the strategy itself.

A year of disciplined execution, stronger scale, and sustained strategic momentum

Profit before tax
TZS 1.03tn
+32.3%

Profit after tax
TZS 728.6bn
+32.1%

Customer deposits
TZS 14.9tn
+36.5%

Total assets
TZS 22.3tn
+33.6%

Loans & advances
TZS 13.7tn
+32.5%

Cost-to-income
41.6%

NPL ratio
2.9%
Within appetite

ROAE
29.5%
Strong returns

Execution priorities in 2025

Customer relevance
Growth in relationships, usage, service reliability

Digital scale
CBS upgrade, channels, tokenisation

Funding & risk
Stable deposits, disciplined lending, strong controls

Regional reach
SMBC, Dubai, Sukuk, Kijani platform

Deposits, Liquidity and Balance Sheet Management

Deposit mobilisation remained one of the defining themes of execution in 2025, reflecting deliberate actions in segmentation, customer activation, relationship management, and distribution. This performance was supported by targeted mobilisation campaigns across retail, SME, corporate, and institutional segments, as well as stronger transaction-led engagement across channels.

We remained intentional not only about the pace of growth, but also about its quality. Stable funding, deposit granularity, and disciplined liquidity management remained central to our approach. Throughout the year, we aligned balance sheet growth with our liquidity framework and funding discipline, ensuring that asset expansion remained well supported by stable liabilities and prudent pricing.

Lending Growth with Disciplined Risk Management
On the lending side, the Group remained committed to financing productive sectors and strategic value chains while upholding disciplined underwriting standards. Loans and advances to customers grew by 32.5% during the year, driven by strong origination activity and continued support to business, personal, and institutional customers across our markets. Agriculture remained a key growth sector, recording a 45% year on year increase, and continues to be a strategic focus area for the Group.



Asset quality remained a leadership priority throughout the year. We maintained close follow-up of customers in arrears, intensified early-warning actions when stress signals emerged, and continued to apply restructuring and remediation measures where appropriate. Provisioning remained aligned to expected credit loss dynamics and portfolio realities. The result was a non-performing loan ratio of 2.9%, demonstrating that growth in the loan book was accompanied by sustained attention to risk quality and recovery discipline.
Earnings Diversification and Operating Efficiency

Our focus remains on building a more diversified, resilient, and future-ready earnings base. This calls for a deliberate broadening of income streams across core banking, Islamic financing and investment products, and non-funded lines such as fees, commissions, and transaction-led services. The strategic intent is to reduce concentration risk, deepen the quality of earnings, and create a more balanced revenue mix that can support sustainable growth through different operating cycles.

Similarly, we continue to invest in the capabilities required to deliver this ambition at scale. This includes strengthening people's capability, system resilience, customer channels, controls, and technology infrastructure. These investments are not simply about supporting current operations, but about building a stronger institutional platform that can enhance service delivery, improve execution capacity, and sustain long-term operating efficiency.

Major Milestones Recorded in 2025

Digital Scale and Platform Transformation

Digital and channel transformation remained central to our execution. We continued to invest in adoption and usage across mobile banking, internet banking, cards, POS, agency banking, and merchant solutions, supported by targeted marketing activations and customer value management. These efforts were designed not only to improve convenience but also to make banking simpler, faster, and more relevant in our customers' daily lives. As a result, transactions conducted through alternative channels accounted for 98% of total transaction volumes.

A major milestone this year was the successful completion of a new core banking system. This strengthened the foundation of our operating platform by improving service continuity, enhancing system performance, and enabling a more consistent customer experience across channels. More importantly, it expanded our capacity for faster product innovation, stronger ecosystem integration, and greater regional scalability - capabilities that are essential as we continue to grow the business.

To reinforce financial inclusion and improve the reliability of last-mile service, we also introduced tokenisation for agent channels in October 2025. This innovation allows recipients to withdraw funds securely using a token even without a bank account, helping extend access to customers in underserved locations while improving convenience, speed, and service reliability.

Strategic Partnerships and International Reach

In line with our ambition to strengthen regional and international capability, we formalised a strategic partnership with Sumitomo Mitsui Banking Corporation. This partnership is designed to deepen collaboration in trade and investment facilitation, broaden opportunities for customers engaged in cross-border business, and strengthen our institutional links with global financial ecosystems. It supports our wider objective of building stronger correspondent and strategic partner networks capable of expanding deal flow, improving customer solutions, and reinforcing our credibility in international finance.

This internationalisation agenda was further reinforced by progress toward our Dubai Representative Office, following the securing of the relevant licensing during the year. This is an important step in placing CRDB Bank closer to a major global hub for commerce, capital, and diaspora connectivity. It enhances our ability to engage more directly with investors, counterparties, and multinational clients while strengthening our support for trade, investment, and cross-border customer needs.

Capital Markets Innovation

We also advanced our capital markets agenda through the continued performance and listing of the CRDB Al Barakah Sukuk, which raised TZS 125.4 billion and USD 32.3 million. This milestone reflects our ability to structure and mobilise diversified funding solutions that speak to the needs of different investor segments while supporting the Bank's balance sheet growth and long-term funding resilience. It also reinforces CRDB Bank's position as a leader in financial innovation and ethical finance in Tanzania.

CRDB Al Barakah Sukuk, which raised

TZS 125.4 billion & USD 32.3 million

Sustainable Finance Leadership

Sustainability remained a core pillar of the Group's growth strategy and shared-value agenda throughout 2025. A major milestone was the listing of our Kijani Bond on the Luxembourg Stock Exchange in July 2025, which enhanced the visibility and credibility of our sustainable finance platform and strengthened our capacity to mobilise capital for climate-smart agriculture and other green priorities.

During the year, we also strengthened our ESG governance architecture by operationalising the Management Sustainability Committee, creating firmer oversight, clearer accountability, and deeper integration of sustainability priorities into business and risk decision-making. Our Green Asset Ratio increased to 13%, reflecting the growing share of eligible green assets in the portfolio.

The Group also mobilised significant funding for priority ESG and climate-related interventions, including the final USD 35 million tranche under the Green Climate Fund programme, USD 15 million under the ResponsAbility facility, and EUR 8.8 million from the European Investment Bank to support Blue Economy and related sustainability projects. These resources have expanded our capacity to finance high-impact projects linked to resilience, inclusion, and long-term national development.

Translating Market Engagement into Growth

Beyond the headline strategic initiatives, the Group continued to strengthen customer acquisition and everyday usage through targeted activation programmes executed during the year. Our campaigns were designed to build broad national awareness, drive onboarding, and convert interest into active adoption across priority products and channels. These programmes combined mass-market communication with clear customer propositions and measurable call-to-action journeys, helping us deepen merchant acceptance, expand account acquisition, and reinforce transaction-led engagement.

During the year, we complemented balance sheet growth with capital markets activity and brand-led mobilisation to broaden our investor base and deepen customer engagement. Through an integrated marketing and communications programme spanning broadcast media, outdoor visibility, and targeted public engagement, we strengthened awareness of the Sukuk proposition and reinforced confidence in the Bank's capital markets capability. These initiatives supported business momentum by stimulating customer conversations, strengthening pipeline conversion, and encouraging deposit mobilisation linked to exhibitions and related activations. They demonstrate how strategy is translated into action - connecting product innovation, market engagement, and disciplined distribution to tangible outcomes.

People, Culture and Execution Discipline

Execution is ultimately powered by people, culture, and the quality of leadership across the organisation. We closed the year with 4,528 employees and 261 branches, complemented by 38,883 registered agents, 732 ATMs, and 6,607 POS terminals. This physical distribution footprint is increasingly reinforced by our digital channels, enabling the Group to reach customers more effectively while improving service access and convenience.

During the year, we continued to strengthen our people agenda through disciplined performance governance, structured monthly management reviews, and clearer accountability across strategic programmes. We also advanced our inclusion and leadership development agenda through flagship women-focused initiatives, including the Shadow Board, which continues to create space for emerging female leaders to contribute to strategic dialogue, gain executive exposure, and strengthen the Group's future leadership pipeline.

More broadly, we continued to build a culture that values accountability, service, continuous improvement, and risk awareness. That culture matters, because enduring performance is built not only on strategy, systems, and capital, but on the everyday choices and conduct of people across the institution.

Future Outlook

Looking ahead, our priorities are clear and firmly anchored on execution. We will deepen customer relevance by improving service reliability, strengthening relationship-led growth, and expanding solutions that meet the evolving needs of individual customers, SMEs, and corporates. We will accelerate digital adoption not as a standalone target, but as a means of making banking simpler, faster, and more accessible while continuing to strengthen the resilience, security, and scalability of our operating platforms.

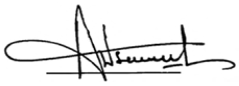
Deposit mobilisation will remain a strategic imperative, supported by sharper segmentation, disciplined pricing, and stronger transaction ecosystems that build stable and granular funding. In parallel, we will continue to grow quality lending in priority sectors, guided by prudent risk discipline, proactive portfolio monitoring, and continued focus on recoveries and early remediation. We will also advance operational efficiency by simplifying end-to-end processes, automating critical customer journeys, and improving channel economics so that growth remains profitable, sustainable, and well-supported by controls.

As CRDB Bank Group strengthens its regional and international capability, we will do so deliberately - building partnerships, enhancing cross-border propositions, and leveraging a scalable platform and strong governance to manage complexity with confidence. Above all, we will keep our teams aligned around accountability, speed of execution, and service excellence, because the true strength of a bank is measured by the trust it earns every day and the long-term value it creates for customers, shareholders, and the communities it serves.

Appreciation

I extend my sincere appreciation to our customers, shareholders, regulators, partners, and the wider public for the trust you placed in CRDB Bank Group throughout 2025. Your confidence enabled us to execute decisively, invest in our core banking platform, strengthen our delivery channels, advance strategic partnerships, and sustain disciplined growth across our markets.

I also thank our Board of Directors for its guidance and oversight, and I pay special tribute to the leadership team and every member of staff across the Group for their professionalism, resilience, and unwavering commitment to service excellence. The results we achieved in 2025 are a shared accomplishment. We remain committed to justifying the trust placed in us through responsible banking, consistent execution, and the sustained creation of long-term value.



Dr. Abdulmajid M. Nsekela
Group Chief Executive Officer & Managing Director

Branches
261

POS terminals
6,607

Employees
4,528

Agents
38,883

ATMs
732




5H-L
MADE IN TANZANIA

Taarifa Ya Mkurugenzi Mtendaji



Wapendwa Wanahisa,

Mwaka wa Fedha 2025 ulikuwa wa tatu katika safari yetu ya utekelezaji wa mkakati. Katika mwaka huo, utekelezaji ulifanyika kwa nidhamu kubwa katika kampuni zetu zote.

Baada ya kuweka mwelekeo bayana wa kimkakati na kujenga msingi na kujitayarisha ipasavyo kwenye miaka ya nyuma, lengo letu katika mwaka uliopita lilikuwa kuimarisha utekelezaji – kutafsiri mkakati kuwa matokeo yanayopimika hatua kwa hatua na uamuzi kwa uamuzi. Katika maeneo tunayotoa huduma nchini Tanzania, Burundi, na Jamhuri ya Kidemokrasia ya Kongo, hali hii ilihitaji ustahimilivu, uthabiti, na mkazo madhubuti katika misingi muhimu zaidi, ambayo ni ukuzaji wa biashara yenye ubora, ukusanyaji wa amana madhubuti, uimarishaji wa huduma kwa mteja, upanuzi wa matumizi ya kidijiti, udumishaji wa ubora wa rasilimali, na uendelezaji wa uwekezaji katika mfumo wa uendeshaji wenye uwezo wa kuwezesha matarajio yetu ya muda mrefu ya kikanda.

Nina furaha kuwafahamisha kuwa tulifunga mwaka tukiwa na faida kubwa na ukuaji thabiti wa mizania. Ukuaji huu ulijengeka katika nidhamu ya utoaji wa mikopo itokanayo kwa kiasi kikubwa na amana, kuongezeka kwa ufanisi, na nidhamu katika usimamizi wa vihatarishi na mtaji. Mafanikio haya yaliakisi si tu uthabiti wa utekelezaji wetu, bali pia kujitolea kwa watumishi wetu na imani ya kudumu ambayo wateja, wanahisa, na washirika wetu wanaendelea kuwa nayo kwetu.

Muhtasari wa Utendaji

Katika mwaka uliopita, Benki ilipata faida kabla ya kodi ya shilingi trilioni 1.03, sawa na ongezeko la asilimia 32.3 kutoka shilingi bilioni 778.8 mwaka 2024, huku faida baada ya kodi ikiongezeka kwa asilimia 32.1 hadi kufikia shilingi bilioni 728.6 kutoka shilingi bilioni 551.5 mwaka 2024. Ukuaji wa mapato ulichangiwa na masuala mbalimbali, hususani ongezeko la mapato ya riba, bidhaa za huduma za kifedha za Kiislamu na bidhaa za uwekezaji, pamoja na kuimarika kwa mapato yasiyo ya riba, huku ufanisi wa uendeshaji ukiimarika na uwiano wa matumizi dhidi ya mapato ukiboreshwa hadi kufikia asilimia 41.6 kutoka asilimia 45.7 mwaka 2024.

Ubora wa mali uliendelea kuwa ndani ya kiwango cha vihatarishi kinachokubalika, huku uwiano wa mikopo chechefu ukiwa asilimia 2.9. Faida kutokana na uwekezaji iliendelea kuwa imara, huku faida ya wastani wa mali ikiwa asilimia 5.3 na faida ya wastani ya mtaji wa wanahisa ikiwa asilimia 29.5.
Mizania ilikua kwa kiasi kikubwa, huku jumla ya mali zikifikia shilingi trilioni 22.3, amana za wateja zikikua kwa asilmia 36.5 hadi kufikia shilingi trilioni 14.9, na mikopo ikiongezeka kwa asilimia 32.5. Mafanikio haya yalitoa mchango mkubwa kwenye sekta za uzalishaji hapa nchini. Mitaji na ukwasi uliendelea kuwa imara na Benki ililipa kodi kiasi cha shilingi bilioni 681.4, jambo lililoendea kuimarisha nafasi ya Benki katika maendeleo ya kiuchumi ya taifa.

Kampuni tanzu ziliendelea kutoa mchango chanya kwa Benki, hivyo kuthibitisha umadhubuti wa mfumo wetu wa kikanda na wa kuyafikia kimkakati masoko tofauti ya nje. Biashara yetu nchini Burundi ilikua na kuimarika kifaida, ikisaidiwa na ukusanyaji mzuri wa amana. Shughuli zetu za kibiashara nchini Jamhuri ya Kidemokrasia ya Kongo ziliendelea kupanuka na

kudumisha kuwapo kwetu sokoni, ingawa bado zilikuwa katika hatua ya uwekezaji. Biashara yetu ya bima pia ilikua kwa kasi kubwa, ikinufaika na ukubwa wa soko, bidhaa zinazoendana na mahitaji, na utekelezaji wa kinidhamu wa mikakati yetu.

Kwa pamoja, biashara hizi ziliendelea kuimarisha mkakati ya muda mrefu wa kusambaza uwekezaji wa Benki ili kupanua vyanzo vya mapato, kupunguza utegemezi wa soko moja, na kudumisha umuhimu wake kikanda.

Hali ya Uendeshaji katika Masoko Yetu

Uchumi wa dunia ulibaki imara katika kipindi chote cha 2025, ukihimili mishituko iliyotokana na kuongezeka kwa sintofahamu ya sera za biashara na mivutano ya kijiopolitiki inayozidi kuongezeka. Uhimilivu huu ulichochewa na mchanganyiko wa mambo hususani matumizi makubwa na thabiti ya sekta binafsi, uwekezaji endelevu wa mitaji katika sekta zenye teknolojia kubwa, na mazingira tulivu na rafiki ya kifedha ukichochewa na sera za ukuaji wa uchumi mkuu wa mafaifa makubwa.

Utendaji wetu katika mwaka 2025 ulifikiwa katika mazingira tofauti ya uendeshaji. Nchini Tanzania, hali ya kiuchumi iliendelea kuwa tulivu kwa kiasi kikubwa. Mfumuko wa bei uliendelea kuwa ndani ya wigo uliolengwa na Benki Kuu ya Tanzania, na uhitaji wa mikopo uliendelea kuwa imara katika sekta zote za kipaumbele. Hali hizi zilitengeneza nafasi ya ukuaji wa kinidhamu, lakini pia zilihitaji usimamizi wa karibu wa ukwasi, bei za huduma zetu, na ufanisi wa utekelezaji na uendeshaji katika mazingira shindani ya soko.

Nchini Burundi, mazingira ya uendeshaji yaliendelea kukabiliwa na changamoto zaidi. Uhaba wa fedha za kigeni, uhaba wa mafuta wa mara kwa mara, na migogoro ya kimuundo ya soko ilihitaji uangalifu mkubwa katika utumiaji na usimamizi wa ukwasi, ushirikishaji wa wateja, na usimamizi wa mizania. Katika Jamhuri ya Kidemokrasia ya Kongo, matarajio ya ukuaji yaliendelea kutegemea uchumi wa madini, lakini mazingira ya uendeshaji pia yalihitaji usimamizi thabiti wa mifumo bora ya vihatarishi, utekelezaji unaopimika, na umadhubuti wa mifumo ya udhibiti ya uendeshaji.

Katika masoko yetu yote, ushindani mkali wa kupata amana, matarajio ya juu ya wateja, na ulazima wa ubora thabiti wa huduma ulisisitiza umuhimu wa wateja na ufanisi wa kidijiti na kiutendaji.

Uhusiano wa Mkakati na Utekelezaji katika Mwaka 2025

Katika mwaka 2025, utekelezaji ulizingatia vipaumbele bayana vya kimkakati na vilivyojengeka katika namna tunavyopanga, kusimamia, na kutekeleza shughuli zetu. Hii ilijumuisha kuimarisha shauku na umakini kwa wateja; kuharakisha mabadiliko ya kidijiti na matumizi ya takwimu; kuimarisha ufanisi wa uendeshaji; kukuza utoaji wa mikopo bora katika sekta za kipaumbele; kupanua uwezo wetu wa kikanda na kimataifa; kujenga taasisi stahimilivu na yenye uwajibikaji; na kuwekeza katika rasilimaliwatu na utamaduni.

Mwaka wa utekelezaji wa kinidhamu, ukuaji madhubuti, na kasi endelevu ya kimkakati

Faida kabla ya kodi
TZS trn 1.03
+32.3%

Faida baada ya kodi
TZS bn 728.6
+32.1%

Amana za wateja
TZS trn 14.9
+36.5%

Jumla ya mali
TZS trn 22.3
+33.6%

Mikopo kwa wateja
TZS 13.7tn
+32.5%

Uwiano wa gharama kwa mapato
41.6%

Uwiano wa mikopo chechefu (NPL)
2.9%
Ndani ya kiwango kinachokubalika

Faida kwa wastani wa mtaji wa wanahisa (ROAE)
29.5%
Marejesho imara

Vipaumbele vya utekelezaji mwaka 2025

Umuhimu kwa mteja: ukuaji wa mahusiano, matumizi, na utegemevu wa huduma.

Ukuaji wa kidijitali: uboreshaji wa mfumo mkuu wa benki (CBS), njia za huduma, na utokenishaji.

Ufadhili na usimamizi wa hatari: amana thabiti, utoaji wa mikopo kwa nidhamu, na udhibiti imara.

Ueneaji wa kanda: SMBC, Dubai, Sukuk, na jukwaa la Kijani.

Vipaumbele hivi havikuchukuliwa kama Ndoto za Alinacha. Bali vilitafsiriwa kuwa hatua za usimamizi kupitia upimaji wa kila mwezi wa utendaji wa wafanyakazi, usimamizi wa matawi na kampuni tanzu, uwajibikaji bayana, na nidhamu ya utekelezaji wa kazi za pamoja. Hali hizi zilitusaidia kudumisha kasi katika mwaka ambapo ubora wa utekelezaji ulikuwa muhimu sawa na mkakati wenyewe.

Usimamizi wa Amana, Ukwasi na Mizania

Ukusanyaji wa amana uliendelea kuwa moja ya dhima kuu za utekelezaji kwa mwaka 2025, ikidhihirisha matokeo ya hatua za makusudi katika mtawawanyo, uhamasishaji wa wateja, usimamizi wa mahusiano, na usambazaji. Utendaji huu uliwezeshwa na kampeni maalumu za uhamasishaji katika sekta za rejareja, biashara ndogondogo na za kati, biashara kubwa, msambao wa kitaasisi, pamoja na shughuli madhubuti za miamala kupitia njia mbalimbali.

Tuliendelea kuwa makini si tu kwenye kasi ya ukuaji, bali pia katika ubora wake. Ukopeshaji madhubuti, utofautishaji wa aina za amana, na usimamizi wa kinidhamu wa ukwasi uliendelea kuwa msingi wa mbinu yetu. Katika mwaka mzima, tulilinganisha ukuaji wa mizania na mfumo wetu wa ukwasi na nidhamu ya ukopeshaji fedha, tukihakikisha kuwa ukuaji wa mali unawezeshwa ipasavyo na usimamizi madhubuti wa madeni na upangaji makini wa bei.
Ukuaji wa Utoaji wa Mikopo na Usimamizi wa Kinidhamu wa Vihatarishi

Kwa upande wa utoaji mikopo, Benki iliendelea kujitolea kufadhili sekta za uzalishaji na minyororo ya thamani ya kimkakati huku ikidumisha viwango vya nidhamu katika utoaji wa mikopo. Mikopo na malipo ya awali kwa wateja yaliongezeka kwa asilimia 32.5, ikiakisi uanzishaji wa mikopo na usaidizi endelevu kwa biashara, kaya, na taasisi katika masoko yetu. Kilimo kiliendelea kuwa sekta muhimu ya ukuaji, kikipata ongezeko la asilimia 45 mwaka hadi mwaka, na kiliendelea kuwa eneo la kimkakati kwa Benki.

Ubora wa mali uliendelea kuwa kipaumbele cha uongozi katika mwaka mzima uliopita. Tulidumisha ufuatiliaji wa karibu wa wateja waliochelewa kulipa mikopo, tuliimarisha mifumo ya tahadhari na kuchua hatua za mapema pale dalili za changamoto zilipojitokeza, na tuliendelea kuchukua hatua za maboresho, mazungumzo, na urekebu pale ilipohitajika. Utengaji wa akiba ya hasara uliendana na mienendo ya hasara za mikopo iliyotarajiwa na uhalisia wa mikopo. Hatua hizi ziliwezesha Benki kuwa na uwiano wa asilimia 2.9 ya mikopo chechefu, hali iliyoonesha kuwa ukuaji wa jumla ya mikopo ilisiyolipwa uliambatana na umakini endelevu katika ubora wa vihatarishi na nidhamu ya urejeshaji wa mikopo.

Mikopo na malipo ya awali kwa wateja yaliongezeka kwa asilimia

32.5%



Amana za wateja ziliongezeka kwa asilimia 36.5 hadi kufikia

TZS trilioni 14.9

Uanuai wa Mapato na Ufanisi wa Uendeshaji

Msisitizo wetu uliendelea kuwa katika kujenga msingi wa mapato anuai, stahimilivu, na ulio tayari kwa mustakabali. Hatua hii ilihitaji upanuzi wa makusudi wa vyanzo vya mapato katika huduma za msingi za kibenki, huduma ya kifedha ya Kiislamu na bidhaa za kiuwekezaji, na vyanzo vya mapato yasiyo ya riba kama vile ada, kamisheni, na huduma zinazotokana na miamala. Lengo la kimkakati lilikuwa kupunguza mrundikano wa vihatarishi, kuimarisha ubora wa mapato, na kubuni mseto wa mapato ulio na uwiano bora unaoweza kusaidia ukuaji endelevu katika mizunguko tofauti ya uendeshaji.

Vivyo hivyo, tuliendelea kuwekeza katika uwezo unaohitajika kufanikisha kwa kiwango kikubwa azma hii. Hatua hii ilijumuisha kuimarisha uwezo wa rasilimaliwatu, ustahimilivu wa mifumo, njia za huduma kwa wateja, udhibiti, na miundombinu ya teknolojia. Uwekezaji huu haukuwezesha shughuli za sasa tu, bali ulijenga mfumo madhubuti wa kitaasisi unaoweza kuboresha utoaji wa huduma, kuimarisha uwezo wa utekelezaji, na kudumisha ufanisi wa muda mrefu wa uendeshaji.

Mafanikio Makubwa Yaliyopatikana Mwaka 2025

Ukuaji wa Kidijiti na Mageuzi ya Njia za Huduma za Kibenki

Mageuzi ya kidijiti na njia za huduma za kibenki yaliendelea kuwa kiini cha utekelezaji wetu. Tuliendelea kuwekeza katika uchukuaji na utumiaji wa huduma za kibenki kwa njia ya simu za mkononi, mtandao wa intaneti, kadi, mashine za malipo, na kupitia mawakala, na masuluhisho ya wafanyabiashara, tukisaidiwa na kampeni maalumu za uhamasishaji na usimamizi wa thamani ya wateja. Hatua hizi zilibuniwa si tu kwa ajili ya kuboresha urahisi, bali pia kufanya huduma za kifedha ziwe rahisi, za haraka, na zenye umuhimu zaidi katika maisha ya kila siku ya wateja wetu. Matokeo yake ni kwamba miamala iliyopitia njia mbadala za kidijiti ilikuwa asilimia 98 ya miamala yetu yote.

Mafanikio makubwa katika mwaka uliopita ni kukamilika kwa usimikaji wa mfumo mkuu mpya wa uendeshaji wa benki. Mafanikio haya yameimarisha msingi wa mfumo wetu wa uendeshaji kwa kuboresha uendelevu wa huduma, kuongeza utendaji wa mfumo, na kuwezesha uzoefu madhubuti zaidi wa wateja kupitia njia mbalimbali. Zaidi ya hayo, mfumo ulipanua uwezo wetu wa ubunifu na uvumbuzi wa haraka wa bidhaa, uunganishaji wa mifumo inayohusiana, na upanuzi mkubwa wa kikanda, ambao ni nyenzo muhimu katika ukuzaji na upanuzi wa biashara yetu.

Ili kuimarisha ujumuishaji wa kifedha na kuboresha uhakika wa huduma kuwafikia watumiaji wa mwisho, mwezi Oktoba 2025 tulianzisha pia mfumo wa tokeni kwa ajili ya mawakala. Ubunifu huu uliruhusu wapokeaji kutoa fedha kwa usalama kwa kutumia namba maalumu hata bila kuwa na akaunti ya benki, Hatua hii ilisaidia kuwafikia wateja katika maeneo yaliyokuwa na huduma duni huku ikiboresha urahisi, kasi, na uhakika wa huduma zetu.

Ushirikiano wa Kimkakati na Ufikiaji wa Soko la Kimataifa

Kwa kuzingatia azma yetu ya kuimarisha uwezo wa kikanda na kimataifa, tulirasimisha ushirikiano wa kimkakati na Shirika la Benki la Sumitomo Mitsui (Sumitomo Mitsui Banking Corporation). Ushirikiano huu ulianzishwa ili kuongeza kina cha ushirikiano katika uwezeshaji wa biashara na uwekezaji, kupanua fursa kwa wateja wanaojihusisha na biashara za mipakani, na kuimarisha uhusiano wetu wa kitaasisi na mifumo ya kifedha ya kimataifa. Hatua hii iliwezesha kufikia lengo letu pana la kujenga mitandao madhubuti zaidi ya mawakala na washirika wa kimkakati wenye uwezo wa kupanua mzunguko wa fursa za kibiashara, kuboresha masuluhisho kwa wateja, na kuimarisha uaminifu wetu katika masuala ya kifedha kimataifa.

Ajenda hii ya kimataifa iliimarishwa zaidi na hatua zilizopigwa kuelekea ufunguzi wa Ofisi yetu ya Uwakilishi Jijini Dubai, kufuatia kupatikana kwa leseni husika katika kipindi cha mwaka uliopita. Hii ni hatua muhimu katika kuiweka Benki ya CRDB karibu na kitovu kikuu cha ulimwengu cha biashara, mitaji, na muunganisho wa dayaspora. Hatua iliongeza pia uwezo wetu wa kushirikiana moja kwa moja na wawekezaji, wadau wa kibiashara, na wateja wa mashirika ya kimataifa huku ikiimarisha msaada wetu kwa biashara, uwekezaji, na mahitaji ya wateja wa mipakani.

CRDB Al Barakah Sukuk, uliokusanya

TZS bilioni 125.4 na USD milioni 32.3

Uvumbuzi katika Masoko ya Mitaji

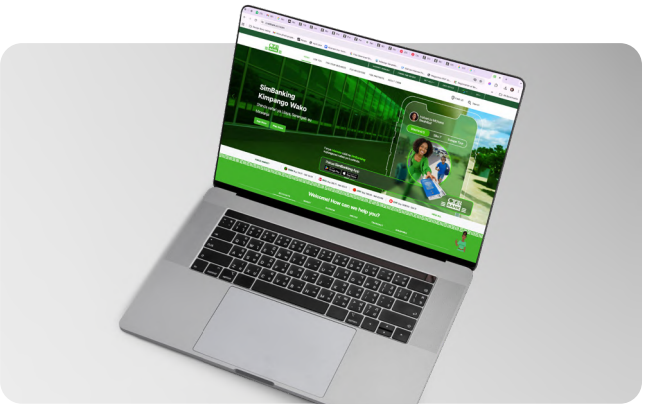
Pia, tuliendeleza ajenda yetu ya masoko ya mitaji kupitia utendaji endelevu na uorodheshaji wa CRDB Al Barakah Sukuk, ambayo ilikusanya shilingi bilioni 125.4 na dola za Marekani milioni 32.3. Hatua hii ilidhihirisha uwezo wetu wa kubuni na kuhamasisha masuluhisho anuani ya utoaji fedha yanazokidhi mahitaji ya sehemu mbalimbali za wawekezaji huku yakiwezesha ukuaji wa mizania ya Benki na ustahimilivu wa utoaji fedha wa muda mrefu. Aidha, hatua hii iliimarisha nafasi ya Benki ya CRDB kama kinara katika uvumbuzi wa kifedha na utoaji wa huduma adilifu za kifedha nchini Tanzania.

Uongozi Endelevu wa Kifedha

Uendelevu ulisalia kuwa nguzo kuu ya mkakati wa ukuaji wa Benki na ajenda ya thamani ya pamoja katika mwaka 2025. Hatua kubwa ilikuwa kuorodheshwa kwa Hatifungani ya Kijani katika Soko la Hisa la Luxembourg mwezi Julai 2025, jambo lililoimarisha taswira na kuaminika kwa mfumo wetu endelevu wa fedha na uimarishaji wa uwezo wetu wa kukusanya mtaji kwa ajili ya kilimo kinachozingatia mabadiliko ya tabianchi na vipaumbele vingine vya kijani.

Katika mwaka huu, pia tuliimarisha muundo wa usimamizi wa mazingira, jamii, na utawala kupitia uanzishaji wa Kamati ya Usimamizi wa Uendelevu, tukibuni usimamizi thabiti zaidi, uwajibikaji bayana, na ujumuishaji wa kina wa vipaumbele vya uendelevu katika maamuzi ya kibiashara na vihatarishi. Uwiano wa mali za kijani ulipanda hadi kufikia asilimia 13, ukidhihirisha ongezeko la mali zenye sifa ya kijani ndani ya mpango huo.

Benki pia ilihamasisha utoaji mkubwa wa fedha kwa vipaumbele vya mazingira, jamii na utawala na afua zinazohusiana na mabadiliko ya tabianchi, ikiwa pamoja na dola za Marekani milioni 35 chini ya programu ya Mfuko wa Tabianchi ya Kijani, dola za Marekani milioni 15 chini ya mradi wa ResponsAbility, na yuro milioni 8.8 kutoka Benki ya Uwekezaji ya Ulaya ili kusaidia miradi ya uchumi wa bluu na miradi mingine ya uendelevu. Rasilimali hizi zimepanua uwezo wetu wa kufadhili miradi yenye athari kubwa inayohusiana na uhimilivu, ujumuishaji, na maendeleo ya muda mrefu ya taifa.



Kuzifanya Shughuli za Masoko kuwa Ukuaji

Zaidi ya hatua kuu za kimkakati, Benki iliendelea kuimarisha upatikanaji wa wateja na matumizi ya kila siku kupitia programu maalumu za uhamasishaji zilizotekelezwa katika kipindi cha mwaka uliopita. Kampeni zetu za robo ya pili, hususani, zilibuniwa ili kujenga uelewa mpana wa kitaifa, kuchochea ufunguaji wa akaunti, na kugeuza nia kuwa matumizi halisi ya bidhaa na njia zetu za kutoa huduma zilizopewa kipaumbele. Programu hizi ziliunganisha mawasiliano kwa ajili ya soko pana kukiwa na huduma kwa wateja pamoja na vichocheo zinavyopimika vya matumizi ya huduma, jambo lililotusaidia kuimarisha matumizi ya njia mbalimbali za kutolea huduma zetu, kupanua ufunguaji wa akaunti, na kuimarisha shughuli za kimiamala.

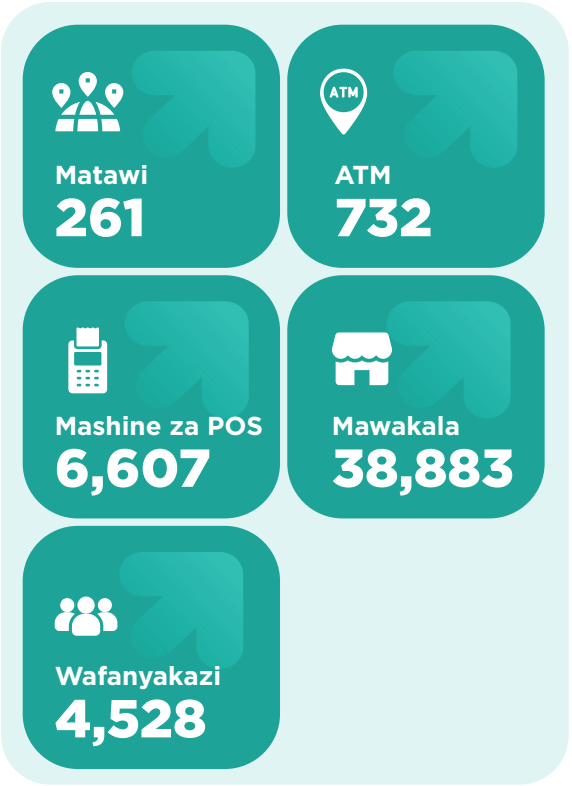
Katika nusu ya pili ya mwaka, tuliimarisha ukuaji wa mizania kwa shughuli za masoko ya mitaji na uhamasishaji uliolenga kampuni ili kupanua wigo wa wawekezaji na kuongeza ushiriki wa wateja. Kupitia programu jumuishi ya masoko na mawasiliano iliyohusisha vyombo vya habari, matangazo ya kwenye maeneo ya wazi, na ushiriki wa moja kwa moja wa umma, tuliimarisha uelewa wa pendekezo la Sukuk na kukuza imani kwa uwezo wa Benki kwenye masoko ya mitaji. Hatua hizi ziliongeza kasi ya biashara kwa kuchochea mazungumzo na wateja, kuimarisha ubadilishaji wa fursa kuwa biashara halisi, na kuhimiza ukusanyaji wa amana kupitia maonesho pamoja na uhamasishaji mwingine husiani. Hatua hizi zilionesha jinsi mkakati wetu unavyotafsiriwa kuwa vitendo, kwa kuunganisha ubunifu wa bidhaa, ushiriki katika masoko, na usambazaji wa kinidhamu ili kupata matokeo yanayoonekana.

Utamaduni, Watu na Nidhamu ya Utekelezaji

Utekelezaji unategemea watu, utamaduni, na ubora wa uongozi katika taasisi. Tulifunga mwaka na wafanyakazi 4,528 na matawi 261, yakisaidiwa na mawakala 38,883, mashine za ATM 732, na mashine za malipo 6,607. Mtandao huu wa usambazaji wa miundombinu halisi uliimarishwa zaidi na njia zetu za kidijiti, ukiruhusu Benki kuwafikia kwa ufanisi zaidi wateja huku ukiboresha upatikanaji wa huduma na urahisi wake.

Katika mwaka uliopita, tulidumisha ajenda ya rasilimaliwatu kupitia usimamizi wa kinidhamu wa utendaji, mapitio ya kila mwezi ya menejimenti, na uwajibikaji bayana katika programu za kimkakati. Pia, tuliendeleza ajenda ya ujumuishaji na maendeleo ya uongozi kupitia miradi ya wanawake, ikiwa pamoja na program ya Shadow Board, ambayo inaendelea kutoa nafasi kwa viongozi chipukizi wa kike kuchangia katika mijadala ya kimkakati, kujenga uzoefu wa kiutendaji, na kuimarisha mchakato wa uongozi wa baadaye wa Benki.

Kwa upana zaidi, tuliendelea kujenga utamaduni unaothamini uwajibikaji, huduma, maboresho endelevu, na ufahamu wa vihatarishi. Utamaduni huu ni muhimu, kwa sababu utendaji wa kudumu haujengwi tu juu ya mkakati, mifumo, na mtaji, bali pia juu ya chaguzi za kila siku na mwenendo wa watumishi katika taasisi nzima.



Mtazamo wa Baadaye

Tukitazama mbele, vipaumbele vyetu viko bayana na vimejikita kikamilifu katika utekelezaji. Tutazidisha umuhimu kwa wateja kwa kuboresha kuaminika kwa huduma zetu, kuimarisha ukuaji unaotegemea mahusiano, na kupanua masuluhisho yanayokidhi mahitaji yanayobadilika ya kaya, biashara ndogondogo, za kati, na kubwa, na kampuni kubwa. Tutaharakisha matumizi ya kidijiti si kama lengo pekee, bali kama njia ya kurahisisha na kuharakisha huduma za kifedha, na kuzifanya zipatikane kirahisi huku tukidumisha ustahimilivu, usalama, na uwezo wa kupanuka wa mifumo yetu ya uendeshaji.

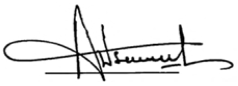
Ukusanyaji wa amana utaendelea kuwa azma kuu ya kimkakati, likiwezeshwa na mgawanyo makini wa wateja, upangaji wa kinidhamu wa bei, na mifumo madhubuti ya miamala inayojenga vyanzo imara na anuai vya fedha. Sambamba na hilo, tutaendelea kukuza utoaji wa mikopo bora katika sekta za kipaumbele, tukiongozwa na nidhamu makini ya vihatarishi, ufuatiliaji wa kina wa rasilimali, na mkazo endelevu katika ukusanyaji wa madeni na utatuzi wa mapema wa changamoto. Vilevile, tutaongeza ufanisi wa kiutendaji kwa kurahisisha michakato kuanzia mwanzo hadi mwisho, kutoa huduma za kiotomati za wateja, na kuboresha uchumi wa njia za utoaji huduma ili ukuaji uendelee kuwa wa faida, endelevu, na unaowezeshwa kikamilifu na udhibiti.

Kadiri Benki ya Benki ya CRDB inavyoimarisha uwezo wake wa kikanda na kimataifa, tutafanya hivyo kwa makusudi – kwa kujenga ushirikiano, kuboresha huduma za mipakani, na kutumia mifumo inayoweza kupanuka pamoja na utawala thabiti ili kudhibiti masuala changamano kwa kujiamini. Zaidi ya yote, tutaendelea kuoanisha timu zetu katika uwajibikaji, kasi ya utekelezaji, na ubora wa huduma, kwa sababu nguvu ya kweli ya benki hupimwa kwa imani inayopata kila siku na thamani ya muda mrefu inayotengeneza kwa wateja, wanahisa, na jamii inazozihudumia.

Shukrani

Ninatoa shukrani za dhati kwa wateja, wanahisa, wadhibiti, washirika wetu, na umma kwa kuendelea kuiamini Benki ya Benkiy a CRDB Bank katika mwaka 2025. Imani yenu ilituwezesha kutekeleza kwa ujasiri, kuwekeza katika mfumo wetu wa msingi wa benki, kuimarisha njia zetu za utoaji huduma, kuendeleza ushirikiano wa kimkakati, na kudumisha ukuaji wa kinidhamu katika masoko yetu.

Ninawashukuru pia wajumbe wa Bodi ya Wakurugenzi kwa mwongozo na usimamizi wao, na ninatoa pongezi maalumu kwa timu ya uongozi na kila mfanyakazi wa Benki yetu kwa ujuzi, ustahimilivu, na kujitolea kwao kwa huduma bora. Matokeo tuliyoyapata mwaka 2025 ni mafanikio ya pamoja. Tunaendelea kujitolea kuhalalisha imani mliyotuonesha kupitia benki yenye uwajibikaji, utekelezaji thabiti, na utengenezaji endelevu wa thamani ya muda mrefu.



Dkt. Abdulmajid M. Nsekela
Afisa Mtendaji Mkuu na Mkurugenzi Mkuu wa Benki





Discipline at the Inflection — Year 3 of the EVOLVE Strategy



Caroline Yambesi
Head of Strategy

Our five-year EVOLVE roadmap has reached its inflection point; the stage where direction-setting gives way to methodical, enterprise-wide execution. From our perspective, we now see integrated thinking not as an agenda item but as the core logic running through every forecast model, investment memo and performance review. We structure decisions around the six capitals - financial, manufactured, human, intellectual, social and natural - because that framework exposes trade-offs early and forces clear choices. It is the discipline that lets us protect quarterly earnings and preserve long-term resilience, pursue innovation and retain prudence, grow regionally and remain comfortably within appetite.

During the 2025 financial year, we paid close attention to three particular balances:

1.Financial strength vs. human capability
We matched growth funding with targeted learning budgets and succession plans, ensuring the balance sheet is underpinned by an equally robust skills sheet.

2.Operational efficiency vs. customer experience
Process-reengineering savings were reinvested in service design, so every basis-point improvement in cost-to-serve is mirrored by an uptick in Net Promoter Scores.

3.Regional ambition vs. risk appetite
Expansion decisions passed through a refreshed capital-allocation matrix that weights earnings potential against macro, regulatory and ESG factors unique to each market.

Daily volatility (FX swings, rate adjustments, shifting customer preferences), stress-tested these balances, but it also refined our planning rhythms. We now run rolling 90-day strategy sprints, allowing frontline insights to adjust allocation in real time and creating an accountability chain that links board targets to branch scorecards. Investment committees evaluate proposals on four lenses: return, talent depth, digital maturity and climate resilience. This multi-factor gate has sharpened focus and elevated project quality.

To ensure discipline survives beyond this cycle we are codifying the EVOLVE mindset. Playbooks for capital deployment, risk-return calibration and sustainability assessment are being embedded in our enterprise resource-planning system. A cross-functional Capability Academy is equipping managers with data-literacy and design-thinking skills, while an early-warning dashboard surfaces emerging risks before they crystallise. By institutionalising these tools, we intend the value created today to compound well into future cycles.

Success, therefore, will be measured less by this quarter's numbers and more by the institution we hand to the next generation: adaptive, analytically fluent and anchored in purpose. If regulators trust our stewardship, customers choose us first, and employees feel pride in our mission, EVOLVE will have delivered its true promise. Guided by that ambition, the Strategy Office enters year four with disciplined confidence and an unyielding commitment to value creation.

Outlook

Looking ahead, we will convert sharpened internal discipline into clear market advantage. On the retail side, data-driven personalisation engines will roll out across all channels, turning real-time behaviour into tailored offers and friction-free journeys. For corporates, a co-created working-capital platform (combining supply-chain finance and ESG-linked pricing) launches in Q2 2026, targeting a ≥35 % lift in digital transactions and an extra 180 bp in fee income within two years, all without raising risk intensity.

Our sustainability lens is widening. A new climate-scenario model already feeds credit grading and portfolio steering, allowing us to channel lending toward low-carbon sectors while advising high-exposure clients. Backed by a US $120m blended-finance facility, we aim to raise the Green Asset Ratio from 13 % to 17 % by end-2026 and will publish a Just-Transition Scorecard to track inclusive progress.

Execution excellence rests on continuous learning. We are extending the Capability Academy into a micro-credential platform, enabling staff to stack AI-powered modules into industry-recognised certificates. Pilot cohorts show a 22-point rise in data fluency and 30 % faster service-centre resolution; coverage will reach 70 % of employees by mid-2026. Linking completion to our refreshed performance system—balancing results and behaviours—keeps the EVOLVE flywheel turning: discipline compounds, resilience endures, and stakeholder value grows.

Strategic Execution and Value Creation

The table illustrates how the Bank translated its 2025 strategic priorities into effective execution to create, preserve and enhance sustainable value over the short, medium and long term, consistent with the principles of integrated thinking. It demonstrates the deliberate alignment between strategy, business activities and performance outcomes across the six capitals—financial, manufactured, intellectual, human, social and relationship, and natural—highlighting how resources and relationships were optimised to deliver resilient financial performance, operational excellence, innovation, stakeholder trust and long-term sustainability. Through disciplined strategic execution, the Bank balanced growth, risk management and value preservation while responding to the evolving operating environment, thereby reinforcing its ability to generate enduring value for shareholders, customers, employees, regulators and the broader society

Strategic Focus	Execution Approach (2025)	Evidence of Value Creation and Outcomes	Capital impacted
Protect the Bank's financial strength and market share	Executed a disciplined growth, funding and risk management strategy to preserve capital strength, earnings resilience and franchise sustainability.	29% share of deposits and assets; 31% share of loans and advances; Moody's B1 credit rating, affirming strong financial position.	Financial Capital
Build a resilient and responsible organization	Strengthened governance, ethical leadership, risk culture and organizational capability across the Group, including subsidiary operations.	Employee satisfaction improved to 94%; subsidiary contribution of 5.5%, supporting diversified and resilient earnings.	Human, Social & Relationship Capital
Enhance operational efficiency and effectiveness through workforce optimisation	Optimised workforce structures and operating models to improve productivity, cost efficiency and long-term sustainability.	Cost-to-income ratio achieved at 41.6%, reflecting efficient use of resources.	Financial & Human Capital
Accelerate automation, innovation and digital adoption to improve customer experience	Implemented a new core banking system and expanded digital and physical delivery channels to enable scalable, customer-centric operations.	Service reach of 261 branches, 732 ATMs and 38,883 agents; Net Promoter Score improved to 75% from 56%.	Intellectual Capital
Prioritise regulatory and compliance readiness	Enhanced compliance frameworks, control environments and data integrity to ensure proactive regulatory readiness and stakeholder confidence.	Successful core banking system implementation strengthened regulatory reporting accuracy and control effectiveness.	Social & Relationship Capital
Advance local and regional expansion	Pursued measured expansion aligned to the Bank's risk appetite to support regional trade, investment and customer growth.	Launch of CRDB Bank Representative Office in Dubai, extending international presence and cross-border support.	Financial & Social Capital

Commercial Momentum Through Connected Experiences



Boma O. Raballa
Chief Commercial Officer

MSME loan portfolio grew by 54% year on year

54%

Agriculture portfolio expanded by

31%

The maiden Sukuk Bond surpassed its target by

155%

The Samia Infrastructure Bond exceeded collections by

141%

CCO's Review

Segment Performance and Strategic Execution Review

The 2025 financial year was marked by strong commercial execution, sharper segment focus, and continued progress in translating strategy into measurable business outcomes. Across the Bank, business review and execution remained firmly anchored on the priority segments of MSMEs, Agriculture, Women, and Youth, where deliberate effort was directed toward expanding access, deepening customer relevance, and supporting enterprise growth through tailored solutions, targeted campaigns, and strategic partnerships.

Performance across these segments reflected both resilient market demand and the effectiveness of the Bank's commercial model. The MSME loan portfolio grew by 54% year on year, while the agriculture portfolio expanded by 31%, demonstrating sustained support to productive sectors that are central to economic activity and national development. This growth in credit was supported by stronger deposit mobilisation and increasing private-sector demand for capital, reinforcing the depth of the Bank's market reach and the strength of its customer franchise. The Bank also continued to deploy innovative value propositions to meet evolving market needs. During the year, the maiden Sukuk Bond surpassed its target by 155%, while the Samia Infrastructure Bond exceeded collections by 141%, highlighting strong market confidence in the Bank's offerings and execution capability.

Advancing Strategy Through Targeted Commercial Action

The three pillars of the Bank's five-year strategy, Ringfence the Business, Grow the Business, and Futureproof the Business, continued to provide a clear framework for commercial execution. In 2025, this strategic direction was translated into practical action through process enhancement, simplification of procedures, and a more deliberate focus on customer convenience across multiple channels. These efforts were especially important in a market where customers are increasingly convenience-driven, digitally aware, and more focused on reliable, seamless service delivery.

This shift in customer behaviour was reflected in strong year-on-year growth in usage and transaction volumes across the Bank's alternative channels, including POS, Agency Banking, SimBanking, and Internet Banking. The performance affirms the value of sustained investments made over recent years in digital infrastructure, alternative distribution models, and innovation capabilities. The Bank's digital transformation agenda has therefore remained a central enabler of both commercial growth and customer experience improvement.

Deepening Relevance in Priority Segments

Within the priority segments, the Bank continued to sharpen execution through more focused customer propositions and refined operating models. In Youth Banking, the operating model was realigned to enhance visibility, accountability, and strategic ownership of the segment. The positive effects of this shift were already evident during the year through stronger deposit growth and increased interest in youth-focused offerings, many of which are delivered through digital platforms, particularly SimBanking.

In the MSME segment, customer acquisition was accelerated through mass campaigns for Hodari accounts and the revamp of Biashara accounts. The Bank also expanded the education financing portfolio and leveraged existing guarantee schemes to support faster lending within the segment. At the same time, women-owned MSMEs continued to be onboarded through targeted engagements and awareness activities under the Malkia proposition, reflecting a deliberate commitment to inclusive growth and more intentional market segmentation.

Partnerships, Innovation and Platform Modernisation

Strategic partnerships remained an important lever for extending customer value and strengthening the Bank's market response. During the year, collaboration with mobile network operators and fintechs was deepened to enhance digital product offerings through solutions such as Songesha and Nivushe, while digital agriculture loans were also introduced. In addition, the Bank maintained active engagement with key partners including AGF, Nedbank, Afreximbank, and DBSA to mobilise syndication opportunities and support portfolio de-risking through guarantees. Continued collaboration with GCF and IFC on ESG-related initiatives further reinforced the role of partnerships in supporting sustainable and inclusive business growth.

Product innovation also continued to be aligned with customer experience through platform modernisation. A major milestone during the year was the successful migration to T24, which strengthened the Bank's operating platform and enhanced its capacity to serve customers more efficiently, innovate faster, and support a more integrated business model. The Bank also advanced the use of AI-enabled capabilities to improve efficiency, including in customer care, while strengthening its ability to tailor financial solutions to the specific needs of different customer segments. These developments represent an important step in building a more responsive, future-ready, and commercially agile institution.

Strategic focus
Grow quality business, improve funding mix and deepen customer experience

Outcome
Strong earnings and asset growth, with funding discipline remaining a key priority

Digital Transformation and Sustainable Banking

Digital acceleration remained closely linked to the Bank's broader ambition to create a simpler, more efficient, and more sustainable operating model. By increasing the use of digital channels and reducing dependency on branch-based processes, key services have increasingly been made accessible through more convenient, lower-friction platforms. This has helped reduce paper-based transactions, lower energy use, and support more sustainable banking practices, in alignment with the Bank's wider ESG and green finance commitments.



Outlook

Looking ahead, the commercial priorities for 2026 remain clear. The Bank will continue to accelerate digital adoption through the introduction of new products and features, while driving greater usage of SimBanking, Agency Banking, POS, and Internet Banking to ensure that customers can access services with greater convenience and consistency. Focus will remain on the priority segments of MSMEs, Youth, Agriculture, and Women, supported by more tailored services and sharper execution across the franchise. Customer experience will also remain a key source of competitive advantage. By operationalising agreed service models across the branch network and leveraging automation and AI to enhance internal efficiency, the Bank will be better positioned to deliver an outstanding and more connected experience to customers across all touchpoints.

With a strong strategic anchor, a clearer segment focus, and sustained momentum in digital and commercial execution, the Bank remains well positioned to deepen market relevance, support customer growth, and create long-term value in the years ahead.

Corporate and Institutional Banking

Balance-sheet strength with relationship-led earnings

Mussa Kitambi
Director of Corporate Banking



Performance overview

Corporate and Institutional Banking recorded a strong financial performance, reinforcing its position as a key earnings driver for the Group while continuing to support large corporates, public sector institutions, institutional clients and agribusiness value chains. The segment demonstrated solid balance sheet growth alongside improved profitability, underpinned by expanding lending activity and prudent risk and relationship management. Growth in interest-based income was complemented by stronger fee and commission generation, reflecting enhanced monetisation of transaction-led business and deeper client engagement. Overall, the performance highlights the segment's resilience, disciplined execution and continued contribution to the Group's sustainable growth strategy.

The segment's execution against strategy was centred on deepening core-client relationships, growing funded and non-funded business and defending leadership in institutional and structured banking. There was consistent growth in corporate income tracking ahead of target, with loan growth being the main contributor.

Strategically, the segment continued to emphasise growth in corporate lending, government and institutional banking, agribusiness financing and trade-related fee generation.

Strategic focus:
Drive sustainable value in corporate banking by growing relationship-led, high-quality portfolios, strengthening the funding base, and delivering superior client experience.

Outcomes:
Strong earnings and asset growth in the corporate banking segment, with disciplined funding management remaining a key strategic priority.

Segment Assets		
2025	2024	YOY
6,405.6bn	4,678.3bn	36.9%

Net operating income		
2025	2024	YOY
606.3bn	421.2bn	43.9%

Profit before tax		
2025	2024	YOY
507.4bn	344.8bn	47.2%

Interest income		
2025	2024	YOY
781.3bn	497.4b	57.1%



In 2025, CRDB Bank's Corporate Banking segment delivered strong performance by supporting large corporates, governmentlinked entities, and strategic projects across energy, infrastructure, logistics, construction, manufacturing, telecommunications, and agribusiness. The segment remained a key driver of balance sheet growth, noninterest income, and national development impact through the delivery of tailored financing, trade services, and structured solutions.

Corporate Lending and Project Finance

Corporate Banking played a central role in financing largescale projects critical to Tanzania's economic development. During the year, the Bank structured and executed a number of highvalue transactions across priority sectors, including energy, oil & gas, infrastructure development, manufacturing, logistics, and public sector projects. Notable transactions included USD 700 million in oil import trade finance under the Bulk Procurement System (BPS), supporting national and regional fuel security, alongside additional facilities amounting to USD 300 million and USD 200 million for major industry participants.

Infrastructure and construction financing remained a key focus area, with landmark transactions including TZS 29 billion for residential real estate development, USD 58 million and TZS 6.8 billion for the importation of buses under BRT Phase II in Dar es Salaam, TZS 54 billion for construction of the Dodoma National Stadium, and USD 24.2 million for port infrastructure developments in Zanzibar. These projects contribute directly to urban mobility, housing supply, and trade facilitation.
The Bank also supported industrial expansion and import substitution through USD 40 million acquisition financing in the cement sector and a TZS 217 billion syndicated facility for Tanzania MultiFactory Company Limited, financing multisector industrial plants including agrochemicals, packaging, and electrical components.

Telecommunications and Digital Infrastructure

In August 2025, the Bank approved a USD 100 million financing facility to a leading telecommunications operator, representing one of the Bank's Deals of the Year. This transaction supports expansion of digital connectivity and infrastructure, enabling broader participation in the digital economy and reinforcing financial inclusion through digital platforms. The successful execution reflects the Bank's structuring capabilities and its ability to mobilize significant capital for highimpact sectors aligned with national development priorities.

Syndication and Structured Finance

In 2025, Corporate Banking further strengthened its syndication and structured finance capability, enabling the Bank to support large and complex transactions while maintaining prudent balance sheet utilisation. During the year, CRDB Bank concluded syndicated facilities with an aggregate value of approximately USD 449 million, mobilising funding from regional and international financial institutions.

Key syndicated transactions included governmentlinked Engineering Procurement Construction and Finance (EPC+F) and export credit agency (ECA)supported financings, largescale agribusiness working capital facilities, and crossborder funding supporting regional subsidiary operations. These structures enhanced risk distribution, improved capital efficiency, and reinforced the Bank's leadership in arranging complex, multilender transactions.

In addition, the Bank executed a portfolio guarantee transaction designed to deliver material capital relief through significant reduction of riskweighted assets, further strengthening balance sheet resilience and supporting regulatory capital optimisation.

Trade Finance Excellence

Trade Finance continued to be an integral component of the Corporate Banking franchise, enabling commodity imports, project equipment financing, and crossborder trade flows. In recognition of strong performance during the year, CRDB Bank received two international awards: Best Trade Finance Bank – Tanzania 2025, awarded by Global Finance Magazine, and East Africa Best Issuing Bank, awarded by the International Finance Corporation (IFC).



Leading Agribusiness Financing for Inclusive Growths

Leading Agribusiness Financing for Inclusive Growths

Agriculture remains a cornerstone of Tanzania's economy, contributing over 26% of GDP and employing approximately 75% of the workforce, the majority being smallholder farmers. In 2025, The Bank reaffirmed its strategic commitment to the agricultural sector as a driver of inclusive growth, food security, climate resilience, and socioeconomic transformation.

The Bank's agribusiness strategy is anchored on enabling smallholder farmers, agribusinesses, and valuechain actors to transition from subsistence to commercially viable, climateresilient enterprises. This is achieved through tailored financing, digital innovation, risksharing mechanisms, and strong multistakeholder partnerships.



Strategic Focus and Alignment

The Bank's agribusiness interventions are aligned with national development priorities, regional food security ambitions, and global sustainability frameworks. In particular, the Bank focuses on:

- Enhancing access to finance for smallholder farmers and MSMEs
- Promoting climatesmart and adaptive agricultural technologies
- Strengthening agricultural value chains and market linkages
- Advancing financial inclusion through digital and agency banking Supporting sustainable and green agricultural investments

Financing and Financial Performance

As of 2025, the Bank's exposure to the agriculture sector stood at TZS 3.1 trillion (approximately USD 1.2 billion), representing around 45% of total agricultural financing in Tanzania. This positioning reinforces the Bank's leadership in agrifinance and its role as a systemic enabler of the sector.
The Bank was recognized as "Best Agribusiness Bank in Tanzania – 2025" by International Business Magazine, reflecting both scale and impact of its interventions.

Digitalization and Innovation

Digital innovation remained a strong pillar of agribusiness growth in 2025. Key achievements included:

- Registration of over 4 million farmers on the Farmer Digital Management System integrated with the national input subsidy framework
- Deployment of QRcode enabled subsidy distribution and farmer KYC systems
- Expansion of digital onboarding and card issuance through Bank channels
- Collaboration with FinTechs, Mobile Network Operators, and AgriTech partners to scale digital credit and farmer portfolio monitoring

These initiatives significantly reduced transaction costs, improved transparency, and expanded outreach to remote farming communities.









Key Products and Risk Mitigation Instruments

To address structural and climaterelated risks in agriculture, the Bank deployed a diversified suite of products and mechanisms, including:

- Dedicated agribusiness and climate adaptation credit lines
- Guarantee facilities leveraging partnerships with PASS Trust, TADB, PROPARCO, AGF, EIB, GCF and others to derisk lending to smallholder farmers
- Weatherindexed and crop insurance solutions, delivered through CRDB Insurance Company and Bancassurance partnerships
- Structured and valuechain financing models, including Warehouse Receipt Systems (WHR) and block farming arrangements

Partnerships and Ecosystem Development

The Bank continued to strengthen partnerships across the public and private sectors to amplify impact. Key collaborations spanned:

- Government ministries, crop boards, regulators, and the Central Bank for policy alignment and sector reforms
- International development finance institutions for concessional funding and technical assistance
- Equipment suppliers and agribusiness corporates for mechanization and offtakerled financing models
- Green Climate Fund (GCF) and capital market investors through Green Bond and climate finance initiatives

Retail Banking

Scale, connectivity and fee-generating customer activity



Bonaventure Paul
Director of Retail Banking

Performance overview

The Group's Retail Segment delivered a strong, resilient performance during the year, underpinned by disciplined balance-sheet growth, enhanced customer engagement, and continued investment in digital-first banking capabilities. The segment recorded sustained growth in retail deposits, reflecting customer confidence in the Bank's brand and an expanded footprint across urban and semi-urban markets, while prudent credit underwriting supported quality growth in the loan book, particularly in personal lending, SME-linked retail products, MSMEs, and mortgage.

Strategic focus on digital channels, including mobile and internet banking, agency banking, and card payments, drove higher transaction volumes and improved cost efficiency, enabling the Bank to deepen financial inclusion while enhancing customer convenience and service reliability. Non-funded income from retail customers increased, supported by growth in transaction-based revenues and bundled product offerings. Asset quality remained stable, benefiting from proactive portfolio monitoring and early remediation initiatives.

Overall, the Retail Segment remained a key contributor to the Bank's earnings and deposits franchise, reinforcing the Group's strategic objective of being the leading and most trusted retail bank in Tanzania and the wider region.

Segment Assets

2025	2024	YOY
7,393.4bn	5,456.2bn	35.5%

Net operating income

2025	2024	YOY
926.3bn	924.4bn	0.2%

Profit before tax

2025	2024	YOY
187.2bn	302.8bn	-38.2%

Interest income

2025	2024	YOY
884.5b	765.4bn	15.6%



Youth Banking

During the year, the Bank further advanced its Retail Banking strategy through the establishment of Youth Banking as a standalone segment. This strategic move reflects a deliberate shift towards a more segmented and customer-centric operating model, recognising the youth market as a key driver of future growth, financial inclusion, and long-term franchise sustainability.

The dedicated Youth Banking function has enabled a more structured and coordinated approach to engaging customers across critical life stages—from early financial literacy and education financing to digital adoption and early career integration. This lifecycle-based model supports the development of long-term customer relationships while embedding responsible financial behaviours from an early stage.

A defining feature of the segment is its partnership-led approach. During the year, the Bank strengthened collaborations with educational institutions, community organisations, faith-based bodies, and government stakeholders. These partnerships have enabled the integration of banking solutions into youth ecosystems, enhancing accessibility, deepening trust, and supporting national priorities in education and youth empowerment.

Within the education sector, Youth Banking played a key role in advancing student financing and institutional engagement, working closely with relevant government agencies and academic institutions. These initiatives reinforce the Bank's position as a partner in human capital development while expanding access to inclusive financial services.

The segment also expanded its footprint within the social and community landscape through targeted youth-focused platforms, including campus activations, sports initiatives, and innovation forums. These engagements have strengthened brand relevance and social capital, positioning the Bank as an active contributor to youth development and community cohesion.

Digital enablement remained central to execution, with the segment leveraging digital channels, social platforms, and data-driven marketing to align with evolving customer behaviours. This supports the Bank's broader digital transformation agenda while enhancing customer engagement and insights.

Overall, the establishment of Youth Banking as a standalone segment has strengthened the Bank's retail franchise by creating a structured pipeline of future customers, enhancing early lifecycle engagement, and reinforcing sustainable value creation.

Youth Banking – 2025 Performance Highlights

Customer Acquisition:
506,000+
new accounts opened

Deposit Mobilisation:
TZS 273.56 billion

Student Financing (HESLB Programme):
98.9%
of applications processed

310,000+
beneficiaries supported

TZS 168.65 billion
disbursed

Ecosystem Engagement & Outreach:
Engagement across
20+
institutions



Value Generation through Bancassurance

Since its launch in March 2021, the Group's Bancassurance operations have delivered strong and sustained growth, reflecting the effectiveness of the Group's strategy to diversify non-interest income streams while enhancing customer value propositions. The Bancassurance business is underpinned by strategic partnerships with reputable insurance providers across both life and non-life insurance segments, as well as a Takaful operator offering non-life coverage. Through these partnerships, the Group delivers a broad, competitive range of insurance solutions that address the diverse protection, savings, and risk-management needs of customers nationwide.

The Bancassurance solution provides customers with convenient, endtoend access to insurance products under one roof. Through integration with the Group's digital platforms, customers can access insurance services seamlessly via mobile banking channels, complemented by the Group's extensive nationwide physical network. This omni-channel approach has significantly improved accessibility, turnaround times, and the overall customer experience, while reinforcing the Group's position as a one-stop financial services provider.

The solution is designed to serve both CRDB and nonCRDB customers, expanding the addressable market and enhancing revenue generation opportunities. The value chain covers the full insurance journey, from customer onboarding and product selection through underwriting and premium payments to claims processing and settlements. In addition, the Bancassurance platform facilitates efficient commission collection, risk management fee administration, and payments, ensuring transparency, robustness, and operational efficiency for all stakeholders.

For the year ended December 2025, the Bancassurance business recorded solid financial performance. Commissions earned from life and nonlife insurance products amounted to TZS 28.9 billion, reflecting a steady increase compared to TZS 25.7 billion recorded in 2024. This growth was driven by increased customer adoption, deeper penetration of insurance products within the Bank's customer base, expansion of digital channels, and enhanced collaboration with insurance partners. Risk management fees also increased to TZS 23.1 billion in 2025, up from TZS 21.2 billion in 2024, highlighting continued growth in insured lending and risk mitigation services linked to the Group's financing activities.

The Group remains focused on further expanding its Bancassurance offerings, leveraging data analytics and digital innovation to develop customercentric insurance solutions, deepen partnerships with insurers, and enhance process efficiencies. The continued growth of the Bancassurance business positions the Group well to generate sustainable feebased income, support customers' risk protection needs, and create longterm value for shareholders and other stakeholders.

During the year under review, Retail Banking continued its deliberate shift from a traditional product-led approach to a consumer-led value proposition built around deep demographic insight, digital lifestyles, strategic partnerships, and inclusive growth. This repositioning enabled the Bank to embed itself more meaningfully in customers' everyday financial lives while expanding long-term value across diverse segments. The strategy delivered strong growth in new-to-bank relationships, with new customers contributing a greater share of deposit mobilisation. This outcome validates the relevance of the Bank's consumer propositions and confirms their strong alignment with the evolving needs of the community we serve.

A core pillar of this transformation has been the deliberate focus on gender and enterprise empowerment. Through The Malkia Account, a purpose-built savings proposition designed to promote women's financial independence across education, entrepreneurship, health, and investment goals. By encouraging disciplined, consistent savings, the proposition enables women to build meaningful capital over time, reinforcing economic participation and long-term financial resilience.



Complementing this empowerment agenda, the Ada-Fasta education continuity solution was introduced to address seasonal liquidity pressures faced by households during the back-to-school period. Through affordable short-term financing linked directly to education expenses, the Bank helped ensure uninterrupted access to schooling while strengthening household-level relationships. Strategically, this solution enhanced the relevance of credit by aligning lending to real-life needs, improved utilisation quality, and positioned the Bank as a socially responsive partner rather than a transactional lender.

Digital lifestyle banking remained central to deepening customer engagement and reducing friction in day-to-day financial activity. Significant enhancements to the SimBanking App integrated banking seamlessly into customers' digital routines through features such as recurring payments, bulk and batch transfers, real-time interbank and mobile money transfers, and QR-based merchant payments. These capabilities enabled customers to transact remotely with greater convenience, reducing dependency on physical branches while increasing transaction frequency and account stickiness. The App's recognition as the most preferred banking application in the market and its continental ranking reflect both strong customer adoption and the Bank's competitiveness in digital execution. Digital credit products further reinforced this ecosystem by enabling instant, context-driven access to liquidity. Products targeting customers with irregular income patterns and salaried customers needing short-term cash flow support improved access to credit, stimulated transactional activity, and strengthened digital engagement metrics, all while leveraging data-driven risk controls.

Embedded finance and platform partnerships significantly expanded the Bank's distribution and inclusion footprint. By integrating banking services directly into mobile network operator ecosystems, the Bank gained access to millions of indirect customers at minimal marginal cost. Micro-overdrafts and emergency liquidity solutions delivered through these platforms addressed high-frequency, short-term cash flow needs, particularly among informal and underserved segments. This model generated transaction-led income while maintaining a low-risk profile and reinforcing the Bank's strategic positioning as an invisible yet reliable financial enabler within customers' daily lives.

In parallel, the Bank began developing an emerging proposition targeting the digital content creator economy. This innovative offering recognises digital influence, audience engagement, and brand partnerships as new forms of economic value that can underpin access to finance. By allowing creators to leverage measurable digital footprints as collateral, the Bank is positioning itself at the forefront of financing new income models among youth. Strategically, this initiative provides first-mover advantage, aligns the Bank with the fast-growing digital and creative economy, and signals a forward-looking approach to recognising intangible assets within formal financial systems. Scale and inclusion were further reinforced through a broad partnership ecosystem. Agency banking expanded the Bank's physical reach without the need for additional branches, improving cash access in rural and peri-urban communities. Partnerships with banks enabled card issuance and ATM access through shared infrastructure, supporting system-wide financial inclusion. Risk-sharing arrangements and guarantees with development finance institutions strengthened the Bank's ability to lend sustainably to farmers, micro and small enterprises, women, and youth.

Collectively, these initiatives demonstrate a coherent retail strategy focused on relevance, scale, and lifetime value rather than short-term product sales. Through targeted consumer propositions, strong digital enablement, and leveraged partnerships, Retail Banking deepened financial inclusion, expanded and stabilised deposit growth, and integrated the Bank into customers' everyday financial lives. This approach positions the Bank not only as a retail market leader, but also as a trusted long-term partner in national socioeconomic transformation and sustainable value creation.



Al Barakah Banking



Rashid Rashid
Head of Islamic Banking

Performance Overview

Al Barakah Banking continued to strengthen the Bank's position as the leading Islamic banking provider in Tanzania and stood out as a clear example of innovation-led growth. The Shariah-compliant financing portfolio expanded strongly, supported by robust growth in customer deposits and a significant increase in total assets.

Income from Islamic financing and investment products improved steadily, reflecting growing customer acceptance and deeper market penetration across both retail and corporate segments. This sustained performance demonstrates that Al Barakah has progressed beyond a niche offering and has become an increasingly material contributor to the Bank's overall growth strategy, reinforcing its role as a scalable and resilient platform within the Bank's diversified business model.

Shariah-compliant financing

2025	2024	YOY
240.3bn	148.9bn	61.4%

Total customer deposits

2025	2024	YOY
356.6bn	177.8bn	100.6%

Total assets

2025	2024	YOY
338.8bn	164.1bn	106.5%

Al Barakah income

2025	2024	YOY
14.9bn	11.4bn	30.7%







The year's most significant strategic milestone was the successful execution of the Al Barakah Sukuk. As at December 31, 2025, Sukuk investments amounted to TZS 44.7 billion on the asset side and customer Al Barakah Sukuk Bond liabilities closed at TZS 210.6 billion. During the year, investor demand materially exceeded the original target range, demonstrating strong market confidence in Shariah-compliant instruments and in CRDB Bank's structuring capacity. The business also broadened its funding base through rapid growth in Mudharabah deposits, which increased to TZS 100.0 billion from TZS 9.5 billion, while Qardh demand deposits rose to TZS 256.6 billion. Together, these trends improved self-funding capacity and reduced dependence on conventional balance-sheet support.

The Bank strengthened product penetration by expanding its Shariah-compliant solutions across retail, SME, and corporate segments, with Murabaha continuing to serve as the dominant financing structure within the portfolio. Growth in Islamic financing was underpinned by enhanced origination capabilities, improved structuring efficiency, and increased customer adoption across key sectors.

Performance was further supported by strengthened strategic partnerships, notably collaboration with Imani Finance and the successful onboarding of the Zanzibar Sukuk, which contributed to balance sheet diversification and market visibility. Governance and compliance frameworks remained robust, reinforced by the ongoing oversight of the dedicated Sharia Advisory Board, ensuring sound product structuring, effective risk management, and strict adherence to Shariah principles.

The segment's achievements aligned with the Bank's strategy in three key ways. Al Barakah advanced financial inclusion by serving customers seeking faith-aligned financial solutions; strengthened liability diversification through Sukuk issuances and Islamic investment deposits; and enhanced the Bank's capital markets relevance by demonstrating that Shariah-compliant instruments can attract strong domestic and international investor demand.

Collectively, these achievements underscore Al Barakah's strategic importance to the Bank, extending beyond its current earnings contribution. Overall, the segment delivered solid progress and remained well aligned with the Bank's broader strategic objectives, supporting sustainable growth and the continued expansion of Islamic banking offerings.

Strategic focus
Expand Shariah-compliant solutions, funding instruments and customer reach

2025 result
Financing, deposits and assets all grew strongly, led by Sukuk execution

2026 outlook
Scale digital Islamic finance and broaden the proposition across markets

Shariah Advisory Board



Mr. Abdul A. Mohamed
Chairman



Sheikh Issah Othman Issa



Sheikh Khalfan A. Salim



Sheikh Juma A. Mohammed



Mr. Xavery Makwi



Prof. Aishath Muneeza

Treasury & Global Markets

Market intermediation, liquidity stewardship and earnings diversification



Alexander Ngusaru
Director of Treasury & Capital Markets

Performance overview

During the year, the Treasury segment recorded a strong performance, driven by active participation in landmark debt capital market transactions, effective foreign exchange management, and prudent liquidity stewardship. The Bank successfully led and supported major bond issuances, most notably the CRDB Green Bond listed on the Luxembourg Stock Exchange, which enhanced access to international capital markets and reinforced the Bank's commitment to sustainable finance. In addition, Treasury played a pivotal role in structuring and managing funding for strategic infrastructure initiatives, such as the Samia Bond, supporting regional connectivity and long-term economic development.

Foreign exchange operations remained resilient, benefiting from increased customer flows, disciplined risk management, and enhanced market-making capabilities. Liquidity and funding positions were maintained well above regulatory thresholds throughout the year, supported by proactive balance sheet optimisation and diversified funding sources. Overall, the Treasury segment continued to strengthen the Bank's financial stability, market leadership, and ESG positioning while contributing meaningfully to the Group's profitability.

Segment Assets

2025	2024	YOY
3,625.1bn	5,682.4bn	-36.2%

Net operating income

2025	2024	YOY
351.3bn	172.7bn	103.4%

Profit before tax

2025	2024	YOY
335.9nm	131.2bn	156.0%

Interest income

2025	2024	YOY
333.0bn	278.0bn	19.8%



Expanding Capital Markets Capabilities to Drive Sustainable Value Creation

In 2025, the Bank advanced its strategy of income diversification and balance sheet optimisation through the successful operationalisation of two capital markets licences Stockbroking and Investment Advisory. These developments form part of the Group's broader strategic objective to expand feebased income streams, deepen financial intermediation, and support sustainable economic growth without disproportionate balance sheet deployment.

The operationalisation of the Stockbroking licence positions the Bank as the only commercial bank in Tanzania with active brokerage operations, materially expanding its participation across the domestic capital markets value chain. This capability builds on the Bank's established strength in Custodial Services, which continues to account for over 95% of Assets Under Management (AUM) for all Collective Investment Schemes in Tanzania and approximately onethird of all listed Treasury bonds. Together, these capabilities enable an integrated offering spanning custody, execution, settlement, and investment servicing.

Following the launch of Stockbroking operations, the Bank implemented a structured market engagement and investor education programme leveraging seminars, webinars, and its national branch network. These initiatives contributed to increased market participation and liquidity, reflected in a threefold increase in equities turnover on the Dar es Salaam Stock Exchange (DSE) during the year.

Concurrently, the activation of the Investment Advisory licence enhanced the Bank's capacity to support institutional and corporate clients in accessing alternative sources of capital beyond traditional bank lending. Through this platform, the Bank is able to originate, structure, advise on, and execute transactions across public and private markets, including equity capital markets, mergers and acquisitions, and sustainable and thematic finance solutions. This approach allows the Bank to facilitate capital formation while maintaining prudent balance sheet utilisation and risk discipline.
These initiatives are closely aligned with the growing capital requirements of the Tanzanian economy and complement the Bank's Treasury and capital management strategy by enabling off balance sheet intermediation and deepening capital markets participation. They also support the objectives of Tanzania Development Vision 2025, which envisages a privatesectorled growth model contributing more than 70% of the financing required to achieve a USD 1 trillion economy.

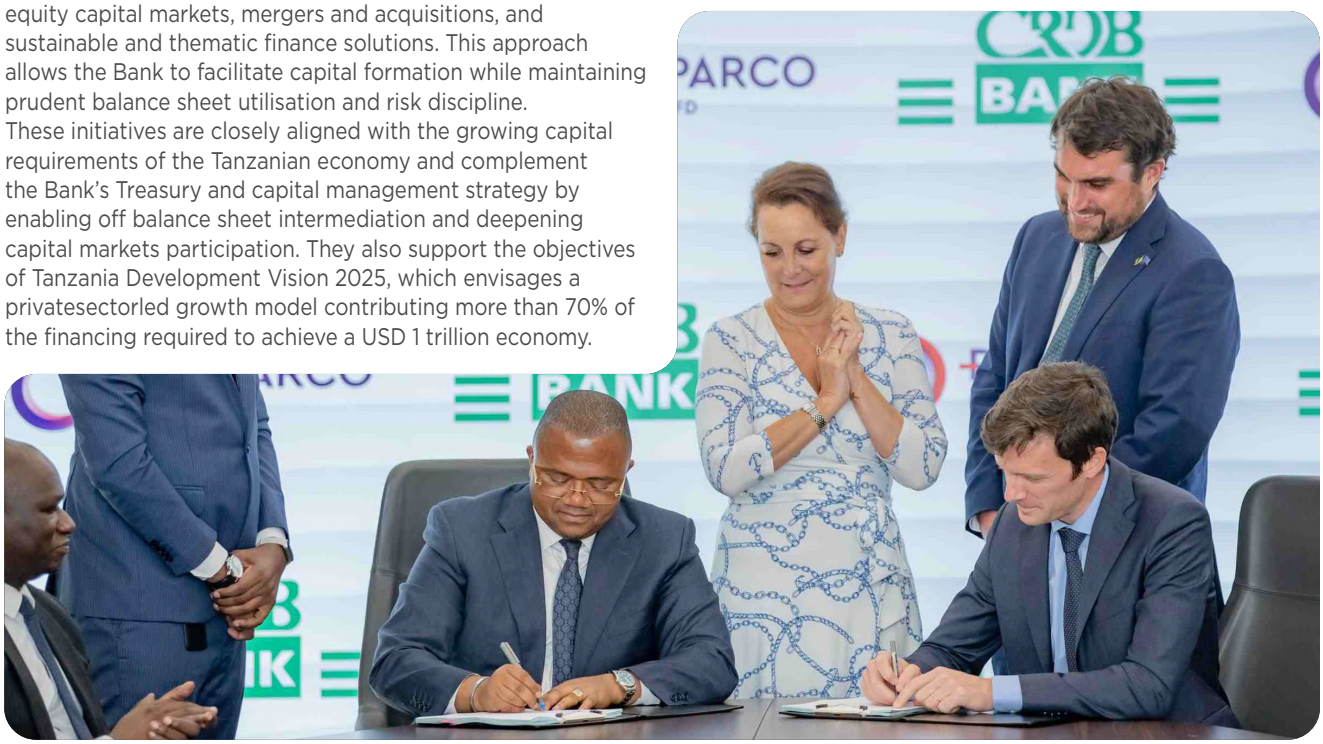
External Alliances Supporting Balance Sheet Resilience

From a Treasury standpoint, strategic partnerships remained a critical lever for safeguarding Bank's balance sheet while supporting sustainable growth in 2025. Partnerships were primarily leveraged to optimize funding structure, strengthen liquidity, enhance capital efficiency, and prudently manage risk within the Bank's defined risk appetite.

As at 31 December 2025, the Bank's portfolio of over 150 active partnerships provided a diversified and resilient funding and risk management base. These relationships delivered USD 1.1 billion in contracted long-term funding, improving tenor matching and reducing refinancing risk, alongside USD 264 million in guarantees and risk-sharing arrangements, which enhanced capital efficiency and supported disciplined asset growth. Technical Assistance commitments of USD 13.2 million further complemented Treasury objectives by strengthening transaction execution and risk governance.

Throughout the year, there was a focus on effective utilisation and monitoring of these instruments. Increased drawdowns on guarantees and risk-sharing facilities enabled more efficient balance sheet deployment, while structured long-term funding reduced reliance on short-term market sources and improved liquidity stability. These outcomes supported both regulatory metrics and internal liquidity buffers while maintaining operational flexibility.

Strategic engagement with development finance institutions, export credit agencies, and correspondent banks reinforced the Bank's market credibility as a reliable counterparty with strong Treasury discipline. This positioning supported renewals, improved pricing, and access to new funding and guaranteed pipelines aligned with priority sectors such as trade finance, MSMEs, agriculture, housing, and sustainable finance.



Progress on Innovation, Digitisation and Customer Experience

CRDB Bank continued to advance its transformation agenda in 2025 by pairing infrastructure modernisation with stronger customer-experience discipline. During the year, the Bank migrated to the Temenos Transact (T24) core banking system, a major milestone that management described as strengthening global readiness, enabling multilingual and multi-currency service capability, improving transaction speed, enhancing data security, and creating a stronger platform for future digital innovation. Alongside the core banking migration, the Group continued to roll out digital channels, automate service processes and expand self-service capability across SimBanking, Internet Banking and Agency Banking.



Digital channel performance

Simbanking Volume

2025	2024	YOY
99,284,796	69,593,112	43%

Agency banking volume

2025	2024	YOY
99,343,473	78,445,905	27%

Simbanking registered accounts

2025	2024	YOY
2,926,395	2,102,714	39%

Registered agents

2025	2024	YOY
38,883	36,566	6%

Internet banking volume

2025	2024	YOY
9,796,635	8,443,236	16%

ATM volume

2025	2024	YOY
21,946,705	24,037,883	-9%

Internet banking customers

2025	2024	YOY
98,861	77,374	28%

Registered cards

2025	2024	YOY
8,920,110	7,335,147	22%

The non-financial KPI results highlight significant digital progress across the bank's channels. SimBanking transaction volumes and registered accounts recorded strong growth, reflecting increased customer adoption. Internet banking also continued to expand, with both transaction volumes and registered users showing solid increases. Agency banking experienced notable growth, supported by the continued expansion of the agent network.

In contrast, ATM transaction volumes declined, which reflects growing customer preference for digital and agent-led channels as awareness and convenience of alternative platforms increase. Despite the lower usage of ATMs, registered cards continued to grow, reinforcing the broader shift in transaction behavior away from ATM usage toward mobile and agency banking solutions.

Embedding Discipline, Improving Performance, Creating Sustainable Value

In 2025, the Bank accelerated its transformation agenda, strengthening the link between strategy, execution, and value creation. Significant progress was made in embedding disciplined, structured approaches across customer experience, operations, product governance, and enterprise architecture. The Bank's focus evolved from delivering discrete initiatives to building enduring institutional capabilities, ensuring strategy can be executed consistently, at scale, and with resilience. Strengthening How the Bank Creates Value

Transformation efforts in 2025 directly supported the Bank's value creation model by improving operational efficiency, protecting income, enabling informed growth decisions, and enhancing customer outcomes. Process simplification and automation delivered a 30% reduction in turnaround times, released over 5,000 staff hours for highervalue activities, and mitigated approximately TZS 7.5 billion in operational and risk exposure. These improvements strengthened cost discipline, service reliability, and institutional capacity—key drivers of sustainable financial performance.

In parallel, insightled market and customer analysis sharpened the Bank's sector focus and improved capital allocation decisions. Eight sector studies, supported by extensive customer research, informed portfolio optimisation, development of new propositions, and identification of nonfunded income opportunities. Identified NFI potential exceeded TZS 3 trillion over time, ensuring growth ambitions were grounded in evidence, customer needs, and risk awareness.

Enhancing Customer and Stakeholder Outcomes

A core focus of transformation in 2025 was the simplification of customer journeys across retail, MSME, and corporate segments. By addressing fragmented processes and inconsistent experiences, the Bank enabled faster decisionmaking, reduced customer friction, and improved predictability and turnaround times. Payments harmonisation, workflow automation, and readiness activities associated with the Core Banking System strengthened operational reliability and customer trust—critical to longterm relationships and brand equity.

The Bank also advanced product governance and lifecycle management, ensuring products are actively managed from ideation through performance monitoring to retirement. This enhanced transparency around product performance, risk, and profitability, while embedding sustainability, inclusion, and responsible banking principles into product design and decisionmaking.

Building Institutional Readiness and Governance

A key outcome of 2025 was improved enterprise readiness to manage change. Enhanced governance and structured change adoption disciplines were embedded to reduce execution risk and improve returns on transformation investments. Adoption rates reached approximately 90% across priority initiatives, supported by a network of trained change champions. This strengthened the Bank's capacity to absorb change while maintaining operational stability and meeting evolving regulatory and stakeholder expectations.

Enterprise architecture coherence was further reinforced through improved alignment of processes, systems, and governance frameworks. This reduced complexity, clarified ownership, and improved transparency across the transformation portfolio, providing a stable foundation for scalability and future growth.



Outlook

The progress achieved in 2025 reflects a shift towards disciplined execution, shared accountability, and datadriven decisionmaking. As the Bank enters the next phase of its strategy, transformation is no longer viewed as a series of isolated projects, but as a core institutional capability underpinning growth, resilience, and longterm value creation. In 2026 and beyond, the focus will be on deepening impact, fully embedding new ways of working, and continuously improving how the Bank delivers outcomes for customers, shareholders, and society.

Outlook from Management

Management's forward view is centred on disciplined growth, secure digital scale-up and sharper execution of the EVOLVE agenda. The strategic priorities remain to elevate customer obsession, enhance operational efficiency and effectiveness, seize growth opportunities in emerging business markets, expand locally and regionally while deepening international presence, build a resilient and responsible organisation, and accelerate digital innovation capabilities.

To support these ambitions, the 2026 capital expenditure and project budget is planned at TZS 168.2 billion, of which 66% is allocated to ICT, up from 47% in 2025.

The heavier ICT allocation reflects a deliberate decision to strengthen cybersecurity capabilities, stabilise core technology infrastructure and continue advancing digital solutions. Management expects these investments to improve operational resilience, protect service continuity, support secure transaction growth and deepen the Bank's ability to serve customers across multiple markets, languages and currencies.

At the same time, funding plans will continue to combine customer deposits, capital-markets activity, interbank lines, short-term facilities and strategic partnerships so that growth remains supported by a diversified and flexible funding base.

- Deepen digital adoption by migrating more customer activity from manual processes to SimBanking, Internet Banking and agent channels.
- Continue process simplification and automation to improve turnaround times, reduce rework and raise service reliability.
- Strengthen cybersecurity, systems stability and digital-channel support capacity as transaction volumes continue to rise.
- Use customer feedback, NPS, mystery shopping and SLA data more actively to refine products, strengthen frontline capability and improve experience quality.
- Maintain disciplined balance-sheet management, with continued focus on deposit mobilisation, funding diversification and prudent risk management.

Management outlook for 2026 and beyond

Resilient technology

TZS 168.2bn capex and project budget planned for 2026; allocated to ICT

Secure scale-up

Priority areas are cybersecurity, core infrastructure stabilisation and digital solutions.

Customer-led growth

Deeper digital adobtion, process simplification, and stronger services quality across channels.

Funding diversification

Use deposits, capital markets, interbank lines and partnerships to support growth.





How We Create Long-Term Value



Our Value Creation Business Model

Our Corporate Values

- Deliver impact
- Learn continuously
- Behave responsibly
- Achieve together

CEO PRIORITIES

Our People
Our Customers
Innovation and Technology

Influence

Shapes our view of

OUR CONTEXT

External Environment
Stakeholder Engagement
Material Topics
Risk Management

Reflects

Guides



Drives

Responds to

OUR PERFORMANCE
KEY BUSINESS ACTIVITIES

Lending | Branch operations | Treasury and Capital Markets | Deposits | Customer services | Trade FInance | Insurance | Financial Inclusion | Al Barakah Banking

Impacts

Derived

Strategic Levers for Value Creation

1. Financial Intermediation and Service Delivery
2. Digital Transformation and Operational Efficiency
3. Human Capital Development and Employee Well-being
4. Brand Strength and Market Presence
5. Sustainability and Resource Efficiency
6. Social Impact and Community Empowerment

CRDB Bank Group creates long-term value by mobilising and deploying six interdependent capitals in a disciplined, customer-focused and sustainability-aware business model. The Group converts financial, human, intellectual, manufactured, social and relationship, and natural resources into services, outreach, returns, and wider social and economic outcomes.

	Input	Output	Outcome	Group response
Financial	• Shareholders' fund • customer deposits • Borrowings	• Equity of TZS 2,747.1 billion • Total assets TZS 22,308.9 billion • customer deposits of TZS 14,930.5 billion • Long-term borrowings TZS 2,969.7 billion (including bonds) • Market share of 29% deposits and 29% total assets	• Return on average equity 29.5% • Return on average asset 5.3% • Dividend per share TZS 90 • Cost to income ratio 41.6% • A total of TZS 681.4 billion was paid as tax in 2025.	• The Group maintained a solid capital base and diversified funding sources that enabled us to provide banking solutions competitively across the markets we operate. • Group access funds at competitive rates to efficiently create and maximise shareholder value.
Human	• The Group's total workforce stood at 4,528 employees, where 2,401 (53%) were males and 2,127 (47%) females. • Experienced and competent key personnel management team. • Experienced and competent Board of Directors with a mix of skills.	• Improved staff morale. • Increase in staff Productivity. • Lower staff turnover rate. • Improved staff Skills • Good health and safety records – award from OSHA.	• Remarkable performance resulted from staff morale improvement. • Competent and efficient workforce. • Increased customer satisfaction is evidenced by an increase in NPS of 75% from 56% reported in 2024.	• Continuous training and development programs. • Focused on embedding a culture of continuous development, which increases competitiveness and investment in the development of skills required by employees to serve the digital customer of the future. • Extra compensation to staff working in rural and risky areas.eg risk allowance, rent subsidy.
Intellectual	• Focus on technology. • Risk enterprise Management framework. • Collaboration with fintech and start-ups branded as "IMBEJU". • Brand positioning.	• Innovative products and solutions. • Automated processes. • Collaborative teams through a shared service model.	• Strong Brand. • Increase in digital transactions. • Operational efficiency.	• Robust technology and infrastructure capabilities that drive seamless customer experiences and support strong resiliency. • Group invested in strong brand and subsidiary businesses, strategic partnerships, and innovative products and solutions that we offer to our customers.
Natural	• LED lights. • Digital solutions. • Installation of sensor taps in our office bUildings.	• Innovative and sustainable digital solutions.	• Reduced electricity cost • Improvement of TAT. • Enhanced efficiency	• Continue monitoring resource usage (water, fuel, power, and paper). • Institute clear governance and oversight of environmental matters.
Manufactured	• Banking outlets, including mobile branches • ATMs cash deposit and withdrawal machines. • Agency Banking. • Merchants.	• Easy access to financial services. • Financial inclusion.	• Banking outlets (261), • ATMs (732), including deposit ATMs, • POS machines (6,607), • Registered agents (38,883)	• Continuing with awareness and training on digital solutions. • Continuous improvement of our systems and processes. • Continue increase in outreach – increase accessibility of financial services.
Social & Relationship	• 1% of CSR budget on net profit. • Strategic Partnership on the execution of community matters.	• Contribute to the implementation of Goal no 1 "No poverty. • Contribute to the implementation of Goal no 3 "Good health and well-being." • Contribute to the implementation of Goal no 4 "Quality Education." • Reduce the unemployment rate.	• During the year, TZS 540 million supported the health sector • TZS 850 million in support of the education sector • TZS 50 million was used to implement environmental related initiative • TZS 1.2bn has been invested in Women & Youth programs in 2025 • Net promoter scores of 75% from 56% in 2024.	• Continue to increase the annual budget to save a large population. • Continue to increase customer experience that is seamless across all our touchpoints.

Factors That Support or Impede Value Creation

The Group's ability to convert resources into future value depends not only on the volume of resources available, but also on their quality, affordability and resilience. In 2025, the most material enabling and constraining factors included funding conditions, technology change, cyber resilience, the availability of specialist skills, system uptime, partner capacity, climate considerations and customer adoption of digital channels.

Capital	Availability / constraint drivers	Quality drivers	Affordability drivers	Implication for future value
Financial Capital	Competition; terms and covenants attached to borrowings; geopolitical and macroeconomic uncertainty	Stable funding profile	Funding cost	Diversified funding enables continued investment in digital solutions and future growth.
Human Capital	Depth and experience of workforce and Board	Integrity, skills mix and governance quality	People cost	Continuous development, recognition and benefits support the talent pipeline and service quality.
Intellectual Capital	Technology change, cyber risk and shortages in future skills such as AI and robotics	Technology relevance and brand positioning	Technology and consulting costs	Ongoing technology investment is expected to improve customer experience and resilience.
Natural Capital	Availability of eco-friendly products and climate change	Source and sustainability of inputs	Cost and R&D spend	Investment in sustainable products and processes supports lower emissions and efficiency.
Manufactured Capital	System uptime, technology change and digital-adoption pace	System capacity and reliability	Capital and maintenance cost	Ongoing system and channel improvements extend reach and support future service demand.
Social & Relationship Capital	Budget constraints and partner availability	Quality and sustainability of projects	Customer experience and brand reputation	Digital adoption, CSI and stakeholder partnerships deepen trust and community relevance.

How value is experienced by stakeholders

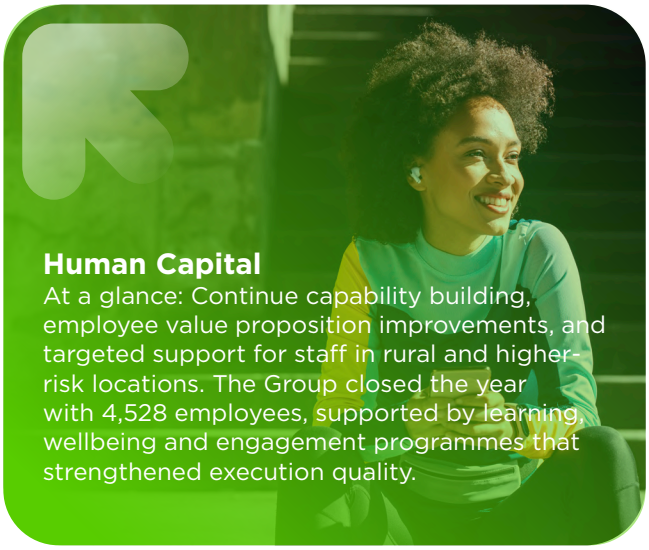
Stakeholder	Positive outcomes	Potential value erosion	Management response
Employees	Conducive work environment, recognition, career progression, diversity and equal development opportunities	Remote branch locations can increase turnover risk	Additional motivation and support, including rent assistance in selected locations
Customers	Innovative, efficient and trusted banking solutions with wider access to services	Low financial-services awareness in some underserved communities can slow inclusion	Continuous awareness campaigns and education on financial-services benefits
Regulators	Compliance, continuous engagement and TZS 681.4 bn tax contribution in 2025	Regulatory breaches would result in penalties and reputational damage	Dedicated compliance capability and close monitoring of regulatory requirements
Society	Support to communities and access to social and environmental financing	Limited physical presence in some rural areas	Expanded agency banking and inclusion initiatives
Investors / Shareholders	Sustainable returns underpinned by a strong balance sheet, dividends and share-price growth	Lower profitability could constrain distributions	Regular AGM, seminars and investor-awareness engagements

Our Six Capitals at a Glance

The six capitals that underpin long-term value creation



Financial Capital
At a glance: Maintain a solid capital base and diversified funding sources to support competitive banking solutions and sustainable shareholder value. In 2025, this capital supported balance-sheet growth to TZS 22,308.9 billion, customer deposits of TZS 14,930.5 billion and equity of TZS 2,747.1 billion.



Human Capital
At a glance: Continue capability building, employee value proposition improvements, and targeted support for staff in rural and higher-risk locations. The Group closed the year with 4,528 employees, supported by learning, wellbeing and engagement programmes that strengthened execution quality.



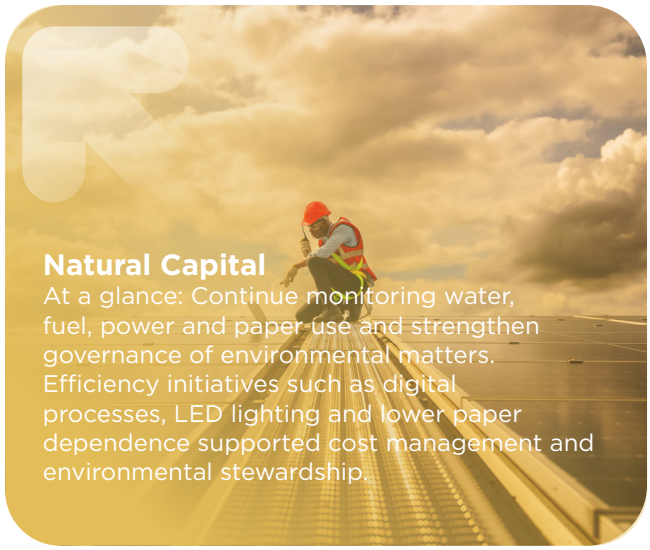
Intellectual Capital
At a glance: Sustain investment in resilient technology, partnerships and innovative customer solutions. Technology, underwriting discipline, risk governance and brand investment improved innovation, resilience and digital service delivery.



Manufactured Capital
At a glance: Keep strengthening systems, channel awareness and outreach to improve accessibility. Physical and digital infrastructure - 261 outlets, 732 ATMs, 6,607 POS machines and 38,883 agents - extended service reach and access.



Social & Relationship Capital
At a glance: Increase the reach of community investment while sustaining seamless customer experience. Community investments in health, education, environment, women and youth complemented customer trust and stakeholder engagement.



Natural Capital
At a glance: Continue monitoring water, fuel, power and paper use and strengthen governance of environmental matters. Efficiency initiatives such as digital processes, LED lighting and lower paper dependence supported cost management and environmental stewardship.

Performance Review





Group Chief Financial Officer Statement



In 2025, the Group delivered strong financial results, underpinned by a supportive macroeconomic and regulatory environment, disciplined balance sheet management, and focused strategy execution.

Profit after tax increased by 32.1% to TZS 728.6 billion, with return on average equity of 29.5% and return on average assets of 5.3%, reflecting healthy growth in core earnings, sustained customer activity, and improved cost efficiency. These outcomes were achieved while maintaining sound capital and liquidity positions and preserving asset quality within risk appetite.

Alongside this performance, we continued to invest selectively in capabilities critical to long-term competitiveness, including changes to our core systems, strengthening our digital and operational backbone, improving process efficiency, and enhancing controls, compliance, cybersecurity, and service continuity. These investments were undertaken with clear financial discipline, ensuring resilience, and future readiness. As a result, the Group exited 2025 not only with strong headline results, but with a more resilient and scalable financial platform to support future growth.

Enhanced Financial Resilience and Sustainable Earnings

In 2025, the Group delivered resilient, robust financial performance, underpinned by growth across core business segments, a well-diversified income base, and sustained customer engagement across both digital and physical channels. These fundamentals translated into high quality earnings and strong returns.

The growth in profit after tax was mainly driven by a 29.8% increase in interest income to TZS 1,999.3 billion and a 23.3% increase in non-funded income to TZS 717.0 billion. The growth in interest income was mainly driven by a 33% increase in the loan book, with a strong growth in retail, particularly MSMEs, SME and agriculture.

The interest expense is TZS 591.2bn, with a 39.9% YoY increase. The YoY increase in expenses was due to rising interest rates on foreign borrowings.

The growth of non interest income, supported by strong performance across major revenue streams, particularly, loan-related fees increased by 75% YoY, Agency banking by 21% YoY, trade finance (GT and LC) grew by 47% YoY, Simbanking increased by 8% YoY, Exchange and revaluation gains increased significantly by 204%, mainly from the FX gain on the Swap transaction. This performance reflects the successful execution of our strategic initiatives and reinforces our commitment to delivering sustainable value to stakeholders.

29.8%

increase in interest income to TZS 1,999.3 billion drives profit growth

23.3%

increase in non-funded income to TZS 717.0 billion

Operating costs increased by 15.4% to TZS 853.3 billion, reflecting business expansion alongside the disciplined implementation of cost management initiatives. We continued to automate and improve our processes, service availability, optimize our delivery channels and staff productivity. This is evidenced by the cost-to-income ratio of 41.6%, below the minimum regulatory threshold of 55%.

The Group's balance sheet remained strong, supported by prudent credit deployment, stable funding sources, and robust liquidity buffers. Capital adequacy levels were maintained well above regulatory requirements, preserving our capacity to support future growth while sustaining the strength, stability, and confidence expected of a leading regional financial institution.

Total assets grew by 33.6% to TZS 22,308.9 billion, mainly driven by the growth in net loans and advances, which grew by 32.5% to TZS 13,723.3 billion. The growth in loans and advances was driven by strong retail performance with notable growth in key priority economic sectors/segments - agriculture, manufacturing and women's, resulting in a portfolio mix of 53% retail and 47% corporate. Importantly, this growth was achieved while maintaining stable asset quality with a non-performing loan ratio of 2.9%, reflecting strong credit underwriting, portfolio containment and monitoring processes, and prudent write-offs in line with regulatory requirements. Customer deposits increased by 36.5% to TZS 14,930.5 billion, driven by a 41% increase in demand deposits, 30% in savings deposits, and 24% in time deposits. The CASA (Current Account Savings Account) ratio stood at 82.0%.

Our subsidiaries contributed 5.5% to the Group's overall performance. The Burundi subsidiary delivered strong results, recording 9% year over year growth in profit after tax to TZS 43.7 billion. Its total assets increased by 55.7% YoY to TZS 2,311.2 billion, while deposits rose by 74.6% YoY to TZS 1,417.0 billion. Insurance Company Limited posted a profit of TZS 4.4 billion, whereas CRDB Congo recorded a loss of TZS 9.0 billion. Overall, the subsidiaries continue to demonstrate strong long term growth potential.

CRDB Bank Foundation has demonstrated a strong, measurable impact across its key per-formance areas since its launch in 2023. The Foundation has expanded its outreach and en-hanced financial access through targeted capacity-building initiatives, reflecting strong bene-ficiary engagement and effective promotion of financial inclusion and resource mobilisation. Through its Imbeju programmes, the Foundation has reached beneficiaries from underserved communities, supporting 879,285 individuals through capacity-building initiatives. Financial inclusion efforts reached 367,813 beneficiaries, while digital financial inclusion initiatives sup-ported 287,970 individuals.

Increase in non-funded income to

TZS 717.0 billion

Summary of Key Performance Indicators

	FY 2025	FY 2024	% Change
	Amount (TZS Bilion)		
Total Assets	22,308.9	16,698.8	33.6%
Loan and advances	13,723.3	10,360.8	32.5%
Customer Deposits	14,930.5	10,934.1	36.5%
Shareholders' funds	2,747.1	2,132.6	28.8%
Profit After Tax	728.6	551.5	32.1%
Return on Equity	29.5%	27.7%	+1.8pts
Return on Assets	5.3%	5.2%	+0.1pts
Cost-to-income ratio	41.6%	45.7%	+4.1pts

	FY 2025	FY 2024	% Change
	Amount (TZS Bilion)		
NPL	2.9%	2.9%	0pts
Core capital ratio	16.1%	16.3%	+0.2pts
Total capital ratio	17.8%	17.2%	+0.6pts

Disciplined Capital Allocation and Operational Efficiency

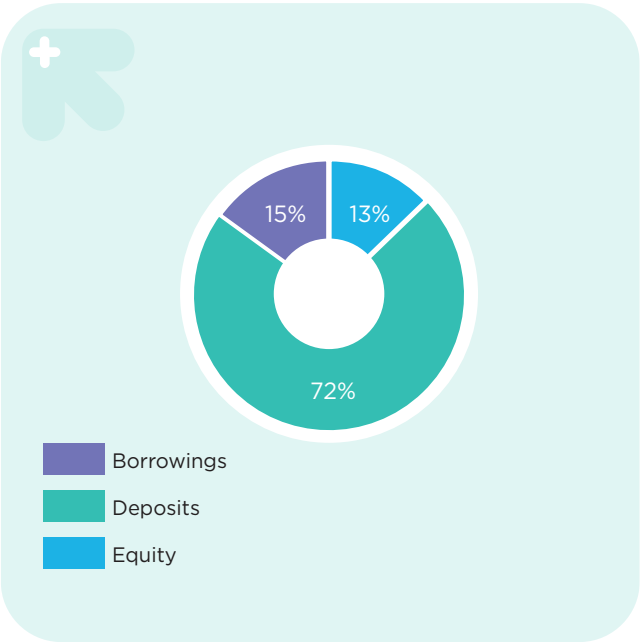
We maintained a deliberate, returns-focused approach to capital allocation, prioritising investments that strengthen long-term franchise value and execution capacity. During the year, resources were channelled to high-impact areas including technology modernisation, customer experience, cybersecurity, and risk infrastructure. ICT capital expenditure accounted for 47% of total capex in 2025. These investments are strategic enablers: they im-prove service reliability, accelerate product delivery, strengthen controls, and enhance the Bank's ability to scale responsibly across markets and channels.

One of the most significant milestones of the year was the successful implementation of our new core banking system. This transformation materially strengthened our operating platform by enhancing service resilience, improving system performance, and delivering a more seamless and consistent customer experience across all channels. Importantly, the new platform materially increases our transaction processing capacity and throughput, enabling higher transaction volumes at lower marginal cost. This scalability supports growth in customer activity, faster time to market for new products, and deeper ecosystem integration, directly translating into expanded fee income, improved monetization of payment flows, and sustainable revenue growth. These capabilities are central to our strategy as we continue to scale the business in a disciplined and profitable manner.

Similarly, we preserved strong cost discipline. Through process simplification, tighter resource prioritisation, productivity programmes, and digital-enabled efficiencies, we moderated expenditure growth without compromising strategic delivery. This balance of investing for the future while protecting current performance supported a stronger cost-to-income profile, improved operating leverage, and greater resilience in our earnings model. It also positions the Bank to convert scale into sustainable profitability, with better unit economics and more consistent value creation for shareholders and stakeholders alike.

Funding strength, liquidity and capital stewardship

The Group maintained adequate liquidity to support business growth, achieving a liquidity-asset ratio of 30.3%, well above the regulatory requirement of 20.0%. Our funding profile remained balanced, with customer deposits as the anchor source, complemented by equity and borrowings to support growth and maturity matching. Customer deposits accounted for 72.0% of our total funding, equity for 13.0%, and borrowings for 15.0%.



Embedding Sustainability and Responsible Finance

Sustainability is integral to the Bank's long-term financial strategy because it strengthens resilience, safeguards asset quality, and supports sustainable growth in the markets we serve. During the 2025 FY, we deepened our commitment to responsible banking by expanding financing and advisory support to sectors that advance economic inclusion, climate resilience, and environmental stewardship. Our Sustainability initiatives continued to guide how we embed ESG considerations into credit origination, portfolio monitoring, and risk governance, ensuring that sustainability is integrated into decision-making.

We also reinforced our role as an enabler of broad-based economic transformation by supporting SMEs, women-led enterprises, youth entrepreneurship, and climate-positive initiatives. These segments are vital to job creation and long-term competitiveness, but they also require tailored solutions, strong partnerships, and deliberate capacity building to unlock their full potential. Through this approach, we are not only deploying capital responsibly but also strengthening the quality and durability of our growth, creating shared value for

customers, communities, and shareholders while positioning the Bank to respond effectively to evolving regulatory expectations and stakeholder priorities.

A significant milestone in 2025 was the issuance of the Bank's first Task Force on Climate related Financial Disclosures (TCFD) report and the adoption of IFRS Sustainability Disclosure Standards S1 (General Requirements) and S2 (Climate related Disclosures). These achievements mark a step change in how sustainability risks and opportunities are identified, governed, and disclosed. They strengthen transparency, enhance the integration of climate and sustainability considerations into strategy, risk management, and capital allocation, and reinforce the embedding of sustainability and responsible finance principles across the Group's operations. Collectively, these advancements position the Bank to meet evolving regulatory requirements and investor expectations while supporting more informed, resilient, and sustainable business decisions.

Governance, Transparency, and Financial Integrity

Our financial stewardship is anchored in strong governance, sound risk management, and robust internal control frameworks. During the year under review, we enhanced our policies, systems, and disclosures to comply with key regulatory and supervisory developments implemented in 2025.

We also complied with the Bank of Tanzania Market Discipline Guidelines for Banks and Financial Institutions, strengthening qualitative and quantitative disclosures in line with Basel Pillar III requirements. In addition, the Bank implemented the Circular on TIPS Charges for Bank to E Wallet and E Wallet to Bank Transfers, introducing caps on digital transaction fees to enhance affordability and financial inclusion. Across our regional footprint, we ensured compliance with additional minimum capital requirements prescribed by the Central Bank of Congo for banks operating in the Democratic Republic of Congo. Collectively, these actions reinforce our culture of accountability, preserve the integrity of our financial reporting, and demonstrate our continued commitment to the highest standards of corporate governance, transparency, and regulatory compliance.

Outlook for Sustainable Growth

Looking ahead, the Group is well-positioned to capture growth opportunities arising from Tanzania's favourable macroeconomic outlook, rising trade activity, and increasing demand for sophisticated financial solutions. With a strong balance sheet, scalable digital infrastructure, and disciplined execution, our focus is on deepening market share in core segments, increasing the earnings contribution of our subsidiaries, and optimising our regional and international footprint.

We will continue to scale our cross-border business's expansion and contribution. At the same time, we remain firmly aligned with evolving regulatory and disclosure requirements. We are committed to investing responsibly in our people, plat-forms, and controls. ensuring resilience, transparency, and sustainable growth. This disciplined, market led approach positions the Group to deliver sustainable value to our stake-holders.



Frederick B. Nshekanabo
Group Chief Financial Officer



Taarifa ya Afisa Mkuu wa Fedha



Mwaka 2025 Benki ilipata mafanikio madhubuti ya kifedha, yaliyochangiwa na mazingira wezeshi ya kiuchumi na udhibiti nchini, usimamizi makini wa mizania, na utekelezaji makini wa mikakati.

Faida baada ya kodi iliongezeka kwa asilimia 32.1 hadi kufikia shilingi bilioni 728.6, kukiwa na rejesho la wastani wa mtaji la asilimia 29.5 na rejesho la wastani wa mali la asilimia 5.3. Mafanikio haya yaliakisi ukuaji mzuri wa mapato ya msingi, shughuli endelevu za wateja, na maboresho ya kiufanisi. Mafanikio haya yalifikiwa huku kukiwa na hali madhubuti ya mitaji na ukwasi, huku ubora wa mali unaendelea kuwa ndani ya viwango vya vihatarishi vinavyokubalika.

Sambamba na mafanikio hayo, Benki iliwekeza kwa uangalifu katika nyanja muhimu za kujenga uwezo wa muda mrefu, ikiwa pamoja na mabadiliko ya mifumo yetu mikuu, uimarishaji wa mfumo wetu wa kidijiti na wa uendeshaji, maboresho ya ufanisi wa taratibu za kiutendaji, na uimarishaji wa udhibiti, uzingatiaji wa sheria, usalama wa mtandao, na mwendelezo wa huduma. Uwekezaji huu ulifanyika kwa nidhamu ya wazi ya kifedha, huku ukihakikisha umadhubuti na utayari wa baadaye. Matokeo yake, Benki ilifunga mwaka 2025 si tu ikiwa na mafanikio mazuri ya jumla, bali pia ikiwa taasisi ya kifedha ambayo ni madhubuti na yenye mfumo wa kidigiti wenye uwezo wa kupanuka na kustahamili ukuaji wa baadaye.

Ulmara Kifedha na Mapato Endelevu

Katika mwaka 2025, Benki ilipata mafanikio himilivu na madhubuti kifedha, yaliyowezeshwa na ukuaji katika nyanja kuu za biashara, wigo mpana wa vyanzo vya mapato, na ushiriki endelevu wa wateja kupitia njia za kidijiti na matawi yetu ya benki. Misingi hii iliwezesha upatikanaji wa mapato imara na faida kubwa.

Ukuaji wa faida baada ya kodi ulichochewa zaidi na ongezeko la asilimia 29.8 ya mapato ya riba hadi kufikia shilingi bilioni 1,540.8 na ongezeko la asilimia 22.9 la mapato yasiyotokana na riba hadi kufikia shilingi bilioni 583.5. Ukuaji wa mapato ya riba ulitokana hasa na ongezeko la asilimia 33 la mikopo, kukiwa na ukuaji mkubwa katika sekta ya rejareja, hususani kwa wajasiriamali wadogo, wa kati, na kilimo.

Gharama za riba zilikuwa shilingi bilioni 581.5, sawa na ongezeko la asilimia 38 ikilinganishwa na mwaka uliopita. Ongezeko hili lilitokana na kupanda kwa viwango vya riba kwenye mikopo ya nje.

Ukuaji wa mapato yasiyotokana na riba uliwezeshwa na utendaji mzuri katika vyanzo vikuu vya mapato, ambapo ada zinazohusiana na mikopo ziliongezeka kwa asilimia 75, ada za huduma za kibenki kwa njia ya wakala ziliongezeka kwa asilimia 21, ada za utoaji wa fedha kugharimia biashara ziliongezeka kwa asilimia 47, ada za huduma za kibenki kwa njia ya simu (simbanking) iliongezeka kwa asilimia 8, na faida kutokana na ubadilishaji wa fedha za kigeni iliongezeka kwa asilimia 204, hasa kutokana na miamala katika soko la fedha za kigeni. Matokeo haya yanadhihirisha mafanikio ya utekelezaji wa mikakati yetu.

Gharama za uendeshaji zilipanda kwa asilimia 15.4 hadi kufikia shilingi bilioni 853.3, ukiakisi kupanuka kwa biashara sambamba na usimamizi madhubuti wa matumizi. Benki iliendelea kuimarisha mifumo ya kidijiti, ufanisi wa wafanyakazi, na utoaji wa huduma, jambo lililothibitishwa na kuwapo kwa uwiano wa matumizi dhidi ya mapato wa asilimia 41.6, ambao ni chini ya ukomo wa kisheria wa asilimia 55.

Mizania ya Benki iliendelea kuwa imara kutokana na utoaji makini wa mikopo, vyanzo vya uhakika vya fedha, na akiba thabiti ya ukwasi. Viwango vya mtaji vilizingatiwa ipasavyo vikiwa juu ya vinavyohitajika kisheria, vikihifadhi uwezo wetu wa ukuaji wa baadaye huku tukiendelea kuwa na nguvu na utulivu ya kifedha na kuamaniwa kama taasisi ya kifedha inayoongoza kikanda.

Jumla ya rasilimali ilikua kwa asilimia 33.6 hadi kufikia shilingi bilioni 22,308.9, ikichochewa na ukuaji wa mikopo halisi iliyoongezeka kwa asilimia 32.5 hadi kufikia shilingi bilioni 13,723.3. Ukuaji wa mikopo ulitokana zaidi na kufanya vizuri kwenye sekta za kipaumbele kama kilimo, viwanda, na ujasiriamali wa wanawake, hivyo kuwa na mchanganyiko wa asilimia 53 kutoka kwenye biashara za rejareja na asilimia 47 kwa wateja wakubwa wa kampuni. Muhimu zaidi, ukuaji huu ulifikiwa huku mali za benki zikiendelea kuwa bora na madhubuti kwani uwiano wa mikopo chechefu ulikuwa asilimia 2.9 chini ya kiwango kinachohitajika na Benki Kuu kisheria. Hali hii iliashiria uthabiti na umadhubuti wa taasisi katika mchakato wa utoaji, uidhinishaji, ufuatiliaji, na ufutaji wa hasara za mikopo pamoja na uzingatiaji wa kanuni na sheria zake. Amana za wateja ziliongezeka kwa asilimia 36.5 hadi kufikia TSh bilioni 14,930.5, zikichangiwa na ongezeko la asilimia 41.0 katika amana za akaunti za miamala, asilimia 30.0 katika amana za akiba, na asilimia 24.0 katika amana za muda maalum. Uwiano wa akaunti za hundi na akiba, ulifikia asilimia 82.0.

Kampuni tanzu zilichangia asilimia 6 ya faida yote ya Benki. Kampuni tanzu ya Burundi ilipata faida baada ya kodi ya shilingi bilioni 43.7, sawa na ongezeko la asilimia 9 kwa mwaka, huku mali zake zikifikia shilingi bilioni 2,688.6 sawa na ongezeko la asilimia 59 kwa mwaka. Amani ziliongezeka kwa asilimia 74.6 kwa mwaka hadi kufikia shilingi bilioni 1,417.0. Kampuni ya Bima ilipata faida ya shilingi bilioni 4.4, wakati Benki ya CRDB Jamhuri ya Kidemokrasia ya Kongo ilipata hasara ya shilingi bilioni 9.0. Kwa ujumla, kampuni tanzu zilionesha ishara ya uwezo mkubwa wa ukuaji katika muda mrefu ujao.

Taasisi ya Kijamii ya CRDB imeonesha mafanikio makubwa na yanayopimika katika maeneo yake yote ya utendaji, ikithibitisha nafasi yake kama chombo muhimu cha kijamii na kiuchumi nchini tangu kuanzishwa kwake mwaka 2023. Taasisi imepanua wigo wake na kuboresha upatikanaji wa huduma za kifedha kupitia mipango madhubuti ya kujenga uwezo, ikidhihirisha ushirikishaji mkubwa wa wanufaika na uhamasishaji bora wa ujumuishi wa kifedha na rasilimali. Kupitia programu za Imbeju, Taasisi iliwafikia wanufaika kutoka jamii zenye uhitaji 879,285 kupitia mikakati ya kujenga uwezo. Juhudi za ushirikishaji wa kifedha ziliwafikia wanufaika 367,813, huku juhudi jumuishi za kifedha za kidijiti zikiwasaidia watu 287,970.

Muhtasari wa Viashiria Vikuu vya Utendaji

	Mwaka wa Fedha 2025	Mwaka wa Fedha 2024	% ya Mabadili-ko
	Kiasi (Shilingi Bilioni)		
Jumla ya Mali	22,308.9	16,698.8	33.6%
Mikopo	13,723.3	10,360.8	32.5%
Amana za wateja	14,930.5	10,934.1	36.5%
Mtaji wa wanahisa	2,747.1	2,132.6	28.8%
Faida baada ya kodi	728.6	551.5	32.1%
Uwiano wa faida kabla ya kodi na wastani wa fedhaa za wanahisa	29.5%	27.7%	+1.8pt
Uwiano wa faida kabla ya kodi na wastani wa mali	5.3%	5.2%	+0.1pt

	Mwaka wa Fedha 2025	Mwaka wa Fedha 2024	% ya Mabadili-ko
	Kiasi (Shilingi Bilioni)		
Uwiano wa matumizi dhidi ya mapato	41.6%	45.7%	+4.1pt
Mikopo chechefu	2.9%	2.9%	0pt
Uwiano wa mtaji wa msingi	16.1%	16.3%	+0.2pt
Uwiano wa jumla ya mtaji	17.8%	17.2%	+0.6pt

Matumizi Thabiti ya Mtaji na Ufanisi wa Uendeshaji

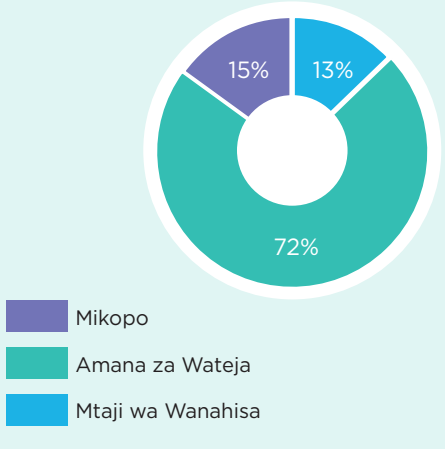
Tuliendeleza mbinu makini na inayolenga faida katika matumizi ya mtaji, kwa kuweka kipaumbele katika uwekezaji kuimarisha uwezo wa ukuaji wa thamani ya muda mrefu. Katika mwaka uliopita, rasilimali zilielekezwa kwenye maeneo yenye tija kubwa yakiwamo usasishaji wa teknolojia, utoaji wa huduma kwa wateja, usalama wa mtandao, na miundombinu ya kudhibiti vihatarishi. Matumizi ya mitaji katika teknolojia za habari na mawasiliano yalichangia asilimia 47 ya jumla ya matumizi ya mitaji katika mwaka 2025. Uwekezaji huu uliwezesha utekelezaji wa mkakati kwa kuimarisha kuaminika kwa huduma zetu, kuharakisha utoaji wa bidhaa, kuimarisha udhibiti, na kuongeza uwezo wa Benki kupanuka kiuwajibikaji katika masoko na njia mbalimbali za utoaji wa huduma zetu.

Moja ya mafanikio makubwa zaidi katika mwaka uliopita yalikuwa kukamilisha na kuanza kutumika kwa ufanisi mfumo mpya mkuu wa uendeshaji wa benki. Mageuzi haya yaliimarisha mfumo wetu wa uendeshaji kwa kuongeza umadhubuti wa huduma, kuboresha utendaji wa mfumo, na kurahisisha na kuboresha utoaji wa huduma kwa wateja kupitia njia mbalimbali. Muhimu zaidi, mfumo mpya umeongeza kwa kiasi kikubwa uwezo na kasi ya kuchakata miamala, jambo lililowezesha kufanyika kwa idadi kubwa ya miamala kwa gharama nafuu zaidi. Uwezo huu wa kupanuka ulisaidia ukuaji wa shughuli za wateja, unaharakishaji wa uingizaji wa bidhaa mpya sokoni, na kuwezesha ushirikiano na ujumuishi wa kina wa mifumo mingine ya kibiashara ya kidijiti. Hatua hizi moja kwa moja ziliongeza mapato ya ada, uimarishaji wa uingizaji mapato kupitia mzunguko wa malipo, na ukuaji endelevu wa mapato. Uwezo huu ni kiini cha mkakati wetu tunapoendelea kukuza biashara kinidhamu na kwa faida.

Vilevile, Benki ilidumisha nidhamu thabiti ya matumizi. Kupitia urahisishaji wa taratibu na michakato, upangaji makini wa vipaumbele vya rasimali fedha, programu za tija, na ufanisi unaochochewa na mifumo ya kidijiti, tulidhibiti ongezeko la matumizi bila kuathiri utekelezaji wa mikakati. Uwiano huu wa kuwekeza kwa ajili ya baadaye huku tukilinda utendaji wa sasa, ulisaidia kuimarisha uwiano wa matumizi dhidi ya mapato, kuongeza tija ya uendeshaji, na kuleta uhimilivu mkubwa katika mfumo wa mapato yetu. Pia, unaifanya Benki kuwa katika nafasi nzuri ya kubadilisha ukubwa wa biashara kuwa faida endelevu, kukiwa na uchumi bora wa kitengo, na utengenezaji wa thamani madhubuti kwa wanahisa na wadau wote. Umadhubuti wa vyanzo vya fedha na usimamizi wa ukwasi na mitaji

Benki ilidumisha ukwasi wa kutosha ili kuwezesha ukuaji wa biashara, huku ikiwa na uwiano wa ukwasi kwa mali wa asilimia 30.3, kiwango cha juu zaidi ya hitaji la kisheria la asilimia 20.0. Uwezo wetu wa utoaji fedha uliendelea kuwa thabiti, huku amana za wateja zikiendelea kuwa chanzo kikuu, zikisaidiwa na mtaji na mikopo katika kuwezesha uwiano wa ukuaji na ukomavu. Amana za wateja zilichangia asilimia 72.0, mtaji wa wanahisa ulichangia asilimia 13.0, na mikopo ilichangia asilimia 15.0 ya jumla ya utoaji fedha kufadhili biashara uliofanyika mwaka uliopita.

Mchanganuo wa Vyanzo vya Fedha



Uzingatiaji wa Uendelevu na Utoaji Fedha wa Kiuwajibikaji

Uendelevu ni kiini cha mkakati wa muda mrefu wa kifedha wa Benki kwa sababu unaimarisha uhimilivu, unalinda ubora wa mali, na unawezesha ukuaji endelevu katika masoko tunayoyahudumia. Katika mwaka 2025, Benki iliimarisha ahadi yake ya kuwa benki inayozingatia uwajibikaji kwa kupanua utoaji fedha na ushauri wa kibenki katika sekta zinazochochea ushirikishaji wa kiuchumi, uhimilivu wa mabadiliko ya tabianchi, na usimamizi wa mazingira. Juhudi zetu za uendelevu ziliendelea kutuongoza katika namna tunavyojumuisha vigezo vya mazingira, jamii, na utawala katika utoaji wa mikopo, ufuatiliaji wa kumbukumbu za mikopo, na usimamizi wa vihatarishi ili kuhakikisha uendelevu unazingatiwa katika kufanya maamuzi.

Pia, tuliimarisha nafasi yetu kama benki wezeshi wa mabadiliko mapana ya kiuchumi kwa kusaidia biashara ndogondogo, za kati na kampuni, na biashara zinazosimamiwa na wanawake, ujasiriamali wa vijana, na shughuli zinazochochea utunzaji wa mazingira. Nyanja hizi ni muhimu katika utengenezaji wa ajira na ushindani wa muda mrefu lakini, zinahitaji masuluhisho mahususi, ushirikiano imara, na ujenzi wa uwezo wa makusudi ili kufikia uwezo wake kamili. Kupitia mbinu hii, Benki haikutoa tu mitaji kwa uwajibikaji, bali pia iliimarisha ubora na umadhubuti wa ukuaji wetu, tukitengeneza thamani ya pamoja kwa wateja, jamii, na wanahisa, huku tukiitayarisha Benki kuitikia matarajio yanayobadilika ya kisheria na vipaumbele vya wadau.

Mafanikio muhimu zaidi katika mwaka 2025 yalikuwa kutoa ripoti ya kwanza ya Benki ya Kikosi-kazi cha Utoaji Taarifa za Fedha Zinazohusiana na Tabianchi na kuanza kutumia Viwango vya IFRS vya Utoaji wa Taarifa za Uendelevu S1 (Mahitaji ya Jumla) na S2 (Taarifa Zinazohusiana na Tabianchi). Mafanikio haya ni hatua kubwa katika kushughulikia jinsi vihatarishi na fursa za uendelevu zinavyotambuliwa, kusimamiwa, na kuwekwa wazi. Yanaimarisha uwazi na yanaboresha ujumuishaji wa masuala ya tabianchi na uendelevu katika mkakati, usimamizi wa vihatarishi, na ugawaji wa mitaji, hivyo kuimarisha misingi ya uendelevu na uwajibikaji wa kifedha kwenye shughuli zote za Benki. Kwa pamoja, hatua hizi zinaifanya Benki kuwa katika nafasi ya kukidhi mahitaji ya kisheria na matarajio ya wawekezaji huku ikiwezesha maamuzi ya kibiashara yenye ufanisi, madhubuti, na uendelevu.

Utawala, Uwazi, na Uadilifu wa Kifedha

Usimamizi wetu wa kifedha ulijikita katika utawala bora, usimamizi makini wa vihatarishi, na mifumo madhubuti ya udhibiti wa ndani. Katika mwaka uliopita, Benki iliboresha sera, mifumo, na utoaji wake wa taarifa ili kuzingatia mabadiliko makuu ya kisheria na usimamizi yaliyotekelezwa mwaka 2025.

Pia, Benki ilizingatia Mwongozo wa Benki Kuu ya Tanzania wa Nidhamu ya Soko kwa Benki na Taasisi za Kifedha, ikiimarisha utoaji wa taarifa za kimaelezo na kitakwimu kulingana na mahitaji ya Basel Pillar III. Aidha, Benki ilitekeleza Waraka wa Tozo za TIPS kwa uhamisho wa fedha kutoka benki kwenda kwenye pochi za kielekitroni (e-wallet) na kutoka pochi kwenda benki, kwa kuweka ukomo wa ada za miamala ya kidijiti ili kuongeza uwezo wa wateja kumudu huduma na kukuza ushirikishaji wa kifedha. Katika kampuni zetu tanzu za kikanda, tulihakikisha uzingatiaji wa mahitaji ya nyongeza ya kima cha chini cha mtaji yaliyowekwa na Benki Kuu ya Jamhuri ya Kidemokrasia ya Kongo kwa benki zinazofanya kazi katika Jamhuri ya Kidemokrasia ya Kongo. Kwa pamoja, hatua hizi ziliimarisha utamaduni wetu wa uwajibikaji, zililinda uadilifu wa ripoti zetu za kifedha, na zilidhihirisha ahadi yetu endelevu kwa viwango vya juu vya utawala wa kampuni, uwazi, na uzingatiaji wa sheria.

Matarajio ya Ukuaji Endelevu

Tukiangalia mbele, Benki iko katika nafasi nzuri ya kutumia fursa za ukuaji zinazotokana na hali nzuri ya kiuchumi nchini Tanzania, kuongezeka kwa shughuli za kibiashara, na uhitaji mkubwa wa masuluhisho ya kisasa ya kifedha. Kwa mizania imara, miundombinu ya kidijiti inayoweza kupanuka, na utekelezaji wa kinidhamu, lengo letu ni kuongeza sehemu yetu ya soko katika nyanja kuu, kuongeza mchango wa mapato kutoka katika kampuni tanzu, na kuboresha kuwapo kwetu kikanda na kimataifa.

Tutaendelea kukuza na kuongeza mchango wa biashara zetu ndani na nje ya mipaka ya Tanzania.Wakati huohuo, tunaendelea kuwa imara katika kuzingatia mahitaji yanayobadilika ya kisheria na utoaji wa taarifa. Tumejipanga kuwekeza kiuwajibikaji kwa watu wetu, mifumo, na udhibiti, tukihakikisha umadhubuti, uwazi, na ukuaji endelevu. Mbinu hii ya nidhamu inayoongozwa na soko inaiweka Benki katika nafasi ya kutoa thamani endelevu kwa wadau



Frederick B. Nshekanabo
Afisa Mkuu wa Fedha



Overview of Financial Capital Performance

TZS 728.6bn
PAT

TZS 22.3tn
Total assets

TZS 14.9tn
Customer deposits

17.8%
Total capital ratio

Financial capital remained a core enabler of CRDB Bank Group's value creation in 2025. The Group closed the year with total assets of TZS 22.309 trillion, customer deposits of TZS 14.931 trillion, net loans and advances of TZS 13.723 trillion, equity of TZS 2.747 trillion and profit after tax of TZS 728.6 billion. This performance reflected strong balance-sheet expansion, healthy profitability, solid liquidity and capital buffers maintained above regulatory minimum requirements.

1. Financial performance at a glance

Metric	2025	2024	Change
Total assets (TZS bn)	22,308.9	16,698.8	33.6%
Customer deposits (TZS bn)	14,930.5	10,934.1	36.5%
Loans and advances (TZS bn)	13,723.3	10,360.8	32.5%
Equity (TZS bn)	2,747.1	2,132.6	28.8%
Profit before tax (TZS bn)	1,030.5	778.8	32.3%
Profit after tax (TZS bn)	728.6	551.5	32.1%
ROAE	29.5%	27.7%	+1.8 pts
ROAA	5.3%	5.2%	+0.1 pts
Cost-to-income ratio	41.6%	45.7%	-4.1 pts
NPL ratio	2.9%	2.9%	-
Earnings per share (TZS)	280.4	212.3	32.1%



2. Capital structure and funding profile

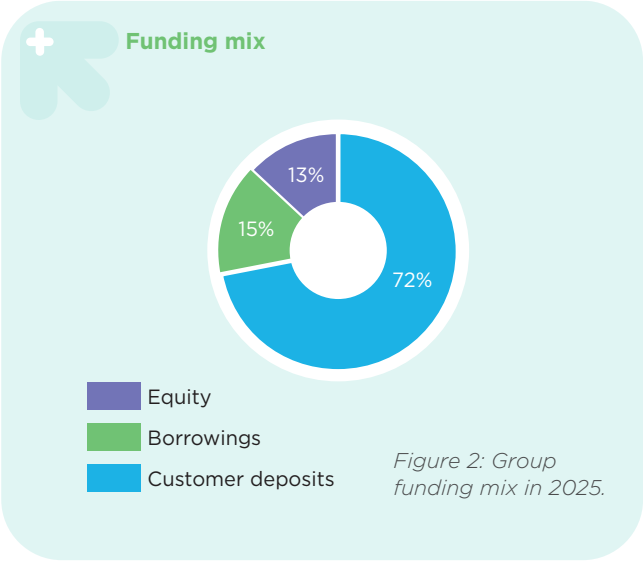


Figure 2: Group funding mix in 2025.

Funding component (Group)	2025 (TZS mn)	2024 (TZS mn)
Customer deposits	**14,930,504**	10,934,131
Bonds	**714,388**	175,204
Borrowings	**1,940,051**	1,659,620
Subordinated debt	**315,286**	126,882
Total debt funding	**17,900,229**	12,895,837
Equity	**2,747,055**	2,132,589

3. Capital adequacy and liquidity

Tier 1 captial ratio	Total captial ratio	Bank liquidity ratio
2025	2025	2025
16.1%	17.8%	30.3%
Regulatory minium	Regulatory minium	Regulatory minium
12.5%	14.5%	20.0%

Capital base. Total qualifying Tier 1 capital amounted to TZS 2.305 trillion, while total regulatory capital reached TZS 2.560 trillion against total risk-weighted assets of TZS 14.348 trillion. The Group therefore remained well capitalised throughout the year, with buffers above the minimum Tier 1 and total capital requirements.

Liquidity and resilience. The Bank ended the year with a liquidity ratio of 30.3%, comfortably above the 20% regulatory requirement. This reflects a strong capacity to meet maturing obligations and sustain operations without undue funding pressure.

4. What the 2025 financial capital position means

Overall assessment. Financial capital performance in 2025 points to four broad conclusions. First, the Group expanded strongly while remaining profitable and well capitalised. Second, deposit mobilisation continued to anchor growth, preserving the customer-funded nature of the balance sheet. Third, regulatory capital and liquidity buffers remained intact despite rapid asset expansion. Fourth, the quality of earnings and asset growth was supported by an NPL ratio of 2.9% and an improved efficiency ratio to 41.6%.

What strengthened financial capital in 2025

- 33.6% growth in total assets
- 36.5% growth in customer deposits
- 33.0% growth in loans and advances
- 29.5% ROAE and 5.3% ROAA
- Improved cost-to-income ratio of 41.6%
- Capital ratios above regulatory minima

Key stewardship messages

- Preserve deposit-led funding discipline
- Maintain capital buffers as risk-weighted assets grow
- Continue balancing profitability, liquidity and resilience
- Use long-term funding selectively to support strategic growth
- Sustain asset quality and operating leverage

Physical and Digital Infrastructure

Physical and digital infrastructure remained central to CRDB Bank Group's ability to scale responsibly, serve customers seamlessly across markets, and execute its EVOLVE strategy. During the 2025 FY, the Group combined investment in its physical network with system modernisation, channel expansion, and process redesign to strengthen access, resilience, and efficiency across Tanzania, Burundi and the Democratic Republic of Congo.

Branches
261

ATMs
732

POS terminals
6,607

Agents
38,883

Channel performance and reach

SimBanking transactions
99.3million
69.5m (2024)
43%

Internet Banking transactions
9.8million
8.4m (2024)
16%

Agency Banking transactions
99.3million
78.4m (2024)
27%

ATMs transactions
21.9million
24.0m (2024)
-9%

Physical and Digital Infrastructure

During the year under review, the Group closed with a robust infrastructure footprint consisting of 261 banking outlets, 732 ATMs, 6,607 POS terminals and 38,883 registered agents. This infrastructure base remained the Group's principal manufactured-capital platform for extending financial access and supporting transaction-led growth.

Alongside the physical footprint, the Group continued to invest in digital channels, operating platforms, system resilience and alternative delivery models. The year's infrastructure agenda therefore went beyond expansion in numbers: it focused on improving reliability, throughput, automation and customer convenience.

The operational model remained intentionally hybrid. Branches and ATMs continued to anchor visibility, trust and service fulfilment, while SimBanking, Internet Banking, Agency Banking and merchant acceptance widened access and reduced dependence on manual, branch-centric processes.

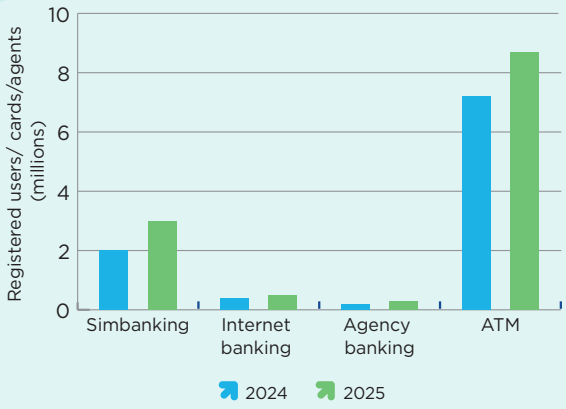


Network, Channels and Operational Efficiency

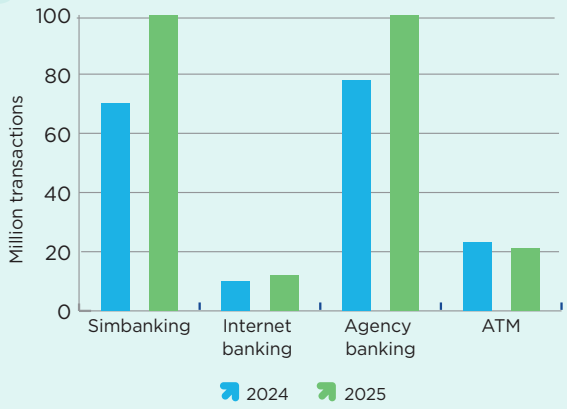
Operational efficiency in 2025 was shaped by how effectively the Group converted infrastructure into scale. The Bank recorded strong year-on-year growth in SimBanking transactions, Agency Banking transactions and Internet Banking usage, while ATM transactions declined even as registered cards increased. This pattern is consistent with a broader migration toward digital and assisted channels, without diminishing the strategic importance of cash, service and fulfilment infrastructure.

The bank accelerated digital transformation investments, optimisation of branch operations under the new operating model, streamlined HQ and branch processes, the introduction of paperless withdrawals using SimBanking, and automated service-level agreements across the Bank. Collectively, these actions improved service consistency, internal accountability and resource utilisation.

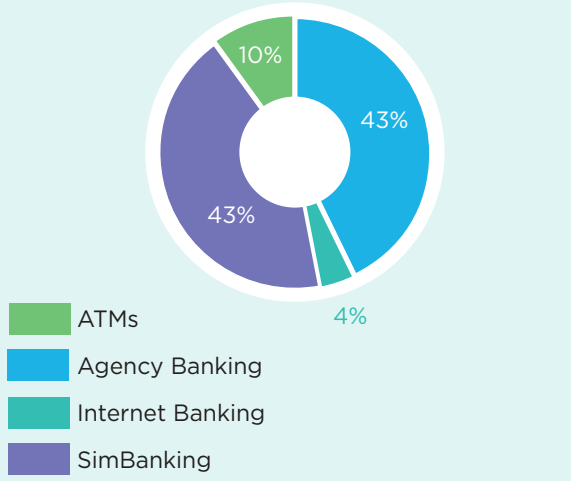
Channel reach and access points



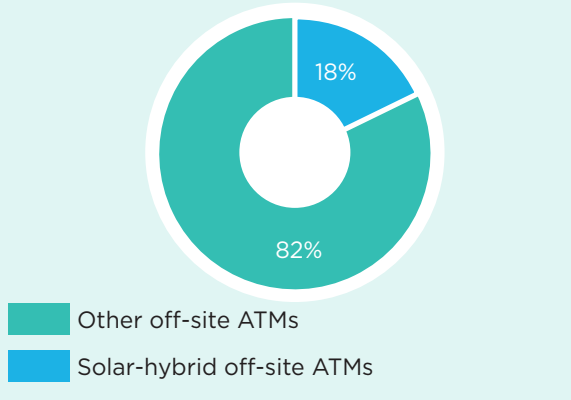
Alternative-channel transaction volumes



Share of 2025 channel transactions

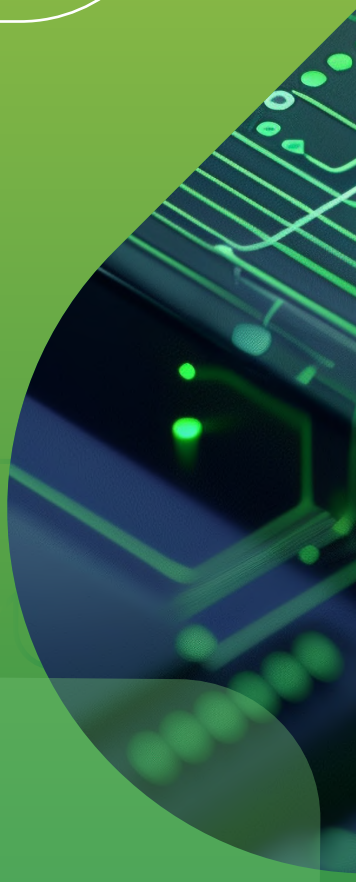


Off-site ATM power modernisation









Intellectual Capital Driving Value Creation



COO's Review



Bruce Mwile
Chief Operations Officer

Manufactured Capital remained a decisive execution lever for CRDB Bank Group in 2025. Our focus was not only to maintain a wide physical footprint, but to ensure that every branch, ATM, POS terminal, agent relationship and operating platform contributed to stronger service delivery, higher resilience and greater efficiency across the Group. The year was therefore defined by disciplined infrastructure investment, operating-model redesign and technology-enabled process improvement.

In 2025, the Bank continued to strengthen its delivery system through sustained investment in digital infrastructure, innovation, cybersecurity, data and artificial intelligence, and resilient bank operations. These efforts were aimed at enhancing operational efficiency, improving service reliability, safeguarding customer trust, and positioning the Bank for scalable growth across its markets.

Technology remained a key enabler of this transformation, supporting the optimisation of end-to-end banking operations, faster service delivery, and improved integration across channels and platforms. Innovation initiatives focused on expanding digital access, embedding automation and datadriven decision-making, and strengthening cybersecurity controls to protect customers and the Bank's assets. Together, these investments have created a robust operational foundation that supports growth, agility, and consistent customer experience.

Strengthening Our Delivery System and Improving Efficiency

In 2025, the Bank successfully migrated to Temenos Transact (T24), a next-generation core banking system that has fundamentally strengthened our operational capabilities. This transformation has enhanced system stability, resilience and scalability, enabling the Bank to support growth, innovation and regulatory compliance more effectively. The new platform has significantly reduced material system incidents, minimised downtime, and curtailed the frequency, severity and impact of service disruptions, resulting in a measurable decrease in overall system outages.

The migration to T24 has also strengthened our technology risk posture by improving controls, system monitoring and recovery capabilities, thereby reducing operational and cyber-related threats. A more robust and secure core banking infrastructure enhances customer confidence and supports uninterrupted access to banking services across our digital and physical channels.

Leveraging the enhanced capabilities of the new core banking platform, the Bank continues to deliver 24/7 service availability, data-driven and personalised customer interactions, and faster timetomarket for new products and services. Increased levels of automation, standardisation and straight-through processing have driven improvements in efficiency and productivity across the Bank, while enabling staff to focus on higher-value client engagement.

The successful Core Banking System migration further enhanced the Bank's delivery capabilities by improving agility, reliability, and scalability. The platform achieved 99% uptime and enabled faster product deployment, improved system integrations, and consistent service delivery across markets. The system now supports a growing customer base of over 7 million customers.

Overall, Bank Operations remained focused on delivering a secure, efficient, and scalable operating environment, reinforcing the Bank's ability to meet customer needs, manage risk effectively, and support sustainable growth.
This progress reflects our unwavering commitment to



operational excellence, service reliability and superior customer experience. By embedding resilience, security and innovation at the core of our technology landscape, the Bank is well positioned to deliver sustainable value, strengthen customer satisfaction, and support inclusive economic growth in the markets we serve.

A key milestone this year was also the launch of SimBanking mobile applications in Burundi and the Democratic Republic of Congo, expanding access to digital banking services and supporting financial inclusion in these markets. Digital adoption accelerated significantly, with digital transactions increasing by approximately 40% year on year. This resulted in transactions being executed through digital channels, improving turnaround times and operational efficiency.

The Bank further supported increased participation in the capital markets following the launch of the Dar es Salaam Stock Exchange's Mwanahisa Mini App. Through this initiative, the Bank facilitated the onboarding of 25,000 new retail investors during the year, widening access to investment opportunities and promoting financial inclusion among firsttime market participants.

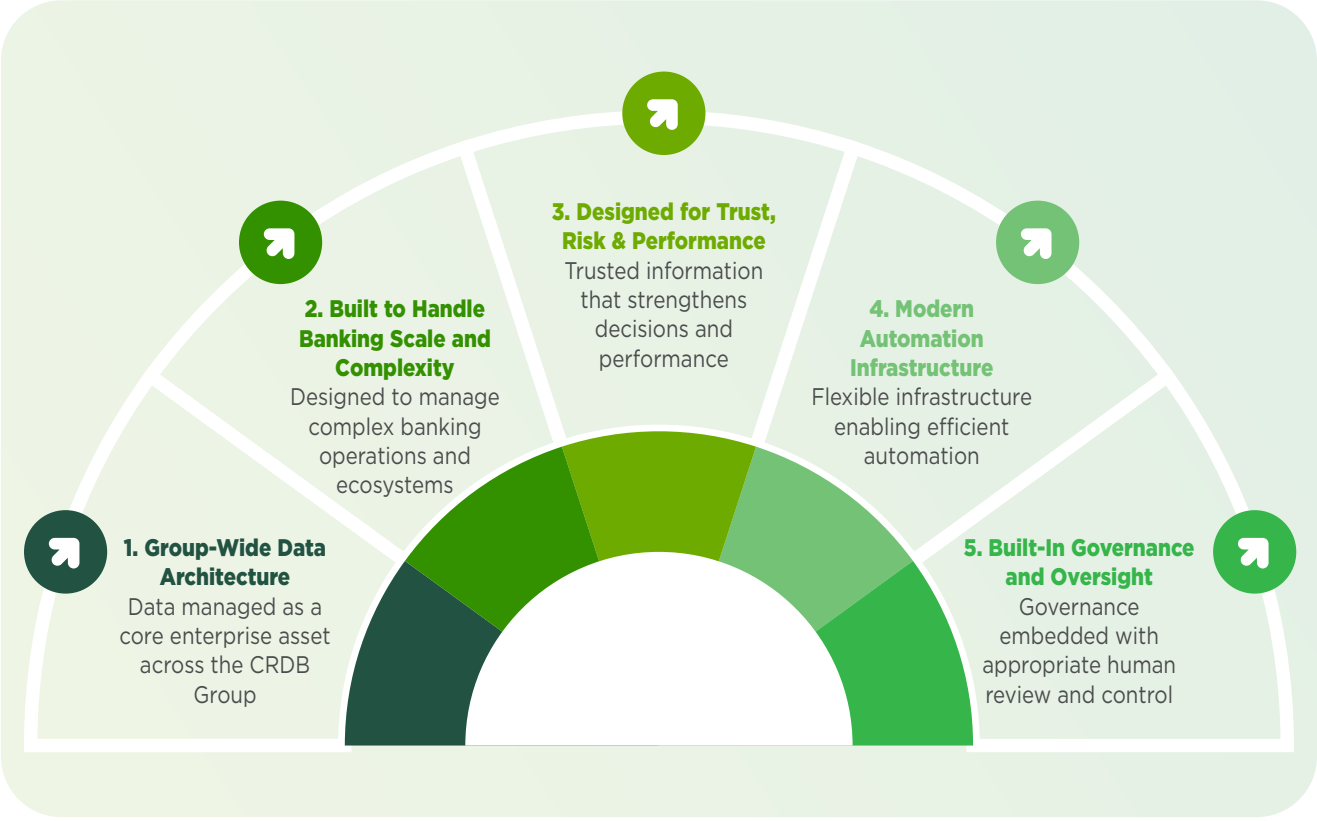
Bank Operations continued to prioritise strengthening the Bank's delivery capabilities while enhancing efficiency across end-to-end banking processes. This was driven by sustained investment in digital platforms and automation, and by a resilient operating environment. Internally, the expanded use of automation, data analytics, and artificial intelligence improved productivity, reduced manual interventions, and enhanced service-level performance across operational functions. As a result, teams were able to refocus on value-adding activities while reinforcing control, consistency, and operational effectiveness.

Service availability and sustainability

Infrastructure modernisation also extended to service availability and sustainability. Within the network, ATM uptime was supported through smart inverters, power stabilisation and hybrid-solar solutions. At year-end, 43 of the Bank's 243 off-site ATMs were hybrid-solar equipped. Management reported average savings of about TZS 500,000 per ATM on those sites, while downtime linked to grid and voltage issues fell sharply after implementation. In parallel, branch operations continued to tighten control over admin costs, cash logistics and internal audit performance, reinforcing the role of operations as both an enabler of growth and a steward of discipline.

Outlook

Looking ahead, our priority is to deepen the productivity of the infrastructure already in place. That means strengthening ICT resilience, completing post-migration optimisation, improving channel service quality, scaling automation, and directing capital toward the highest-impact upgrades across the network. Our ambition is clear: a Group operating platform that is regional in capability, digitally integrated in execution, and consistently reliable for customers, colleagues and partners.



Intellectual Capital Overview

Intellectual capital at CRDB Bank is reflected in the platforms, data capabilities, process disciplines, innovation capacity and institutional know-how that enable the Group to scale responsibly, improve customer experience and support long-term value creation. In 2025, management continued to invest in digital transformation, system modernisation, process automation and customer-led innovation to support growth across Tanzania, Burundi and the Democratic Republic of Congo.

Best Mobile Banking Africa
Global Finance

Best Mobile Banking Tanzania
Global Finance



Best Digitall Bank Consumer - Tanzania
Global Finance

T24 core banking migration completed
2025 milestone



Intellectual Capital Framework

The Group's operating-model identifies intellectual resources as including technology platforms, the enterprise risk management framework, innovation capability, collaboration with fintechs and start-ups, and brand positioning. During the year under review, these resources were deployed through digital transformation, continuous improvement of systems and processes, and brand-led engagement initiatives. The outcome was stronger digital adoption, improved service efficiency and a broader capacity to deliver innovative solutions across segments.

1. Group-Wide Data Architecture
2. Built to Handle Banking Scale and Complexity
3. Designed for Trust, Risk & Performance
4. Modern Automation Infrastructure
5. Built-In Governance and Oversight

Area	2025 action	Observed contribution to value creation
Core system modernisation	Completed T24 migration and post-go-live monitoring.	Created a stronger platform for multi-country scalability, security and digital product development.
Process automation	Implemented paperless withdrawals and automated SLAs.	Reduced turnaround times, improved convenience and strengthened service accountability.
System assurance	Patched core digital and subsidiary systems during the year.	Reduced vulnerabilities and supported operational resilience.
Data standards	Implemented ISO 20022 for cross-border transactions.	Improved data quality, compliance support and fraud-detection capability.

Innovation

CRDB Bank's innovation agenda in 2025 was closely aligned to customer needs, segment economics and the EVOLVE strategy. The Group continued to differentiate itself through product innovation, channel enhancement and partnerships that expanded relevance in priority segments. The integrated report highlights the launch of three youth-focused products through SimBanking (Jinasue, Ada Loan and Uni Loan) under a dedicated youth unit, while MSME growth was supported through the revamp of Biashara accounts, targeted HODARI campaigns and expanded education financing. Management also disclosed continued collaboration with mobile network operators and fintechs through solutions such as Songesha, Nivushe and digital agriculture loans, helping the Bank widen access while deepening digital use cases.

Innovation also extended beyond product design into customer value creation. During the year, the Bank enhanced the Mwanahisa mini-app to include brokerage services within the SimBanking app for pilot implementation, enabling both CRDB and non-CRDB Bank customers to buy and sell shares and bonds digitally. This broadened the Bank's digital financial ecosystem and reinforced capital-markets accessibility through everyday banking channels. In parallel, the Bank's innovation and digital-transformation efforts were recognised externally through Global Finance awards for Best Mobile Banking App in Africa, Best Mobile Banking App in Tanzania, and Best Digital Bank, Consumer – Tanzania.

2025 innovation initiative	What was done	Why it mattered
Youth products on SimBanking	Launched Jinasue, Ada Loan and Uni Loan through digital channels.	Expanded youth relevance and supported digital-first customer acquisition.
Mwanahisa mini-app enhancement	Piloted brokerage functionality inside SimBanking.	Extended investment access to retail customers within the digital ecosystem.
Fintech and MNO collaboration	Advanced solutions such as Songesha, Nivushe and digital agri loans.	Deepened ecosystem reach and enabled use-case expansion beyond traditional banking.



Digital Transformation

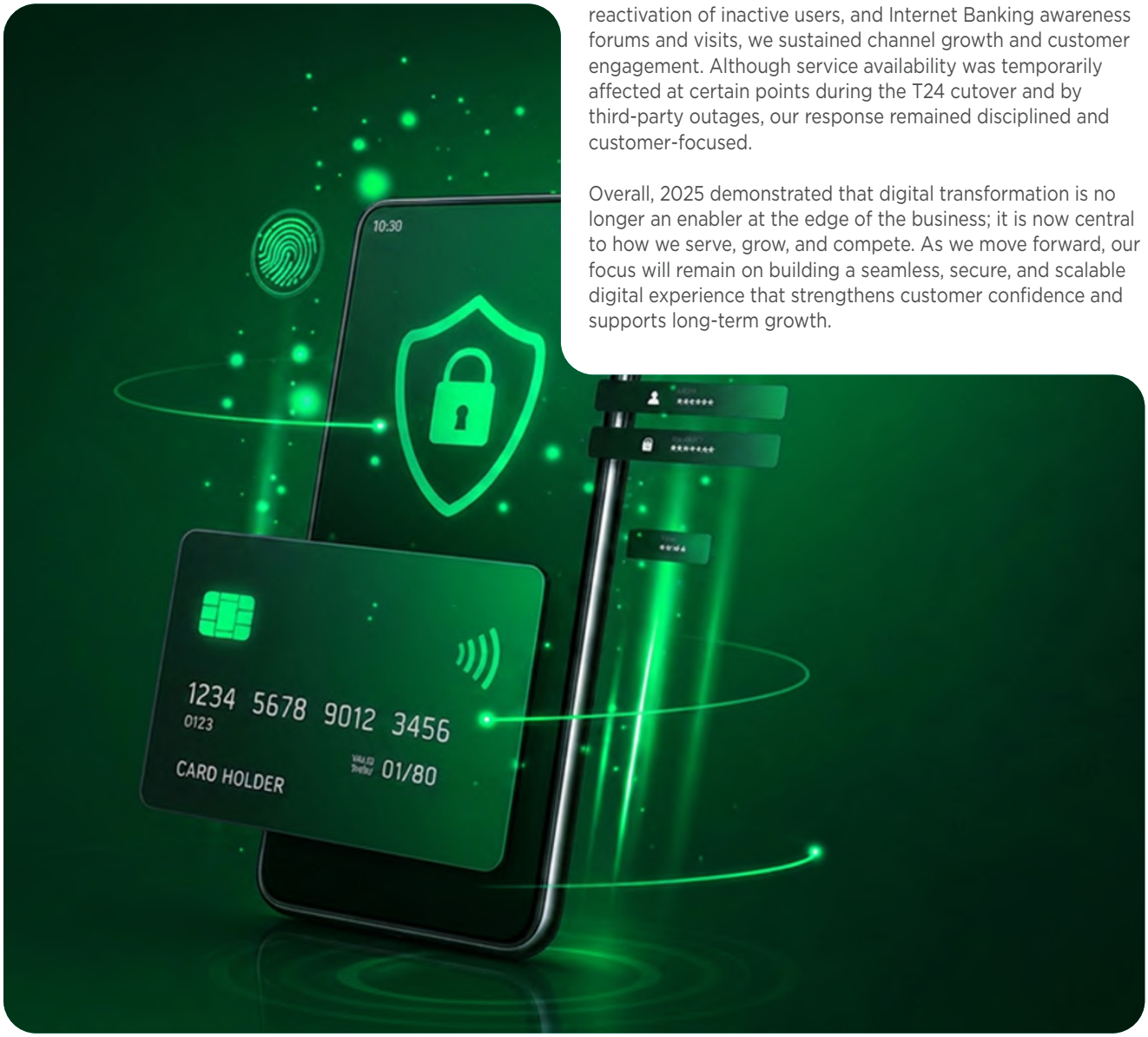
Digital transformation remained at the heart of our execution in 2025, not simply as a technology agenda, but as a customer agenda. Our objective throughout the year was clear: to make banking faster, simpler, safer, and more relevant to the evolving needs of our customers across every touchpoint.

A defining milestone was the successful migration to our new core banking system, Temenos Transact (T24). The Bank completed end-to-end testing and went live as planned, followed by structured post-implementation monitoring and timely resolution of critical day-one issues. This transition marked a major step forward in strengthening our digital operating backbone and positioning CRDB Bank for greater scale, resilience, and service consistency across Tanzania, Burundi, the Democratic Republic of Congo, and our planned Dubai presence. It also enhanced our readiness to support multilingual and multi-currency capabilities, while creating a stronger foundation for internationally aligned digital products and services.

The year also reflected strong and growing customer adoption of our digital channels. SimBanking transaction volumes increased to 99.3 million from 69.6 million in 2024, while registered accounts grew by 39% to 2.93 million. Internet banking volumes rose to 9.8 million transactions, with registered customers increasing by 28% to 98,861. Agency banking volumes also grew by 27% to 99.3 million transactions, affirming the strength of our phygital model, which combines digital convenience with assisted service reach. This momentum was driven by continued platform enhancements across SimBanking, Internet Banking, and Agency Banking, stronger customer trust, and a deliberate effort to widen access, increase convenience, and deepen usage.

Importantly, our digital progress was achieved in the context of a changing external environment. While Bank of Tanzania tariff caps on digital fees affected planned non-funded income, we responded by focusing on scale, activity, and customer migration to self-service channels. Through campaigns such as Benki ni Simbanking, digital biller expansion, targeted reactivation of inactive users, and Internet Banking awareness forums and visits, we sustained channel growth and customer engagement. Although service availability was temporarily affected at certain points during the T24 cutover and by third-party outages, our response remained disciplined and customer-focused.

Overall, 2025 demonstrated that digital transformation is no longer an enabler at the edge of the business; it is now central to how we serve, grow, and compete. As we move forward, our focus will remain on building a seamless, secure, and scalable digital experience that strengthens customer confidence and supports long-term growth.



Cybersecurity

The Bank continues to strengthen its cybersecurity capabilities as a core enabler of safe, reliable, and trusted banking services. As the Bank expands its digital channels, payment platforms, and system integrations, safeguarding information assets and customer data remains a strategic priority. Cybersecurity is embedded across the Bank's technology operations to support service availability, data confidentiality, and regulatory compliance.

The Bank operates within a robust cybersecurity governance structure, supported by clearly defined policies, standards, and procedures aligned with international best practices. Oversight and accountability for cybersecurity are reinforced through management committees and specialised technology and information security functions, ensuring consistent implementation across the Group.

The Bank has implemented a layered security architecture designed to protect infrastructure, applications, data, and users. This includes enterprise-grade firewalls, intrusion detection and prevention systems, endpoint protection, encryption technologies, and strong identity and access management controls, including multi-factor authentication. These controls are continuously monitored to ensure timely detection and response to security events.

During the year, the Bank maintained internationally recognised certifications, including ISO 27001 for information security management and PCI-DSS for payment card security, underscoring its commitment to strong security and compliance standards. In line with its digital transformation agenda, the Bank upgraded its core banking platform to Temenos T24, enhancing system resilience, scalability, and operational efficiency. The deployment of SmartVista further strengthened the security and reliability of payment processing services across channels.

Cybersecurity operations are supported by continuous system monitoring, real-time transaction surveillance, and advanced fraud analytics. Regular penetration testing, vulnerability assessments, system hardening, and patch management are conducted to ensure systems remain secure and up to date. Access rights are strictly managed based on the principle of least privilege, supported by ongoing reviews.

Beyond technology controls, the Bank promotes a strong cybersecurity culture. Employees undergo regular information security awareness training to reinforce responsible system usage and vigilance. Customers are also engaged through awareness initiatives aimed at promoting safe digital banking practices. Established whistle-blowing and incident reporting channels further support transparency and timely escalation of security concerns.

Through ongoing investment in technology, people, and processes, Bank continues to enhance its cybersecurity maturity, ensuring secure digital banking services and maintaining the trust of customers, regulators, and stakeholders.



Our Human Capital





Human Resource

Building Capability, Deepening Culture, Sustaining Growth



Godfrey Rutasingwa
Director of Human Resources

A workforce aligned to growth

In the 2025 FY, the Human Resources function remained closely aligned to the Group's strategic direction, ensuring that people capabilities kept pace with business growth, evolving customer expectations and the Bank's transformation agenda. Our role extended beyond workforce administration into a more strategic mandate: shaping organisation capability, strengthening culture, reinforcing leadership accountability and enabling resilience across the Group. This was especially important in a year marked by business expansion, continued digitisation and increasing demand for specialist skills across banking, technology, risk, sustainability and customer experience.

By the end of the year, the Group employed 4,528 people across Tanzania, Burundi and the Democratic Republic of Congo. The Bank remained the anchor institution, while the subsidiaries continued to deepen local capacity. We also maintained a strong leadership bench, with 94 senior leaders from middle management and above. This breadth of talent gives the Group operational depth and supports continuity as we expand regionally and diversify our business model.

Learning as a strategic lever

We continued to treat learning as a strategic investment rather than a compliance exercise. During the year, the Group spent TZS 9.38 billion on learning and development, compared with TZS 7.98 billion in 2024, and trained 2,657 staff from senior management to support staff level. Our approach remained anchored in the 70-20-10 development framework, combining experience-based learning, coaching and mentoring, and formal training. Employees had access to blended learning, web-based modules, video-enabled delivery, professional qualifications and in-person programmes, supported by an online learning ecosystem that includes LinkedIn Learning.

We also progressed targeted capability-building initiatives. During the period, 321 staff participated in leadership programmes and 216 in professional certification pathways. This investment reflects our conviction that organisational performance and customer experience improve when technical competence, leadership maturity and learning agility are developed together. In practical terms, learning supported risk discipline, digital adoption, product delivery and stronger execution across the Group.

Culture, engagement and wellbeing

Our people agenda remained firmly centred on engagement, wellness and performance. The Group's culture transformation journey continued to encourage ownership, openness, collaboration and service excellence. Employee listening remained a critical management tool. The latest employee satisfaction score stood at 94%, with an 81% participation rate, reflecting a workforce that is both engaged and willing to provide feedback. The Bank continues to use the survey to identify strengths, track morale, understand team effectiveness and guide improvement actions.

Wellbeing also remained a strategic pillar of the employee value proposition. The Group recorded over 2,500 staff attending wellness programmes in the year. Beyond general wellness initiatives, the Bank supported physical, mental and psychosocial wellbeing through medical cover, counselling services, awareness sessions and occupational health measures. During the year, 169 staff received telephone counselling, 141 received professional face-to-face counselling, 15 managers benefited from consultations, and 2,925 staff were reached through social wellbeing and mental-health awareness training. This reinforces our view that performance is strongest where employees feel supported, safe and able to bring their best selves to work.



Employee Engagement

The Group recognises that employee engagement is a critical foundation for achieving positive business outcomes, including enhanced productivity, profitability, sustainable growth, customer satisfaction, employee retention, and workplace safety. At CRDB, employee engagement is approached holistically across three dimensions; physical, emotional, and cognitive ensuring that employees are fully committed, motivated, and aligned with the Bank's strategic objectives. This multi-level focus on engagement not only fosters a highly motivated workforce but also cultivates passion and accountability among employees as they work towards both the Bank's vision and their personal and professional goals. Through continuous investment in employee growth, recognition, and well-being, the bank seeks to build a committed and high-performing workforce capable of delivering exceptional customer experiences and contributing meaningfully to the Bank's long-term success.

Beyond the workplace, the Bank promotes engagement through initiatives that encourage teamwork, social interaction, and personal development. In 2025, the CRDB Bank SUPA Cup tournament was launched in Dodoma, featuring participation from 12 football teams and nine netball teams. The tournament was further enriched by the inclusion of a football team from Burundi, underscoring the Bank's commitment to regional collaboration and employee engagement through sport. To further strengthen employee connection and morale, the Bank also hosts Quarterly 'Thank God It's Friday' (TGIF) engagement sessions, providing employees with opportunities to interact, share experiences, and build strong internal relationships in an informal setting.

In line with its commitment to diversity, equity, and inclusion, the Bank has implemented a range of women engagement initiatives across its network and subsidiaries. These include Women Health and Wellness workshops conducted in the Southern and Western zones as well as at Head Office, celebrations of the International Women's Day (IWD) across the network, and the HE4SHE Women Mentoring Programme aimed at empowering women, promoting leadership development, and fostering an inclusive workplace culture. Recognising that appreciation and recognition are fundamental drivers of motivation, the Bank formally introduced the CEO Awards in 2020 to honour outstanding performance and excellence in the workplace. The awards are conducted annually and are aligned with the Bank's strategic themes to acknowledge and reward behaviours and achievements that drive organisational transformation and success. As a forward-looking employer, CRDB regards the recognition of excellence as both a motivating factor and a core component of its people management philosophy.

To strengthen its position as an employer of choice, the Bank is committed to actively listening to its employees and responding to their feedback. In this regard, the bank conducts an annual employee satisfaction survey aimed at assessing employee morale, engagement levels, and overall satisfaction across the Group. The insights gathered from the survey provide valuable feedback to management and inform actions to enhance the working environment, employee experience, and organisational effectiveness.





Leadership, succession and inclusion

We made deliberate progress in leadership development and inclusion. A total of 332 successors were identified for critical roles, strengthening continuity and business resilience. The women's leadership agenda also continued to gain traction. In 2025, 172 women attended leadership programmes, and 18 women were promoted to leadership roles during the year, bringing the three-year total to 66. A total of 104 women promoted to leadership roles within the three-year period tracked internally. Together, these indicators reflect ongoing movement in the leadership pipeline, even as the Group continues refining its internal measurement and reporting frameworks.



Fostering Gender Diversity and Inclusion

The Group recognises that diversity, equity, inclusion, and belonging are not just ideals but essential drivers of innovation, collaboration, and sustainable success. A truly inclusive workplace ensures that everyone feels valued, supported, and empowered to contribute meaningfully, regardless of their background or role. This inclusive culture fuels better ideas, enhances decision-making, and creates a positive environment where everyone can thrive.

With a workforce of 4,528 employees across multiple countries, we are committed to recruiting, developing, and retaining a diverse talent pool. By embracing various perspectives, experiences, and approaches, we strengthen our ability to connect with customers, solve complex challenges, and foster creativity. Our leadership is dedicated to ensuring that every employee has the opportunity to reach their full potential.

We believe a diverse workforce helps eliminate blind spots in problem-solving and enhances our ability to deliver relevant, impactful solutions. By understanding how people from different backgrounds perceive messages, products, and services, we gain a competitive edge in meeting market needs. Diversity is part of our culture and a core strength that drives innovation and progress.

	FY 2025	FY 2024
All employees	4,528	4,251
Male	53	55
Female	47	45

How We Put Our Commitment into Action

To bring our values of diversity, inclusion, equity, and belonging to life, the Bank has implemented several strategic initiatives:

- Established a Comprehensive Policy: The Group has developed a Diversity, Inclusion, Equity, and Belonging Policy that outlines our commitment to fostering an inclusive and diverse workplace. This policy ensures alignment with global best practices in human resource management and sets a clear framework for creating a culture where everyone feels valued and respected.
- Promoting Gender Equality: As an equal-gender employer, the Bank is actively working to maintain gender balance across all levels of the organisation.
- She Initiative Program: One of our flagship efforts is the She Initiative, designed to empower women through targeted training, coaching, and mentoring. This program supports women's professional growth by equipping them with the tools, confidence, and networks needed to thrive and lead.

	FY 2025	FY 2024
All senior leaders (From middle management and above)	94	86
Male	73	68
Female	21	18
Below 35 Years	38%	38%
Between 35 and 50 years	55%	55%
Above 50 years	7%	7%

	FY 2025	FY 2024
0-5 years	1,896	1,589
6-10 years	1,077	1,245
11-20 years	1,335	1,188
Above 20 years	220	229





Outlook

Looking ahead, we will continue building a future-ready workforce with stronger digital, analytical and leadership capabilities; deepen succession for business-critical roles; strengthen the employee value proposition; and further embed sustainability, inclusion and culture in day-to-day people management. We also expect to sharpen workforce planning as automation changes role design, enabling more targeted redeployment and better use of talent across the Group.

The ultimate test of Human Resources is whether it helps the Group execute strategy with consistency and confidence. I am glad that during the year, we made further progress on that journey. We strengthened the foundations of capability, culture and leadership, and we remain committed to ensuring that CRDB's human capital continues to be a source of resilience, execution strength and long-term value creation.



People Strategy

Strategic objectives

Our approach to value creation is firmly aligned with the objectives of the Bank's 5-year strategic plan, with a strong emphasis on human capital development highlighted as Objective No. 7 in the strategy approved in 2022. We remain fully committed to delivering on the thematic priorities outlined in the plan, reinforcing our position as a market leader.

- Culture transformation program
- Enhance Talent experience & Develop leadership competencies
- Workforce Diversity

Thematic areas

- Enhance staff productivity
- Improvement in HR operations
- Learning and development

Engaged workforce

Healthy Workforce

Productive Workforce

Strategic Human Capital Development and Workforce Sustainability

The Bank's human capital strategy is designed to support the delivery of its long-term business objectives by strengthening organisational capability, cultivating a strong and ethical performance culture, ensuring leadership and succession readiness, and embedding inclusive leadership across all levels of the Bank. The agenda focuses on attracting, developing, and retaining talent aligned with the Bank's values, risk management standards, and future skills requirements in an evolving financial services landscape.

The Bank's workforce profile reflects a relatively young and well-balanced organisation. Approximately 38% of employees are below the age of 35, 55% fall within the 35 to 50 age group, and 7% are above 50 years of age. This demographic mix provides a strong foundation for sustainable growth by blending institutional knowledge and experience with innovation, agility, and digital capability.

The youthful segment of the workforce supports creativity, digital transformation, and adaptability, while the mid-career cohort provides operational depth, leadership continuity, and mentoring capacity. Senior employees contribute valuable institutional memory, strategic insight, and governance maturity. Collectively, this balance enables effective knowledge transfer, internal mobility, and succession planning, while mitigating talent and leadership risks.

Through targeted capability-building initiatives, leadership development programmes, and structured succession planning, the Bank continues to strengthen its talent pipeline and readiness for future leadership transitions. The human capital framework reinforces the Bank's commitment to employee engagement, diversity and inclusion, and continuous learning, ensuring that its people remain a key enabler of sustainable performance and long-term value creation for all stakeholders.



Commitment to advance Gender equality

The Bank, in partnership with the International Finance Corporation (IFC) and the Association of Tanzanian Employers (ATE), is committed to closing gender gaps in employment and leadership. Through this collaboration, we have introduced strategic initiatives that promote women's participation and career advancement across the Group.

Strengthening the Women's Leadership Pipeline

- Launched the Shadow Board Program, aimed at empowering high-potential women by offering them strategic leadership exposure and decision-making experience.
- Actively increasing the representation of women in senior management roles through targeted leadership development and career pathing.
- Promotions of women have significantly increased compared to the previous year.

Capacity Building and Technical Empowerment

- Women have been placed in technical training programs and short-term attachments to build expertise in specialised fields and support their progression into critical roles.
- HeForShe Champions have been appointed to serve as mentors and advocates for women across the Bank.

Exposure and Mentorship Opportunities

- Structured mentorship programs have been introduced to support women's professional growth and readiness for leadership positions.
- Exposure initiatives have been launched to give women access to high-impact projects and strategic assignments.

Leadership Development Programs

- 20 Executives successfully graduated from the Executive Development Program (EDP).
- 33 women enrolled in the ATE Female Future Program.
- 21 women completed the Women in Leadership Program delivered by Strathmore University.
- 47 leaders concluded the Transformative Leadership Journey Program.
- 73 women are currently enrolled in the HeForShe Leadership Program.



Flagship Programme 2025: Advancing Women into Enterprise and Boardroom Leadership

In 2025, the Bank launched the Shadow Board Programme for Women, a flagship leadership initiative designed to accelerate the readiness of highpotential women for senior executive and future boardlevel roles, while strengthening the Group's leadership pipeline and organisational culture.

As the Bank continues to grow in scale and complexity, the need for leaders who can operate confidently at enterprise level has become increasingly critical. The Shadow Board Programme was intentionally designed to address a longstanding leadership gap by creating structured access, exposure, and preparation for women leaders to participate meaningfully in strategic decisionmaking and governance processes.

Through the programme, selected women leaders were immersed in the realities of boardroom and executivelevel leadership. Participants gained direct exposure to governance dynamics, strategic deliberations, risk oversight, and longterm value creation by shadowing senior executives, engaging with real institutional challenges, and participating in structured learning and mentorship.

A Deliberate Investment in Women's Leadership

The Shadow Board Programme for Women was not a symbolic diversity initiative. It was a strategic talent and succession intervention, anchored in the Bank's commitment to inclusive leadership, meritbased advancement, and longterm governance resilience.
The programme enabled participants to transition from strong functional and operational leadership into enterprisewide thinking, equipping them with:

- Boardroom literacy and governance awareness.
- Strategic judgement and risk appreciation.
- Confidence to engage, challenge, and influence at senior levels; and
- A clearer pathway toward executive and boardlevel readiness.

By design, the programme elevated women's visibility, voice, and influence within the organisation, while strengthening the Bank's internal bench of future leaders.



Strengthening Culture Through Inclusion and Confidence

The Shadow Board Programme played a meaningful role in reinforcing the Bank's leadership culture in 2025. By fostering proximity to decision making and encouraging constructive challenge, the initiative contributed to a work environment characterised by trust, accountability, and collaboration.
This progress is reflected in the Bank's culture entropy level of 14% in 2025, indicating a healthy organisational culture with low levels of limiting behaviours. The result underscores an environment where leadership confidence is growing, diverse perspectives are valued, and the majority of organisational energy is directed towards performance and value creation.
For participants, the programme built:

- Confidence in executive presence and decisionmaking;
- A stronger sense of belonging at leadership levels; and
- The ability to navigate complexity with clarity, maturity, and purpose.

Building a Sustainable Pipeline of Women Leaders

Graduates of the Shadow Board Programme emerged as boardready women executives, equipped with enterpriselevel insight, strategic capability, and leadership confidence. Beyond individual growth, the programme strengthened the Bank's overall leadership architecture by supporting:

- Succession planning for critical leadership roles;
- Greater diversity of thought in strategic discussions;
- Stronger governance capability; and
- Longterm cultural sustainability.

The Shadow Board Programme for Women represents a cornerstone of the Bank's broader people, leadership, and governance agenda. Building on its success, the Bank will continue to invest in initiatives that intentionally develop women leaders, strengthen executive readiness, and support inclusive leadership at the highest levels of the organisation. This flagship programme stands as a clear expression of CRDB Bank's belief that leadership excellence has no gender, but opportunity must be intentionally created.



Living Our Values

Culture remains a strategic priority and a key enabler of sustainable performance, governance, and stakeholder trust. In 2025, the Bank continued embedding its values across leadership, employee engagement, operations, and decision-making to support strategy execution and long-term value creation.

The Bank's culture is anchored in clear values and behaviours that promote agility, collaboration, innovation, competitiveness, accountability, and ethical conduct. A zero-tolerance approach to non-compliance reinforces integrity and trust, shaping people management, customer experience, risk management, and performance delivery.

Culture Diagnostics and Insights

A culture maturity assessment conducted in 2025 showed overall cultural maturity broadly aligned with global and industry benchmarks, with a healthy cultural entropy score of 14%. The assessment identified areas for strengthening, including bureaucracy, siloed working, hierarchical tendencies, and short-term focus. These insights informed targeted culture transformation initiatives during the year.





Key Culture Initiatives and Actions in 2025

Leadership and Ownership
Leadership actively championed culture through five Managing Director town halls that engaged over 3,000 employees, strengthening alignment and values-based leadership. More than 100 Culture Champions were trained and deployed across the Group to embed and sustain culture initiatives at business-unit level.

Employee Engagement and Behaviour Reinforcement
Employee engagement was strengthened through structured platforms, including the Stories of Transformation initiative, the "TUMESHAVUKA HUKO" campaign, and HR-led Culture Chats. These initiatives reinforced expected behaviours, encouraged open dialogue, and strengthened trust across the organisation.

Capability Building and Collaboration
Approximately 90% of planned culture advocacy sessions were delivered, enhancing understanding of values and behaviours. Heads of Departments participated in the Tembo Culture Lab, which identified priority culture challenges and practical solutions, contributing to improved cross-functional collaboration and teamwork.

Embedding Culture into Operations and Performance
Culture initiatives were closely linked to operational excellence and service improvement, delivering measurable outcomes: 100% first-contact resolution in selected processes, over 5,000 staff man-hours saved through process optimisation, and efficiency gains exceeding 40% in targeted service areas.

Technology as a Culture Enabler
Technology supported collaboration and transparency, with Microsoft 365 utilisation reaching 90%, exceeding internal targets. Continuous listening tools, including QR code–based feedback mechanisms, enhanced employee and management engagement and responsiveness.

Monitoring and Sustaining Our Culture
The Bank continues to monitor culture through ongoing employee feedback on endorsed and non-endorsed behaviours, including integrity-related matters, enabling timely interventions and accountability. Preparations are underway for a Five-Year Culture Impact Assessment to evaluate the long-term impact of culture investments.

In 2025, the Bank further strengthened culture as a strategic asset by deepening leadership ownership, empowering employees, enhancing collaboration, and linking values directly to operational and financial outcomes, supporting sustainable value creation for all stakeholders.

Talent, Culture, Leadership and Capability Development



Veronica Muumba
Head of Talent Management

CRDB Bank's human-capital agenda combines capability building, culture development, succession readiness and inclusive leadership. The workforce profile depicts a relatively young organisation, with 38% of employees below 35 years, 55% between 35 and 50 years, and 7% above 50 years. This balance supports continuity while providing room for fresh skills, internal mobility and long-term leadership development.

The strength of CRDB Bank GROUP has always rested on the calibre and character of its people. During the 2025 FY, we reaffirmed that conviction by placing our human-capital agenda at the centre of strategic execution. This section introduces the initiatives that are shaping a workforce able to convert bold aspirations into measurable results - programmes that blend technical mastery with values-driven behaviour, cultivate next-generation leaders, and embed a culture where innovation and accountability thrive side by side. Our guiding premise is simple: sustainable financial performance must be matched by an equally sustainable pipeline of skills, mind-sets and inclusive leadership practices.

The Bank's demographic profile provides a strong platform for that ambition. A youthful cohort (38% of employees are under 35), brings digital fluency, fresh perspectives and adaptability, while the 55% who fall between 35 and 50 supply hard-won institutional knowledge and relationship depth. The remaining 7% over 50 anchor the organisation with seasoned judgement and mentorship, ensuring that tacit expertise is transferred rather than retired. This balance allows us to pursue aggressive growth targets without compromising continuity or control, and it informs how we sequence capability programmes across career stages.

Against this backdrop the Talent, Culture, Leadership and Capability Development agenda is structured around four pillars: (1) capability academies that align technical learning to strategic priorities; (2) culture-building interventions that hard-wire customer obsession, ethical conduct and performance ownership; (3) succession-readiness frameworks that identify and accelerate high-potential talent for pivotal roles; and (4) inclusive-leadership initiatives that deepen gender diversity and embrace wider dimensions of equity and belonging.

38%

Below 35 years
Supports future talent pipeline and digital adaptability

55%

35-50 years
Provides core management and specialist depth

7%

Above 50 years
Retains institutional memory and senior expertise



Leadership and capability development in 2025

Indicator	2025
Staff participated in leadership programmes	321
Staff participated in Professional certifications	216
Women attending leadership programme	172
Successors identified for critical roles	332
Women promoted to leadership roles in 2025	18
Women promoted to leadership roles, 2023–2025	66
Wellness-programme participants	2,500

Culture and engagement.
Employee engagement at CRDB is reinforced through CEO Town Halls, anonymous surveys, structured recognition such as the CEO Awards, and a broader culture-transformation programme that emphasises ownership, openness and performance discipline.

Capability development.
The Bank continues to use blended learning, digital training, technical programmes, mentoring and professional education to improve readiness for evolving business, regulatory and technology demands. LinkedIn Learning remains available to all employees, and completion is tracked through HR controls.

Inclusion and leadership pipeline.
The SHE Initiatives, women-focused leadership development, the Shadow Board concept and partnerships to widen disability inclusion support a more diverse and resilient pipeline for future leadership roles.







Sustainability and Responsible Banking



Climate and Sustainable Finance Progress



Kenneth Kasigila
Head of Policy Advisory & Climate Finance

In 2025, CRDB Bank advanced a structured and disciplined sustainability agenda embedded in the EVOLVE corporate strategy and guided by a standalone Sustainability Strategy, which completed its first full year of execution. Sustainability is treated as a core management discipline, strengthening longterm value creation, institutional resilience, and stakeholder trust across the Group.

Our sustainability ambition is clear:

> *"To leave a positive footprint wherever we go and in whatever we do".*

Progress during the year was delivered across three integrated focus areas:

Climate and Sustainable Finance Progress	Environmental Stewardship	Sustainability Governance

Together, these focus areas ensure sustainability is embedded across strategy, operations, risk management, and decisionmaking.

Our Sustainability Framework and Focus Areas

The Bank's sustainability framework is designed to support disciplined execution, accountability, and measurable impact. Sustainability priorities are embedded throughout the business lifecycle from product design and capital deployment to operational efficiency and governance oversight.

The framework is anchored on three mutually reinforcing pillars:

- Climate and Sustainable Finance Progress, focusing on mobilising and deploying capital toward climatesmart, inclusive growth.
- Environmental Stewardship, focusing on reducing the Bank's operational footprint while improving efficiency and resilience; and
- Sustainability Governance, ensuring strong oversight, accountability, and integration of ESG considerations into enterprisewide decisionmaking.

Climate and Sustainable Finance Progress

Sustainable Finance at Scale: Capital Deployment

The Bank continued to scale its role in financing climate-smart, inclusive, and resilient growth, deploying significant capital to support the transition to a sustainable economy.
During 2025, funding was deployed across key sustainability initiatives:

- **Tanzania Agriculture Climate Adaptation Technology Development Programme (TACATDP): TZS 107.3 billion**
- **Kijani Green Bond: TZS 175.2 billion**
- **Kijani Financing Proposition: TZS 780 billion**
- **Clean cooking projects: TZS 30 billion**
- **Cage fishing (Blue Economy): TZS 24 billion**

These investments supported climate mitigation, climate adaptation, inclusive growth, and naturebased solutions across multiple sectors of the economy.

Green and Sustainable Finance Performance

The Bank significantly expanded its green and sustainable finance activities in 2025 while maintaining strong credit discipline and portfolio quality. The Green Asset Ratio (GAR) increased to 13% of total assets, representing approximately TZS 2.7 trillion in green loan exposure. During the year, green loans issued totalled TZS 1.97 trillion, benefiting more than 12,000 clients across priority sectors. This performance demonstrates the Bank's ability to scale sustainable finance without compromising risk standards.

International Partnerships and Mobilised Capital

Through international partnerships, The Bank further mobilised climate and social capital:

- USD 200 million in clean cooking investments in Zanzibar through the Global Climate Partnership Fund (GCPF); and
- Approximately EUR 8 million from the European Investment Bank (EIB) to support sustainable fisheries (Blue Economy) projects in the Great Lakes region.

Climate Finance Positioning (COP30)

In 2025, CRDB Bank's engagement at COP30 in Belém, Brazil strengthened its positioning as a climate finance intermediary for Tanzania.As a GCF Accredited Entity, the Bank engaged with multilateral development banks (MDBs), climate funds, and development partners, confirming emerging global shifts toward:

- Scaling adaptation and resilience finance;
- Nature-based solutions and forest finance;
- Water security and climate-resilient infrastructure; and
- Clean energy and geothermal development.

These engagements informed the Bank's forward-looking climate finance pipeline, including readiness to support nationally prioritised initiatives such as water security infrastructure, Ngozi 30MW geothermal energy, sustainable fisheries, and loss-and-damage related financing mechanisms, through structured green and sustainability-linked instruments.

The Bank also contributed to advancing discussions on a Tanzania Sustainable Finance Taxonomy, supporting market standardisation and alignment between sovereign frameworks and bank-level implementation.

Climate and sustainable finance dashboard

Capital deployed and instruments

- Kijani Green Bond outstanding: TZS 175.2bn
- Total bonds outstanding: TZS 714.4bn
- EIB senior credit line: EUR 150m
- EIB sustainable fisheries support facilitated: roughly EUR 8m

Targets and pathways

- Green Asset Ratio target: 10% by 2027 (from 8% in 2024)
- Long-term GAR pathway: 15% by 2030; 30% by 2050
- At least 20% of portfolio aimed at green/social/ sustainability projects
- Sustainability bond targeted by 2027



Sustainable Finance

CRDB Bank's sustainable finance proposition continued to mature in 2025. The Bank positions sustainable finance as a practical financing response to sectors and customers exposed to climate stress, transition pressure or inclusion gaps. It is therefore not limited to green branding. Rather, it covers the use of financial solutions, advisory support, structured facilities and partnership models that improve resilience, broaden access and steer capital toward activities with stronger environmental and social outcomes.

During the 2025 FY, the bank placed considerable emphasis on climate-smart agriculture finance, green finance instruments and a growing framework for assessing environmental, social and climate-related risks in lending. The Group also developed a pathway to increase its green asset ratio to 15% by 2030 and 30% by 2050. While those targets are long-dated, their strategic significance is immediate: they signal the intended re-orientation of the balance sheet toward more climate-resilient and environmentally aligned assets.

Sustainable finance lever	2025 position or disclosure	Strategic implication
Climate-smart agriculture and adaptation	The Bank references a US$200 million financing facility supporting climate-smart agriculture and adaptation technologies.	Supports resilience in one of the most climate-exposed sectors in the regional economy.
Green financing instruments	The Group identifies the Kijani Bond within its funding and sustainable project mobilisation narrative.	Demonstrates the use of labelled instruments to channel capital into eligible projects.
Credit screening and policy integration	Environmental, social and climate considerations are embedded through ESRA, credit templates and Sustainable Finance Unit review inputs.	Improves underwriting quality and helps direct capital to better-managed activities.
Portfolio direction	Green asset ratio ambition: 15% by 2030 and 30% by 2050.	Provides a medium- and long-term portfolio steering metric for sustainable finance growth.

The Bank's sustainable finance capability is also strengthened by diversified funding relationships. The Bank continued to rely on long-term borrowing and partner relationships with a broad set of institutions, including IFC, AfDB, EIB, PROPARCO, INVESTEC, FMO, DFC, IBRD GCPF, DEG, DFIC, CITI, ResponsAbility Investments AG, TIB, NBC and TMRC, alongside strategic partners on green climate projects such as GCF.

This breadth matters because sustainable finance is rarely scaled by internal balance sheet capacity alone; it depends on access to external capital, risk-sharing, structuring expertise and ecosystem credibility.



Environmental Stewardship



Ramla Msuya
Head of sustainability programs

> Natural capital matters to CRDB Bank because environmental performance increasingly affects both sides of the balance sheet: through operating costs and resilience in the Bank's own footprint, and through credit, transition and opportunity dynamics across the financed portfolio.

The Group's 2025 approach to environmental stewardship became more structured and more measurable. During the year, the Group defined its greenhouse gas reporting boundary using the operational control approach under the GHG Protocol, and reported emissions across Scope 1, Scope 2, and relevant Scope 3 categories. This shift is significant because it moves environmental management from a narrative commitment to quantified oversight, enabling the Bank to better link climate considerations with risk management, operations, and capital allocation.

Allocation Insights and Portfolio Focus

In 2025, the Bank advanced its sustainability agenda by deploying TZS 99.8 billion, bringing cumulative investments in green activities to TZS 175.2 billion. All proceeds from the Kijani Green Bond have been fully utilised, demonstrating strong execution discipline, effective governance, and a robust pipeline of eligible green assets. These funds were directed toward priority sectors, including sustainable agriculture, renewable energy, clean transport, energy efficiency, and green buildings.

Sustainable agriculture remained the largest area of investment, supporting climate-smart farming practices, improved productivity, and enhanced food security. Renewable energy financing expanded to include solar and other clean energy infrastructure, improving energy access while reducing carbon intensity. Investments in clean transport, energy efficiency, and green buildings contributed to emissions reduction and the development of resilient, sustainable infrastructure.

Flagship Programmes and Market-Facing Solutions

Kijani Financing Proposition

In 2025, CRDB Bank launched the Kijani Financing Proposition, a dedicated green financing solution targeting micro, small and mediumsized enterprises (MSMEs), with a particular focus on womenowned and climatesensitive businesses.

The proposition supports investments in:

- Renewable engergy and energy efficiency
- Clean transport
- Waste management and circular economy solutions
- Climate adaptation technologies

Delivery is anchored in a partner-enabled model, with vetted suppliers ensuring technical quality and execution integrity. The product suite includes Angaza, Nishati Safi, Recycle, and Usafiri Safi loans, strengthening access to finance while safeguarding credit discipline and environmental outcomes.

Climate Adaptation: TACATDP

A major highlight in 2025 was strong progress under TACATDP, a USD 200 million climate adaptation programme cofinanced with the Green Climate Fund (GCF).
The programme supports smallholder farmers and agribusinesses to adopt climate-resilient technologies such as solar irrigation, greenhouses, and improved postharvest storage, with a longterm target of over 1.2 million direct beneficiaries.

Key achievements during the year included:

- Preparations to introduce Weather Index Insurance to mitigate climate-related production risks; and
- Capacity building and training on climate-smart agriculture and climate adaptation reaching 10,200 farmers and community members across all zones, strengthening skills, awareness, and adoption of resilient farming practices.

The programme is supported by baseline studies covering approximately 3,000 households, enabling impact tracking over time.

Environmental Stewardship

Operational Decarbonisation and Energy Efficiency
The Bank continued to reduce its operational carbon footprint while enhancing service reliability and cost efficiency. During the year, 43 ATMs were equipped with hybrid solar systems, delivering average savings of approximately TZS 500,000 per ATM and eliminating downtime linked to grid instability.

Green Buildings and Infrastructure

The Bank advanced implementation of green building standards:
EDGE Level 1 certification was completed for the Head Office; Preparations commenced for EDGE Advanced (Level 2), supported by energy audits; and Pilot renewable energy upgrades were planned for 10 regional branches ahead of wider rollout.

Waste Management and Circularity

Waste and circularity initiatives resulted in the collection of approximately 5,000 kg of waste, with 80–81% recycled, supporting circular economy practices and responsible operations.

Monitoring and evaluation

The Bank embedded a bank-wide Monitoring, Evaluation and Learning (MEL) framework, supported by baseline studies, an enhanced ESG data architecture, and partnerships with international verification institutions, strengthening the credibility of impact measurement and reporting.

Environmental governance architecture

Board oversight
Oversight of sustainability and climate matters; review of risk, strategy and reporting.

Sustainability Committee
Chaired by the CFO; meets at least every two months to guide sustainability implementation.

Management execution
Implements policy, allocates resources, builds procedures, monitors risk profile and training.

Operational delivery
Green HR, ESG training, supplier criteria, digital processes, facilities upgrades and reporting.





CRDB recycled 51,399 kg of waste in 2025. Food waste dominated the mix, while paper, cardboard, plastic, glass and metals/other materials were channelled into reuse and recycling streams.



Natural capital performance matrix

Focus area	2025 evidence	Status	2026+ direction
Climate governance	Operational-control GHG boundary; ESG and climate policy; Sustainability Committee; Green HR.	Strengthened	Deepen Board and management linkages; continue data and assurance build-out.
Sustainable finance	Kijani Green Bond outstanding at TZS 175.2bn; EUR 150m EIB line; roughly EUR 8m fisheries support facilitated.	Scaling	Advance GAR pathway, portfolio direction and sustainability-bond agenda.
Digitisation and paper	Internet/mobile transactions up 40% to 109.1m; Optima and Savvy Flow paperless workflows; e-statements and e-KYC.	Accelerating	Continue digital servicing, reduce paper intensity and embed process automation.
Energy and resilience	43 ATMs hybrid-solar equipped; average savings reported at TZS 500,000 per ATM; lower downtime.	Targeted rollout	Expand branch and ATM hybrid systems; progress head-office solar and green-branch pilots.
Waste and water	51,399 kg recycled; low-flow fixtures and sensors at HQ; 20% water-reduction ambition by 2030.	Improving	Expand recycling discipline and water measures across more outlets.

Outlook

CRDB Bank enters the next phase of its natural-capital agenda with a stronger platform than before: a larger balance sheet, quantified emissions, live climate targets, an existing green bond, development-finance partnerships, stronger digital adoption, and visible operational pilots in solar, recycling, paper reduction and water efficiency. The strategic implication is clear. For the Group, natural capital is no longer a peripheral reporting topic; it is becoming a balance-sheet, operations and franchise issue. Progress in the coming years will depend on how effectively the Group converts this 2025 foundation into scaled green asset growth, lower operational intensity, stronger data quality and tighter integration of climate considerations into everyday banking decisions.

Our Sustainability



Rachael Metta
Head of Executive Administration and Sustainability Alignment

A disciplined sustainability agenda that combines governance, climate resilience, financial inclusion and partnership-led execution.

The bank's sustainability approach is anchored in the conviction that long-term financial performance, social value, and prudent stewardship are mutually reinforcing. The Group views sustainability not as a separate agenda, but as a management lens through which capital allocation, product development, stakeholder engagement and enterprise risk oversight are strengthened. This approach aligns with the Bank's purpose to improve livelihoods and deliver sustainable impact, while supporting its wider ambition to leave a positive footprint in every aspect of life.



Sustainability Governance

Robust and effective governance underpins the Bank's sustainability agenda. Oversight of climate-related and broader environmental, social, and governance (ESG) risks is exercised at Board level through the Board Credit and Risk Committee. At management level, execution and coordination are led by a dedicated Sustainable Finance Unit alongside the Sustainability Alignment Unit, which together oversee sustainability integration across the Group. Overall implementation of sustainability initiatives is further strengthened through the newly established Sustainability Management Committee, chaired by the Chief Financial Officer.

The Sustainability Management Committee continues to provide strategic direction and oversight of the Bank's sustainability priorities. Climate and sustainability considerations are progressively being integrated into operational procedures, staff capacity-building initiatives, internal control frameworks, and remediation processes. This integration is particularly critical for a banking institution, where the most material environmental impacts arise not only from direct operations, but also from lending and investment activities.

Governance Enhancements in 2025

Key enhancements included:

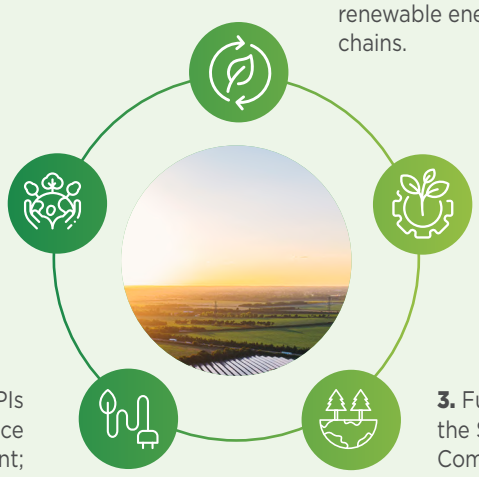
1. Appointment of dedicated sustainability personnel at subsidiary level;

2. Integration of ESG KPIs into executive performance management;

3. Full operationalisation of the Sustainability Management Committee;

4. Embedding ESG into enterprise risk management, data systems, and decisionmaking;

5. Incorporation of ESG requirements into supplier and partner agreements, particularly within renewable energy and clean transport value chains.



Strengthening Climate Governance and Transparency

In 2025, CRDB Bank published its first TCFDaligned Climate-related Financial Disclosure Report, becoming the first commercial bank in Tanzania to do so. This strengthened transparency and the integration of climate risks and opportunities into strategy, portfolio management, and capital allocation.

Building Resilience Through Scenario Analysis

The Bank conducted a qualitative climaterelated scenario analysis using NGFS and IPCC scenarios to assess physical and transition risks across corporate and mortgage portfolios over short, medium, and longterm horizons. Insights are informing portfolio resilience, risk management, and strategic planning.

Sustainability Strategy Execution

The year 2025 marked a pivotal milestone in the Bank's sustainability journey, as it was the first year of implementation of the Bank's standalone Sustainability Strategy. The Strategy is fully anchored to and enabled by the Group Vision, serving as a delivery mechanism through which the Bank advances responsible growth, resilience, and longterm value creation.



In transitioning from framework development to disciplined execution, sustainability in 2025 moved from intent to institutionalised practice—integrated into strategy, capital allocation, risk management, operations, and leadership accountability. This marked a deliberate shift toward embedding sustainability as a core management and performance discipline, aligned with how the Group delivers on its Vision.

Execution of the Sustainability Strategy is structured around three reinforcing pillars, which together translate the Group Vision into measurable environmental, social, and economic outcomes:

- Leading Positive Social Impact, by expanding inclusive access to finance, strengthening climate resilience for communities, MSMEs, and priority sectors, and supporting sustainable livelihoods;
- Driving the Transition to a Sustainable Economy, by scaling green and sustainable finance, mobilising capital into climatesmart and resilient sectors, reducing environmental footprints, and embedding ESG considerations into core business and risk decisions; and
- Fostering Collaboration for Greater Impact, by partnering with development finance institutions, climate funds, governments, suppliers, and communities to amplify impact beyond the Bank's balance sheet.

Throughout 2025, the Bank deliberately aligned its products, programmes, partnerships, governance structures, and operating model to these pillars, ensuring coherence between ambition and execution. This alignment enabled the Bank to deliver tangible outcomes across climate and sustainable finance, environmental stewardship, and ESG governance—while reinforcing trust with shareholders, regulators, customers, and communities.

We will continue to scale operations, enhance governance and regulatory compliance, and integrate sustainability throughout the Group's operations, positioning the Bank to achieve its Vision through responsible, resilient, and inclusive growth.



Governance architecture

Governance layer	Mandate in 2025	What this means in practice
Board oversight	Reviewed sustainability matters as part of strategic direction, risk governance and reporting oversight.	Provides tone from the top and ensures sustainability remains a legitimate value-creation issue.
Senior management	Accountable for implementing the Environmental, Social and Climate Risk Management Policy and related frameworks.	Turns policy into procedures, controls, budgets, skills and remedial actions across the portfolio.
Sustainability Committee	Chaired by the CFO; meets at least once every two months.	Provides strategic guidance, integrates climate into decisions, oversees projects and drives compliance and continuous improvement.
Credit and business functions	Apply ESRA checklists, climate considerations and sustainable finance review inputs in origination and monitoring.	Ensures ESG issues are reflected in credit appraisal templates, field visits and customer engagement.
Risk, compliance and audit	Review adherence to policy and adequacy of controls.	Strengthens discipline, independent challenge and implementation quality.

This architecture is important for two reasons. First, it embeds accountability across the organisation instead of concentrating it in a single specialist team. Second, it gives CRDB a mechanism for responding to a fast-changing regulatory environment, including climate-related disclosure expectations, sector-specific risk guidance and broader sustainability supervision.

Sustainability Strategy and Priorities

CRDB Bank's sustainability strategy is expressed through three mutually reinforcing pillars: lead a positive social impact; drive the transition to a sustainable economy; and foster collaborations for greater impact. Together, these pillars create a practical bridge between responsible banking and commercial execution. They also provide a coherent frame for how the Group intends to allocate attention and capital across customers, communities, operations and partners.

Strategic pillar	Strategic intent	2025 management priority
Lead a positive social impact	Contribute towards an inclusive and financially healthier society.	Strengthen inclusion, literacy, women and youth empowerment, and community investment with measurable reach.
Drive the transition to a sustainable economy	Deliver financial solutions and advisory to individuals and companies in vulnerable sectors.	Expand sustainable finance, climate adaptation support, ESG-aware lending and environmental risk management.
Foster collaborations for greater impact	Work with others to create more impact and achieve long-term value.	Deepen DFI, government, NGO and ecosystem partnerships to mobilise capital, expertise and delivery capacity.

The 2025 priorities under this strategy were consistent with the Group's broader operating agenda: protect financial strength and market share; build a resilient and responsible organisation; improve efficiency and productivity; accelerate automation and digital adoption; and sustain strong compliance and measured expansion. Within that agenda, sustainability priorities were therefore not abstract. They were tied to risk resilience, customer reach, product relevance, data discipline and institutional credibility.

ESG Performance Highlights

The year's ESG performance should be read as a combination of scale, systems and outcomes. Scale is reflected in the size of the Group and its ability to mobilise capital for inclusive and sustainable purposes. Systems are reflected in governance, policy, committee structures, screening tools and staff capability building. Outcomes are reflected in social reach, responsible sourcing, environmental response and community investment.

Area	2025 position	Why it matters
Customers and access	7.2 million customers; 261 branches, 732 ATMs, 6,607 POS terminals and 38,883 registered agents.	Demonstrates the distribution backbone through which inclusion and responsible products can be scaled.
Communities	The group continued to chanel 1% of net profit back to the community through CSI.	Shows continued reinvestment into social development aligned to policy and strategy.
Inclusion	501,201 women and youth reached through IMBEJU, up from 196,650 in 2024.	Signals stronger depth of outreach and a marked expansion in financial capability support.
Workforce	4,528 employees: 53% male and 47% female; age mix 38% below 35, 55% between 35 and 50, and 7% above 50.	Reflects scale, generational balance and continued progress in diversity.
Procurement	93% of suppliers sourced locally.	Supports local enterprise participation and strengthens domestic value chains.
Environmental response	TZS 50 million invested in environmental sustainability initiatives.	Provides evidence of direct action beyond policy statements.



Climate-Related Risks and Opportunities

CRDB Bank's climate-related risk management has clear progression from broad intent to structured risk articulation. The Bank explicitly considers climate-related risks and opportunities across short-, medium- and long-term horizons, and links them to operations, financial performance, strategy and capital access. This is an important marker of maturity because it moves the conversation beyond environmental goodwill into prudential and strategic relevance.

Time horizon	Principal climate-related risks	Strategic opportunities
Short term (1-3 years)	Extreme weather can disrupt branch operations, data centres and customer access; new disclosure and regulatory requirements may require rapid compliance responses.	Expand green products, climate-resilient lending and partnership-led adaptation finance.
Medium term (3-7 years)	Changing climate patterns may affect agricultural productivity and credit quality; stakeholder expectations may influence reputation and access to capital.	Develop ESG-aligned lending frameworks and use digital channels to reduce operational footprint and improve resilience.
Long term (7+ years)	Systemic climate change may reshape core economic sectors, collateral values and portfolio composition.	Reposition the portfolio towards greener assets, resilient sectors and lower-carbon growth pathways.

In operational terms, the Bank identifies both physical and transition risks. Physical risks include floods, droughts and other extreme weather events that can affect branches, data infrastructure, collateral and customers' productive capacity. Transition risks include new regulations, changing market expectations and the need to integrate ESG considerations more deeply into risk systems and client engagement. The key institutional response is to treat climate as a credit, operational and strategic issue - not merely an externality.

The Bank applies ESG considerations through its Environmental and Social Management System, implements an Environmental, Social and Climate Risk Management Policy, and uses international good practice including IFC Performance Standards in credit review appraisals before approval.



Partnerships



Joseph Maji
Head of Treasury and Strategic Partnerships

Mobilising capital and capability through trusted partnerships

Partnerships remained a critical source of social reach, funding depth and strategic leverage in 2025. On the community side, CRDB worked with ecosystem actors to extend entrepreneurship, financial literacy and digital inclusion. On the funding side, the audited financial statements show a series of development-finance partnerships that expanded lending capacity to SMEs, women-led businesses, climate finance and broader inclusion agendas. These relationships enhanced the Bank's ability to serve customer segments that require patient capital, technical assistance and blended forms of support.

Key development-finance partnerships disclosed in the audited notes include the following: a USD 125 million senior credit facility from PROPARCO and FMO supporting climate financing, agriculture, agro-processing and gender initiatives; a USD 320 million facility from DFC and Citibank Europe to strengthen SME financing in Tanzania and Burundi, with emphasis on businesses led or owned by women; a USD 60 million DEG facility for general SME support with technical assistance; a USD 60 million facility from FinDev Canada supporting gender, green lending and MSMEs; and multiple managed-fund lines from ResponsAbility focused on financial inclusion and growth of micro, small and medium enterprises.



Selected strategic and financing partnerships

Partner	Facility / relationship	Primary purpose	Reference
PROPARCO & FMO	USD 125 million senior facility	Climate finance, agriculture, agro-processing and gender initiatives	Note 50
DFC & Citibank Europe	USD 320 million senior facility	SME financing in Tanzania and Burundi, with focus on women-led / women-owned businesses	Note 50
DEG	USD 60 million senior facility	General SME support plus technical assistance	Note 50.15
FinDev Canada (DFIC)	USD 60 million senior facility	Gender, green lending initiatives and MSMEs	Note 50.16
ResponsAbility	Multiple credit facilities totalling USD 35 million	Financial inclusion and MSME growth	Note 50.12
Green Climate Fund	Accreditation / strategic partnership	Environmental finance and sustainability-linked mobilisation	Operating environment disclosure

Customer Centricity – Social & Relationship Capital



Yolanda Urio
Head of Customer Experience

The Bank places customers at the centre of its strategy, embedding trust, inclusion and convenience across all products, services and interactions. Serving individuals, MSMEs, corporates, governments, farmers, agents and diaspora customers, the Bank focuses on building enduring relationships and long-term advocacy through consistent, high-quality experiences delivered across physical and digital touchpoints.

How CRDB Serves Its Customers – Bank the Way You Live

During the year, the Bank continued to enhance its capabilities to enable customers to bank anytime, anywhere through an extensive omnichannel ecosystem that includes branches, SimBanking, Internet Banking, ATMs, Wakala agents, and a 24/7 Contact Centre. The Bank's wide physical and digital reach supports financial inclusion in both urban and rural areas, while tailored engagement models enable personalised support for priority and remote segments, including diaspora customers.

Customer Service and Grievance Redressal

The Bank operates a structured customer service governance and grievance redressal framework designed to ensure fairness, transparency and regulatory compliance. Customer issues are resolved at the first point of contact where possible, with structured escalation through Customer Experience (CX) forums and management committees. A robust incident management and ticketing system ensures end-to-end issue tracking, cross-functional accountability and timely resolution, with oversight extending to senior management and the Board.

Key initiatives strengthening service recovery and accountability include the Complaint Buster programme, which promotes first-contact resolution and staff empowerment, and the SMS feedback shortcode 15089, which enables real-time customer feedback, particularly for feature phone users.

Service Monitoring and Measurement Mechanisms

Service quality is continuously monitored through a suite of measurement tools and internal controls, including Mystery Shopping Surveys, Telephone Monitoring Services, Internal Staff Satisfaction Surveys and Service Level Agreement (SLA) monitoring across internal functions. Insights from these mechanisms are reviewed in CX forums and translated into corrective actions to drive continuous improvement and operational discipline.

Embedding a Customer-Centric Culture Through NPS

Bank's Net Promoter Score (NPS) framework measures customer advocacy and loyalty across key products and channels. Customer feedback is systematically collected, analysed and escalated through CX governance structures, with outcomes reported to senior management and the Board. The approach reinforces a culture anchored on listening to customers, learning from insights and acting decisively to improve experiences.

From Scores to Systems

Customer centricity is embedded across the organisation through leadership ownership, frontline empowerment, structured escalation mechanisms and reward and recognition for service excellence. The Huduma Dhahabu programme reinforces service ethics, etiquette, accountability and regulatory-aligned complaint handling across frontline and support teams.



	2025	2024
Customer base	7.2m	6.4m
Net Promoter Score	75	56
Customer Experience	90	90

Customer-Centric Campaigns and Engagements

In line with its customer-first philosophy, The Bank undertakes targeted customer engagement initiatives designed to encourage adoption of convenient service channels, reinforce trust and respond to cost sensitivities. These initiatives complement the Bank's broader CX strategy by promoting digital usage, rewarding loyalty and enhancing transparency, while sustaining service quality and transaction volumes.

Campaign	Target Segment	Purpose & Message	Outcome
Benki ni SimBanking	Nationwide	Drive sustained digital adoption and habit formation.	Increased digital usage Reduced branch dependency Strong customer loyalty
ATM Cashback Fridays & Double Points	Existing retail customers Highfrequency ATM and mobile users Both urban and upcountry customers (via Bank's national ATM footprint)	Reinforce trust **"giving back to customers"** by refunding fees and increasing loyalty rewards.	Maintained transaction volumes Improved trust and sentiment
SimBanking Year-End Grand Draw	Nationalwide	This campaign marked the **culmination of the yearlong SimBanking promotion**, transforming digital usage into **lifechanging outcomes**.	Close the year with a strong emotional brand moment Publicly demonstrate reward integrity Convert winners into brand ambassadors
SME, Women & Inclusive Finance Campaigns	Women entrepreneurs Youthled SMEs MSMEs in agriculture and housing	These campaigns positioned the Bank as a **development partner to customers**, not just a transactional bank.	Deepen customer relationships beyond deposits Anchor longterm loyalty among SMEs and womenled businesses

Focused Customer Solutions

Customer propositions are designed around the specific needs of key segments, including retail and mass market customers, MSMEs, agents, farmers, diaspora clients and Islamic banking customers under the Al Barakah window. Customer feedback and NPS insights inform product refinement, service enhancements and targeted capacity-building interventions across segments.



Digital Experience and Journey Transformation

The migration to a new core banking system, expansion of digital self-service journeys, paperless onboarding processes and omni-channel incident management enhanced service resilience, speed and convenience. These initiatives improved customer access while supporting consistent service delivery across channels.

Procurement and Supply Chain Performance



Pendason Philemon
Director of Procurement

Driving Value, Inclusion, and Resilience

In 2025, the Procurement Department delivered strong commercial and strategic value to the Group, exceeding its annual cost savings target by a significant margin. Total savings reached TZS 38 billion, while consistently ensuring value for money, supply continuity, and ethical sourcing. This performance was underpinned by disciplined cost management, strong supplier relationships, and a deliberate focus on inclusive and sustainable procurement practices.

Supplier Segmentation and Inclusive Procurement

The Bank adopts a structured supplier segmentation model designed to promote diversity, inclusion, and fair competition across its supply chain. Suppliers are categorised into three tiers:

Tier 1: Start-ups	Tier 2 Medium-sized enterprises	Tier 3 Large companies

This segmentation is a deliberate strategic choice to support youth-led businesses, women entrepreneurs, and SMEs, in line with the Bank's broader financial inclusion and ESG objectives. During the year under review, Procurement awarded a tender under Imbeju Programme to a women's group for the supply of 1,000 branded bags for the Annual General Meeting. The group delivered high-quality products on time, meeting the Bank's expectations and demonstrating that inclusive procurement can deliver tangible value for money.

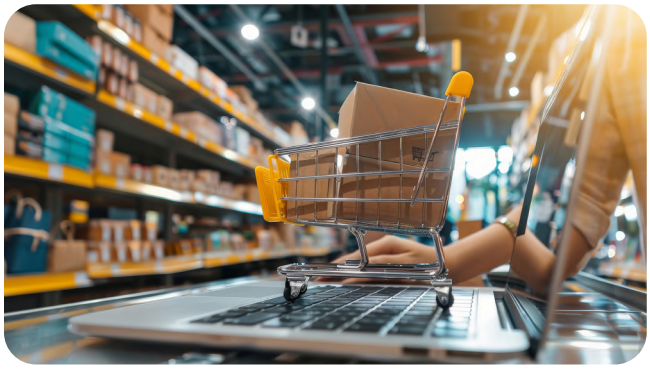
To further support start-ups and youth-led enterprises often constrained by limited working capital the Bank provides advance payments to qualifying suppliers. This approach alleviates cash flow pressures, enables business sustainability, and strengthens long-term supplier relationships.

Local Spend and Economic Impact

In line with its commitment to supporting the domestic economy, the Bank committed approximately TZS 500 billion to annual procurement spend in 2025.
Of this amount:

- 85% was allocated to local suppliers, primarily SMEs and start-ups, and
- 15% was directed to foreign suppliers only where local capacity was insufficient.

This deliberate prioritisation of local sourcing supported enterprise development, job creation, and broader economic growth in Tanzania while maintaining access to specialised services and technologies where necessary.



Value for Money and Cost Avoidance

Beyond direct cost savings, the Procurement department actively leveraged long-standing supplier relationships to generate additional value through cost avoidance initiatives. In 2025, the Bank capitalised on its business volume and strategic partnership with a key supplier to negotiate a full year of free maintenance services. This initiative resulted in TZS 4 billion in cost avoidance, further strengthening the Bank's cost efficiency and value extraction from supplier engagements.

Digitalisation and Process Modernisation

The Bank continued to modernise procurement workflows to enhance efficiency, transparency, and fairness. Supplier pre-qualification and onboarding are conducted through the Bank's in-built online procurement systems, where vendors upload their profiles for initial screening, followed by second-level verification by Bank staff.

The Department also utilises smart procurement tools to facilitate digital tender opening in a transparent, fair, and real-time manner. Supplier collaboration is embedded within performance management processes and is executed cross-functionally. Feedback to suppliers is provided directly, consistently, and transparently, supporting continuous improvement across the supply chain.

Risk Management and ESG Integration

Procurement operations are guided by robust risk management frameworks designed to ensure ethical conduct and mitigate supply chain risks. Since 2024, the Bank has taken a deliberate approach to embedding sustainability, ethics, and regulatory compliance across procurement policies and operations. Supplier contracts include comprehensive clauses and a Supplier Code of Conduct, requiring compliance with labour laws, ethical standards, and regulatory obligations. ESG considerations are formally embedded into the tender evaluation process, with the following weighting applied:





This represented a strategic rebalancing from the previous 70% technical weighting, reinforcing the importance of sustainability and responsible sourcing.
A dedicated Supplier Management Framework governs dispute resolution and vendor blacklisting procedures. The Bank maintains a zerotolerance policy for unethical conduct, including bribery or kickbacks, with immediate blacklisting applied in confirmed cases.

Suppliers are assessed using a social compliance matrix and detailed ESG questionnaire, enabling systematic scoring, gap identification, and ongoing monitoring. This approach supports continuous engagement with suppliers and facilitates remediation where gaps are identified.

Supply Chain Resilience and Disruption Mitigation

To safeguard service continuity, Procurement conducts comprehensive supplier vetting and assessments every six months, covering both existing vendors and new onboardings. Reviews assess performance, governance structures, ownership, product quality, and regulatory compliance. Identified gaps are formally communicated to suppliers with clear remediation expectations.

For critical services, particularly ICT, the Bank requires suppliers to maintain a robust Business Continuity Management Framework. Quality assurance site visits confirm the existence of secondary operating sites, adequate staffing, and long-term capacity sustainability. On average, the Bank maintains three alternative suppliers for each critical service to mitigate the risk of service disruption.

Group-Wide Governance and Capability Building

Procurement governance frameworks apply consistently across the Group, while allowing for localisation to meet subsidiary regulatory and operating contexts. The Head Office Procurement team provides technical support, oversight, and best-practice guidance to subsidiary teams, ensuring alignment with Group standards on due diligence, ethical procurement, and regulatory compliance.

Through cross-functional collaboration and continuous capability building, the Procurement Division continues to strengthen resilience, uphold governance standards, and deliver sustainable value across the Group.

Building Trust, Driving Inclusion, and Accelerating Digital Growth



Joseline Kamuhanda
Head of Marketing

In 2025, the Marketing function played a pivotal role in advancing the Bank's strategic ambitions of sustainable growth, digital transformation, and inclusive market leadership. Operating in a highly competitive and rapidly evolving financial services landscape, Marketing served as a critical connector between strategy, customers, and commercial outcomes, strengthening brand trust while demonstrably driving revenue, customer acquisition, and long-term value creation.

At the heart of the year's performance was a deliberate shift from campaign-based visibility to integrated, data-led growth marketing. Through nationwide campaigns, targeted digital engagement, and strategic partnerships, the function reinforced the Bank's position as a trusted financial partner for individuals, businesses, and communities across Tanzania.

Strengthening Brand Trust and Market Relevance

A central priority in 2025 was reinforcing brand confidence and relevance across diverse customer segments. Flagship campaigns such as "Tushavuka Huko", "SimBanking Ni Humu Tu", "Zogo Mchongo", and "Instaprenyua" were strategically designed to rebuild trust, accelerate digital adoption, engage youth, and empower MSMEs.

These campaigns delivered not only broad reach but also clear, measurable impact. Optimisation across digital channels drove strong performance, with SimBanking campaigns consistently delivering strong results. Similarly, CRDB Wakala campaigns exceeded expectations, directly advancing the Bank's financial inclusion agenda by extending access to banking services in underserved and rural communities.

A significant milestone during the year was the launch of CRDB Konekt, the Bank's youth-focused proposition. Recognising the long-term value of early customer acquisition, Marketing strategically positioned the Bank among early youth and active youth segments. The Konekt campaign reached over one million young people, primarily through Instagram and TikTok platforms aligned with youth consumption patterns. A partnership with global youth brand Trace Music enabled authentic connection through music, culture, and lifestyle, ensuring strong brand resonance and laying the foundation for lifetime customer relationships.

Insight-Led Strategy and Customer-Centric Execution
Marketing decisions in 2025 were underpinned by deep customer and market insights. Analysis revealed rapid growth in mobile banking adoption alongside continued reliance on assisted channels, particularly in rural and peri-urban areas. Customers increasingly demanded banking solutions that were convenient, affordable, reliable, and relevant, and showed strong responsiveness to targeted, influencer-led, and personalised digital engagements.

In response, the function adopted a dual growth model, accelerating digital adoption while strengthening agent-led service delivery. A structured three-pillar acquisition strategy combining influencer demand creation, paid media optimisation, and conversion-focused digital experiences delivered over 7,000 qualified leads. This customer-centric, insight-driven approach ensured that marketing investments translated into tangible commercial outcomes.





Driving Visibility, Trust, and Commercial Returns

The Bank's presence across major national platforms and events remained a cornerstone of visibility and trust-building. Throughout the year, Marketing executed high-impact sponsorships and activations including the CRDB Bank Federation Cup, CRDB Bank 5KM Kilimanjaro Marathon, Saba Saba and Nane Nane National Exhibitions, Simba Day, Wiki ya Mwananchi, Bukombe Teachers' Day Mega Activation, and Trace In Tanzania powered by KonektNaCRDB.
Key commercial outcomes included:

- Saba Saba 2025: 2,001 accounts opened, 2,786 SimBanking activations, 1,743 Lipa Hapa activations,
- CRDB Bank 5KM Fun Run: 1,869 accounts opened and 817 SimBanking activations

Collectively, these initiatives contributed to financial performance alongside enhanced brand equity.



Advancing ESG and Purpose-Led Marketing

Marketing remained a key enabler of the Bank's Environmental, Social, and Governance (ESG) commitments. Digital banking campaigns actively promoted paperless transactions, contributing to environmental sustainability and operational efficiency. Initiatives such as Instaprenyua provided MSMEs with access to financial solutions and capacity-building opportunities, reinforcing inclusive economic growth.
The expansion of CRDB Wakala strengthened access to banking services in underserved communities, while targeted initiatives, such as the Malkia FM partnership, advanced women's financial inclusion by aligning products and messaging with female customer needs.

Additionally, the "Tupo Mtaani Kwako" nationwide roadshow supported merchant education and adoption of LIPA HAPA, accelerating the shift toward cashless payments and enabling small businesses to participate more fully in the digital economy. Participation in national exhibitions and community engagements further supported financial literacy and stakeholder trust.

Enhancing Customer Experience and Lifetime Value

Beyond acquisition, Marketing focused on deepening customer relationships and maximizing lifetime value through a robust Customer Value Management (CVM) framework. Performance outcomes included:

- 53,241 customers converted into active transacting customers (40% conversion rate)
- 33% conversion rate from SimBanking reactivation,

These results reflect successful progression from acquisition to sustained engagement, reinforcing Marketing's role in long-term value creation.

Challenges, Lessons, and the Road Ahead

The year was not without challenges. Rapid digital disruption, rising customer expectations, and intensifying competition from fintechs required constant agility. Balancing digital transformation with the ongoing need for assisted services, coordinating large-scale nationwide campaigns, and ensuring measurable ROI were key operating complexities.
The lessons learned the power of data, cross-functional collaboration, and continuous innovation will shape the function's future approach.

Looking ahead to 2026 and beyond, Marketing will prioritise:

- Accelerating digital-first engagement and self-service banking
- Leveraging advanced analytics for personalised customer experiences
- Supporting regional expansion initiatives
- Enhancing end-to-end customer experience
- Strengthening ESG communication and sustainable marketing practices
- Reinforcing the Bank's position as a trusted, innovative financial partner

Through these priorities, the Marketing function will continue to play a central role in delivering the Bank's strategy and purpose driving growth while creating lasting impact for customers, communities, and stakeholders.



Community Investment



Jadi Ngwale
Head of Corporate Social Investment

Investing in inclusive growth and resilient communities

Community investment remained a defining expression of CRDB Bank's social purpose in 2025. Through the Group's Corporate Social Investment (CSI) policy and the work of CRDB Bank Foundation, the Bank deployed approximately TZS 2.7 billion into community-focused initiatives aligned with education, health, environment, women and youth empowerment, and financial capability. The Group sets aside 1% of net profit for community investment, reinforcing the institutional nature of its social commitment.

In 2025, the Group continued to demonstrate its commitment to inclusive and sustainable national development through the implementation of its Corporate Social Investment (CSI) Policy. CSI remains a core enabler of the Bank's 2023–2027 Strategy, supporting the delivery of long-term social value while contributing to improved livelihoods, strengthened institutions, and resilient communities.

During the year, the Bank invested approximately TZS 2.7 billion across four strategic CSI pillars: Health, Education, Environment, and Youth and Women Empowerment. Investments were prioritised based on identified community needs, alignment to national development priorities, and the potential to deliver measurable and sustainable impact.

Health

The health pillar remained a central focus of the Bank's CSI agenda, with total investment of approximately TZS 540 million aimed at strengthening healthcare systems, expanding access to specialised medical services, supporting preventive healthcare, and addressing infrastructure gaps in underserved communities.

Key interventions included support to CCBRT and the Jakaya Kikwete Cardiac Institute (JKCI), with TZS 100 million allocated to each institution. The funding to CCBRT enhanced maternal healthcare services for women with high-risk pregnancies, improving access to life-saving treatment and reducing financial burdens on vulnerable households. At JKCI, the Bank's contribution enabled 50 children with heart conditions to receive diagnostic services, corrective surgery, and post-operative care.

The Bank further invested TZS 100 million in Benjamin Mkapa Hospital to support specialised medical outreach programmes in Burundi, extending advanced healthcare services to underserved populations and strengthening regional medical collaboration. An additional TZS 100 million was channelled to Afya Check for nationwide outreach programmes, through which 14,313 individuals accessed free medical screenings, early disease detection services, immunisation support and essential medication.

Health infrastructure improvements included completion of the Mukulu Health Centre in Iramba District at a cost of TZS 29.3 million, significantly enhancing access to essential medical services. The Bank also contributed TZS 25 million to Good Samaritan Cancer Hospital in Ifakara for specialised beds and mattresses to improve patient comfort and quality of oncology care.





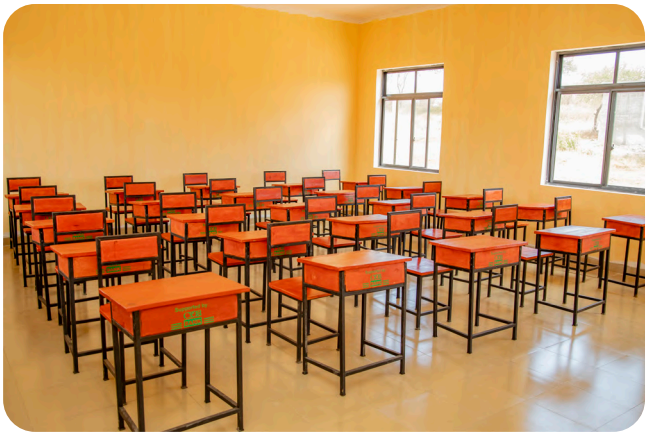
Education

Education accounted for approximately TZS 850 million of total CSI expenditure in 2025, reflecting the Bank's commitment to expanding access to inclusive, safe, and quality learning environments while creating durable education assets for long-term community benefit.

Through the Keti Jifunze Campaign, the Bank invested TZS 253 million to address persistent desk shortages in government-owned schools. A total of 630 desks and 2,300 chairs and tables were distributed nationwide, creating seating capacity for approximately 4,190 pupils at any given time. Over an estimated 10-year lifespan, this intervention is projected to benefit approximately 40,000 students.

The Bank also invested TZS 140 million in the construction of the Kitopeni Orphanage Centre in Bagamoyo, following the relocation of the orphanage from flood-affected areas. The centre integrates educational and residential facilities and is designed to accommodate up to 1,000 children at any given time, with a strong focus on children with physical and intellectual disabilities. Over its lifetime, the facility is expected to support more than 10,000 vulnerable children.
Additional investments were made in Buhigwe District, including classroom renovations, teachers' offices, and the donation of 150 mattresses to support students preparing for national examinations. Classroom construction and renovation in multiple districts resulted in the delivery of 12 classrooms, accommodating approximately 540–600 pupils at any given time and benefiting over 5,000 pupils over time.
Further education support included the provision of 78 computers to schools, construction of perimeter walls, dormitories, sanitation facilities, clean water systems, and other critical infrastructure, enhancing safety, inclusivity, and digital learning capacity.





Environment

Environmental sustainability initiatives received approximately TZS 50 million, focusing on conservation, clean energy adoption and community environmental awareness. Tree planting and environmental clean-up programmes were implemented in Arusha and Kilimanjaro Regions, contributing to ecosystem restoration and improved environmental stewardship.

The Bank supported clean cooking initiatives through the distribution of 100 gas cylinders to women traders in Arusha and provision of a gas stove to Yombo Vituka Primary School. These interventions reduced reliance on charcoal and firewood, mitigated environmental degradation, and delivered health and economic benefits to beneficiaries.

Youth and Women Empowerment

Youth and women empowerment represented the largest share of CSI investment in 2025, with approximately TZS 1.2 billion allocated to initiatives aimed at talent development, leadership, entrepreneurship and economic inclusion.

Major investments included support for Phase One of the construction of Kyerwa Stadium, establishing a key platform for youth sports development and community engagement. The Bank also supported Ndondo Cup 2025, Namungo Football Club, Kuambiana Tournament, and the Kyerwa District Football League, strengthening grassroots sports participation across regions.

Beyond sports, the Bank invested in youth leadership and innovation through support to the African Leadership Summit organised by Uongozi Institute, financial literacy programmes delivered by civil society partners, and agricultural empowerment initiatives aimed at building sustainable livelihoods for young people.

The Bank's CSI activities in 2025 reflect a disciplined and impact-driven approach to social investment. By prioritising long-term infrastructure, inclusive service delivery, preventive health, youth empowerment and environmental sustainability, the Bank continues to contribute meaningfully to national development objectives while creating shared value for communities, stakeholders and future generations.





Subsidiary and Busines Segment Reviews



CRDB Bank Burundi - Managing Director's Review



Fredrick Siwale
Managing Director

CRDB Bank Burundi S.A. delivered the strongest subsidiary performance in the Group in 2025 and remained the anchor of CRDB Bank's regional banking footprint outside Tanzania. The business combined disciplined balance-sheet growth with continued profitability, confirming that the subsidiary has moved beyond establishment into scaled execution.

Assets
TZS 2,311.2 bn

Deposits
TZS 1,097.2 bn

PAT
TZS 43.7 bn

Asset share of group
10.4%

Interest income
TZS 172.3 bn

For the year, profit after tax increased by 9.0% to TZS 43.7 billion from TZS 40.3 billion in 2024. Total assets expanded by 55.7% to TZS 2,311.2 billion, while customer deposits rose by 58.3% to TZS 1,097.2 billion. Interest income increased by 54.9% to TZS 172.3 billion, underpinned by growth in government securities and customer credit. These results reflect both commercial traction and effective balance-sheet deployment.

Management execution during the year focused on branch expansion, channel deepening, and resilience. The bank ended 2025 with seven branches, 13 ATMs, 3,005 registered agents, and strong activity growth across alternative channels. The channel model continues to shift the business toward broader reach and lower-cost service delivery, while preserving branches for higher-value relationship banking and complex transactions.

From a leadership standpoint, the most important message from 2025 is that growth was not pursued at the expense of prudence. Asset quality remained sound, liquidity stayed comfortably above regulatory minimums, and the subsidiary preserved its status as one of the leading banks in Burundi by balance-sheet size. The result is a business with demonstrably stronger scale, good earnings quality, and clear strategic relevance to the Group.





CRDB Bank Congo - Managing Director's Review



Loss
TZS 9.0 bn

Deposits
TZS 118.5 bn

Assets
TZS 319.8 bn

Gross financial spread
TZS 16.1 bn

Ownership
55%

Jessica Nyachiro
Managing Director

CRDB Bank Congo S.A. remained in investment and build-out mode in 2025, but the year showed measurable progress in operating depth and formation. The subsidiary is still early in its life cycle, having entered only its third year of operation, and management's task in 2025 was therefore two-fold: build a credible banking platform and improve underlying economics.

The subsidiary recorded an after-tax loss of TZS 9.0 billion. Even so, gross financial spread increased materially to TZS 16.1 billion from TZS 7.5 billion in 2024, reflecting stronger contribution from government securities and loans and advances. Customer deposits closed the year at TZS 118.5 billion and total assets reached TZS 319.8 billion. These figures indicate that the bank is gaining scale, even while profitability remains diluted by establishment and growth costs.

The strategic significance of the DR Congo operation goes beyond current-year earnings. It positions the Group in one of the region's largest and most resource-rich markets, diversifies the Group's long-term growth options, and builds adjacency to mining, trade, logistics and associated SME value chains. In that context, 2025 should be read as a year of platform consolidation rather than maturity.

Management's progress is therefore best assessed through trajectory: a wider funding base, a stronger spread, a larger asset book, and increasing relevance within the Group's regional ambition. The immediate priority remains converting scale into sustainable profitability while preserving risk discipline and operational quality.





CRDB Bank Foundation - Managing Director's Review



Tully-Esther Mwambapa
Director of Corporate Affairs and MD, CRDB Bank Foundation

CRDB Bank Foundation remained the Group's dedicated vehicle for social investment and inclusive enterprise development. During the 2025 FY, the Foundation deepened its shift from a financing-only model toward a broader ecosystem approach that combines capital, capability building, market connection and digital inclusion.

Empowering Communities. Expanding Opportunities. Leaving No One Behind

During the period under review, CRDB Bank Foundation recorded significant milestones in advancing financial inclusion, entrepreneurship development, and sustainable livelihoods, with the iMbeju Program acting as the primary delivery platform. Through deliberate engagement with communities, the Foundation addressed longstanding barriers related to access to finance, skills development, and market participation. The program's alignment with the slogan "Leave No One Behind" reinforced the Foundation's focus on marginalized groups, ensuring inclusive participation in economic growth and shared prosperity.



Capacity Building: Laying the Foundation for Sustainable Growth

Capacity building remained the backbone of the Foundation's impact model, recognizing that skills and knowledge are critical for longterm financial resilience. In 2025, a total of 501,201 beneficiaries received structured training in financial literacy, entrepreneurship, business management, and group governance. These interventions strengthened decisionmaking, income management, and resilience against economic shocks. Cumulatively, capacitybuilding beneficiaries reached 879,285, demonstrating significant program scaleup and effectiveness.

501,201 beneficiaries trained in 2025

Enhanced entrepreneurial confidence and selfreliance

Access to Finance: Driving Inclusion and Economic Participation

Improved access to finance remained central to enterprise development and household economic stability. Through the iMbeju Program, the Foundation enabled access to seed funding of TZS 10.2 billion, supporting startup capital, business expansion, and income diversification. In addition, TZS 64.0 billion was mobilised in bank deposits under structured financial management, reinforcing a culture of savings and financial discipline within communities.
Consequently, 203,273 individuals were financially included in 2025, bringing the cumulative total to 367,813.

TZS 10.2 billion Bank seed funding disbursement

TZS 64.0 billion mobilized in Bank's deposits

Digital Financial Inclusion: Bridging the Access Gap

Digital transformation played a vital role in expanding outreach to remote and underserved areas. In 2025, 120,294 beneficiaries were reached through digital financial inclusion initiatives, including simbanking, agency banking, and Internet banking in the Bank's service platforms. This brought the cumulative total of digital inclusion beneficiaries to 287,970. These digital solutions improved convenience, reduced transaction costs, and enabled faster integration into the formal economy, particularly for women, youth, and rural entrepreneurs.

120,294 newly digitally included in 2025

Strengthened participation in the digital economy

Enterprise Development and Market Linkages

To ensure sustainability beyond access to finance, the CBF prioritised enterprise formalisation and institutional strengthening. During the year, 4,267 groups were transformed into structured economic entities, enabling better governance, accountability, and access to financing opportunities. Additionally, 173 agents and 216 Lipa Hapa merchants were onboarded through Imbeju programs to strengthen local financial ecosystems, improve last-mile service delivery, and stimulate community-based trade.

Sustainable Community Impact

By actively listening to community needs and delivering integrated solutions, CRDB Bank Foundation continues to promote inclusive economic growth, local development, and environmental sustainability. Beyond quantitative achievements, the programs have empowered individuals to build sustainable livelihoods, enhanced household financial security, and strengthened community institutions. Through the Foundation and the iMbeju Program, thousands of lives have shifted from vulnerability to opportunity laying a strong foundation for a resilient, inclusive, and sustainable future.

- Empowered people
- Stronger enterprises
- Inclusive growth
- Sustainable communities







CRDB Insurance Company – MD's Review



Wilson Mnzava
Managing Director

CRDB Insurance Company Limited continued to build momentum as the Group's newest non-bank earnings line and posted a positive profit contribution in 2025. The business is still young, yet its performance indicates that the insurance platform is beginning to scale with credibility.

Profit after tax reached TZS 4.4 billion. Insurance revenue increased by 96% to TZS 41.4 billion, insurance investment income rose by 132% to TZS 2.9 billion, and total assets climbed to TZS 44.2 billion from TZS 19.2 billion in 2024. The strong asset growth was driven largely by growth in investments and reinsurance contract assets.

This trajectory matters strategically for two reasons. First, it introduces a diversified source of earnings that is not solely dependent on traditional interest income. Second, it broadens the Group's ability to serve customers through adjacent protection solutions and deepens relationship value across retail and corporate ecosystems.

The company remains relatively small in relation to Group assets, but its rate of growth and profitability profile indicate that it has moved beyond incubation into a more scalable operating phase.

PAT
TZS 4.4 bn

Insurance revenue
TZS 41.4 bn

Investment income
TZS 2.9 bn

Assets
TZS 44.2 bn

General Insurance Offering

CRDB Insurance Company Limited offers a comprehensive range of general insurance solutions designed to protect individuals, businesses, and institutions against a wide variety of risks. The Company's general insurance portfolio is structured to address both personal and commercial needs, providing financial security, business continuity, and peace of mind to its customers across diverse sectors of the economy.

The product suite includes Motor Insurance, covering both private and commercial vehicles against accident, theft, and third-party liabilities; Property Insurance, which safeguards assets against risks such as fire, and other unforeseen perils; and Marine and Transit Insurance, offering protection for goods in transit by land, sea, or air. In addition, CRDB Insurance provides Engineering Insurance, covering construction and operational risks, and Liability Insurance, which protects clients from legal liabilities arising from business operations.

CRDB Insurance further supports business resilience through specialized covers such as Contractors' All Risks, Workmen's Compensation, and Professional Indemnity Insurance. These solutions are tailored to meet regulatory requirements while mitigating operational and financial risks faced by businesses and professionals. For retail customers, the Company also offers personal accident and travel insurance solutions designed to provide protection against life uncertainties.

The Company's general insurance operations are underpinned by prudent risk assessment, efficient claims management, and a strong reinsurance framework. Through continuous product innovation, customer-centric service delivery, and digital enablement, CRDB Insurance remains committed to delivering reliable, accessible, and sustainable general insurance solutions that support economic growth and safeguard the interests of its stakeholders.




CRDB
nsurance
WE ARE HONOURED TO
elcome
OUR GROUP CEO & MD
R.ABDULMAJID M. NSEKELA
"A TRULY VISIONARY LEADER
OSE INSIGHT, DEDICATION,
FORWARD-THINKING
ANCE CONTINUE TO
IRE OUR ENTIRE
ANIZATION."



Our Governance



CORPORATE GOVERNANCE

The Group Statement on Corporate Governance

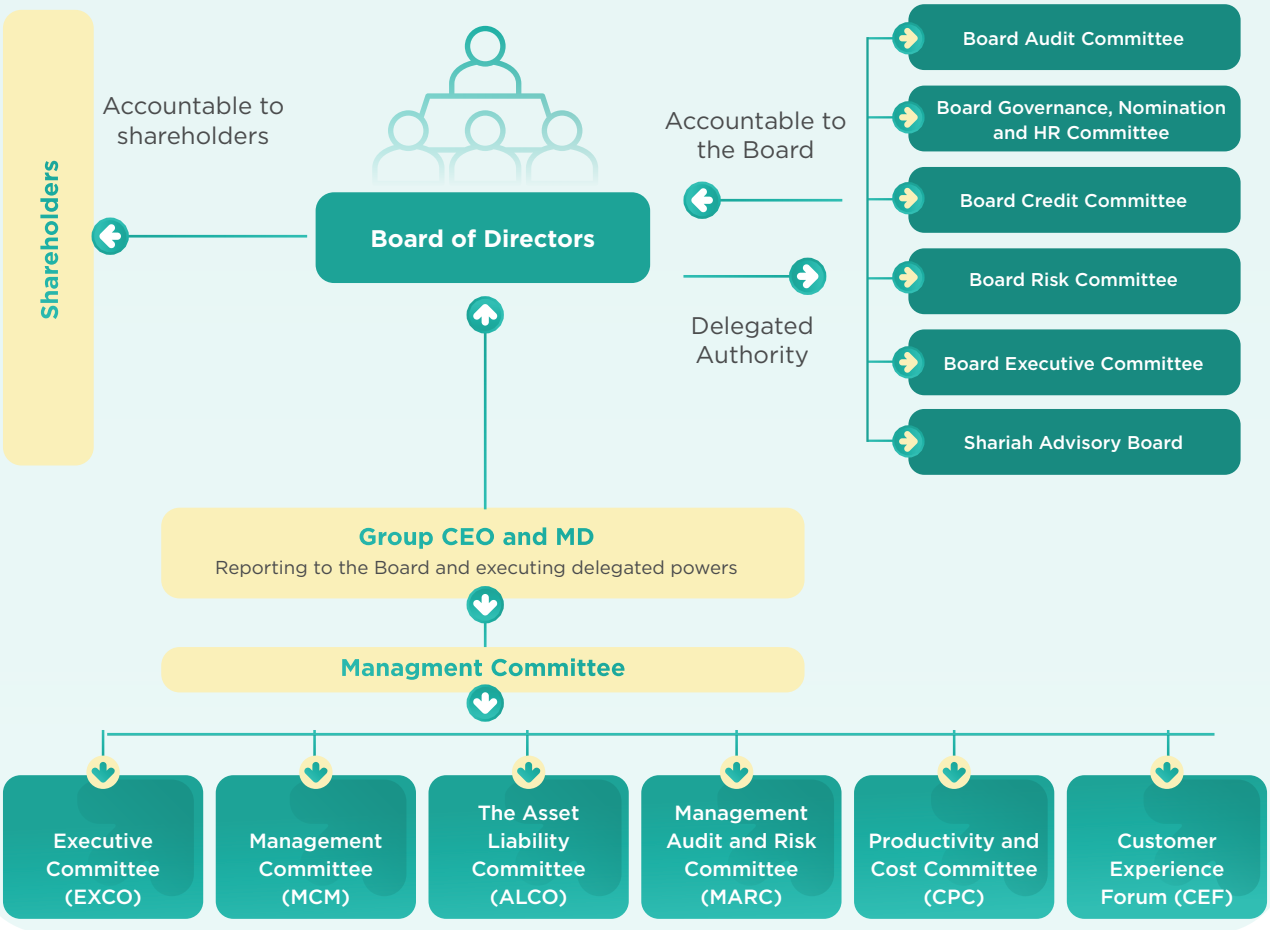
The Bank's approach to corporate governance is comprehensive and designed to uphold the highest standards of accountability, transparency, and ethical practices. Our primary objective is to optimise performance, minimise risk, and protect our shareholders' interests. To achieve this, the Bank has established a robust governance framework, policies, and procedures that meet and where appropriate beyond regulatory requirements.

The Board of Directors that comprises highly experienced and knowledgeable individuals who bring diverse perspectives and skills. The Board sets the tone at the top and provides strategic oversight, ensuring that the Bank's activities and actions align with its core values and mission. In discharging its activities and as enshrined under Article 113 of the MEMARTS, the Board is supported by specialised Committees, including an Audit Committee, Board Risk Committee, and Credit Committee, to provide independent oversight and guidance on key areas of our operations.

Furthermore, the Bank has implemented a strong risk management framework that enables us to identify, assess, and mitigate risks effectively. We prioritise transparency and accountability by regularly reporting to our shareholders and stakeholders on our performance, risks, and governance practices. At the heart of our corporate governance approach is a commitment to ethical practices, integrity, and social responsibility. We believe our success is measured not only by financial performance but also by the positive impact we have on our communities and the environment.

Our Corporate Governance framework

The Bank has implemented a comprehensive corporate governance framework. This framework enables the Board to efficiently oversee and direct the organisation's strategic direction, financial objectives, resource allocation, and risk tolerance. It also empowers the Board to hold the executive management accountable for their actions and to ensure the successful implementation of the organisation's goals.



Code of Good Corporate Governance practice

- The Board is committed to the principles of good corporate governance to strengthen and maintain the stakeholders' confidence. The Board retains full and effective control over the Group, monitors the executive management and makes sure the decision on material matters are reserved for the Board to fulfil the Group's strategic objectives.
- The Board acknowledged and is committed to strong corporate governance that builds confidence in the Bank and supports long-term value for Shareholders and other Stakeholders. It acknowledges its collective responsibility for the Group's long-term success and ensures compliance with all relevant laws, regulations, and applicable codes and standards. Compliance is reviewed at every Board meeting through the Board Risk Committee.
- Through the Board Risk Committee, the Board is able to identify all regulations applicable to the Group and monitor changes to the rules and new regulations impacting the Group.

Statement of responsibilities for those charged with governance

Those charged with governance are committed to upholding the highest standards of corporate governance. The Board is responsible for providing strategic direction, ensuring effective management oversight, and maintaining accountability to Shareholders and Stakeholders. This includes establishing the Bank's vision, mission, and values and ensuring their integration into its operations and culture.

The Board also oversees the implementation of policies and procedures that promote ethical behaviour, ensure compliance with laws and regulations, and effectively manage risks to safeguard the Bank's assets and reputation. The Board has delegated responsibility for implementing strategy and managing day- to- day operations to the Group Managing Director and Chief Executive Officer, along with the Senior Management Team.

Those charged with governance are committed to fulfilling their fiduciary responsibilities and have established principles to ensure that good governance practices are upheld in their dealings with the Group's shareholders, customers, and other relevant stakeholders in line with the spirit of the Companies Act 2002 and Capital Markets and Securities (CMSA) Act, 1994 and section 4.0 of the guidelines on corporate governance practices by public listed companies in Tanzania, regulations set by the Dar es Salaam Stock Exchange, and the ethical standards outlined in the Group's Code of Conduct. These good corporate governance practices are essential for delivering sustainable value to our stakeholders.

The Board is dedicated to ensuring a strong governance framework operates throughout the Group. It recognizes that good corporate governance is essential to support management in achieving the Group's strategic objectives and operating a sustainable business for the benefit of all stakeholders. The Board understands that identifying, developing, and maintaining high standards of corporate governance suitable for the Group is an ongoing and dynamic process that must adapt to changes within the Group, its business, the composition of the Board, and evolving corporate governance trends.

Those charged with governance are responsible for the overall governance of the Group. The Board applies good governance practices to promote strategic decision-making that aligns the interests of the Group with those of our stakeholders and the communities we serve. To achieve this, principles of accountability, transparency, ethical management, and fairness are embedded throughout the business.

Those charged with governance must act in good faith to enhance the Group's success for the benefit of our stakeholders. They should avoid any conflicts between their personal interests and those of the Group, in accordance with Section 209 of the Companies Act 2002. Directors must always prioritize the Group's best interests. They have a statutory duty to promote the Group's success, carefully considering the consequences of their decisions to uphold a reputation for high standards of business conduct.

Our strong corporate governance and responsible business culture form the foundation for long-term sustainable growth. To support this, sustainability has become a key focus in our Board meeting agendas, ensuring that these important topics receive the attention they deserve and are discussed regularly. Furthermore, we have strengthened our sustainability team to effectively implement our initiatives and meet the expectations of our stakeholders.



BOARD STRUCTURE

The Board is structured to ensure a balance of skills, experience, and diversity necessary to provide effective leadership and oversight of the Group. The Board comprises both Executive and Non-Executive Directors, including Independent Non-Executive Directors, to ensure a robust governance framework.

The structure of the Board is as follows;



Chairperson: Leads the Board and ensures its effective functioning. The Chairperson is responsible for setting the agenda, facilitating open and constructive discussions, and ensuring that all Directors contribute to the decision-making process.



Executive Directors: These Directors are involved in the day-to-day management of the Group. They bring in-depth knowledge of the Group's operations and are responsible for implementing the Board's strategic decisions.



Non-Executive Directors: These Directors provide independent oversight and constructive challenge to the Executive Directors. They bring a diverse range of skills and experience from various industries and sectors.



Independent Non-Executive Directors: These Directors are free from any business or other relationships that could materially interfere with their independent judgment. They play a crucial role in ensuring that the interests of all stakeholders are considered in the Board's decision-making process.



Board Committees: The Board has established several committees to assist in the discharge of its responsibilities. These committees include:

- Board Audit Committee: Oversees financial reporting, internal controls, and risk management.
- Board Risk Committee: Monitors and reviews the Company's risk management framework.
- Board Governance, Nomination, and Human Resources Committee: Responsible for Board appointments and setting remuneration policies.
- Board Credit Committee: Oversee the credit functions, monitors and reviews the loan portfolio quality.
- Board Executive Committee-To swiftly address urgent issues, provide timely guidance to the CEO, and strengthen engagement between the Board and Management to enhance overall Board effectiveness.
- Sharia Advisory Board-To ensure CRDB Islamic Banking Operation is complying with Sharia principles and certify that products and services offered or to be offered are Shariah compliant

The Board and Committee meet regularly to review the Group's performance, set strategic objectives, and ensure it operates in accordance with the highest standards of corporate governance.

Board Size

The size and composition of the Board comply with the Company's Articles of Association, the Board Charter, relevant policies, applicable laws, and established best practices. The Board must consist of a minimum of nine and a maximum of twelve members, with two-thirds serving as non-executive directors, and a minimum of two members being Tanzanian nationals. The current Board structure is appropriate for the scale and nature of the Bank's operations and its subsidiaries. It is well-organised and fully aligned with key governance standards and regulatory requirements. The Board comprised Non-Executive Directors and one Executive Director.

The Board comprises diverse skills and expertise essential for effective management oversight and the Bank's operations. Each Board member possesses the necessary skills and has access to the tools required for effective performance.

The Board is confident that its current size is optimal, allowing it to effectively manage decision-making processes and fulfil its diverse responsibilities. This size facilitates robust discussions, ensuring that a wide range of perspectives is represented while maintaining effective communication and collaboration among members. As a result, the Board is well-equipped to respond to challenges and opportunities in a timely and efficient manner.

Board Charter

The Group has a Board Charter outlining the key values and principles of the Board members. It details the Board's responsibilities, governance practices, powers, and the separation of roles between the Board and Management, as well as the Company Secretary's responsibilities.

This Board charter is subject to the requirements contained in the Bank's Memorandum and Articles Association (MEMARTS), the Banking and Financial Institutions Act, 2006 (BFIA), CMSA Act & Guidelines, Company Laws and other applicable laws and regulatory provisions. The charter is reviewed every two years or on a need basis to ensure it remains adequate and consistent with the Board's purpose. Changes are subject to approval by the Board.

During the reporting period, the Board is assured that all individual Non-Executive Directors uphold their objective judgment as per the approved Board charter. This dedication to independence underscores the Board's commitment to upholding transparency, and accountability and maintaining elevated standards of corporate governance.

Appointments of the Members of the Board

Appointments to the Board are made strictly on merit, with candidates evaluated against specific criteria. This process considers the importance of fostering diversity within the Board, as it recognizes the advantages that varied perspectives and experiences bring to effective governance. A comprehensive and rigorous selection process is adhered to when appointing Directors, involving multiple stages such as interviews, assessments, and reference checks to ensure the highest standards of candidate evaluation.

Non-executive Directors are appointed for an initial term of three years, which allows for a thorough integration into the Board's activities and culture. Following this period, their continuation on the Board is contingent upon re- appointment by shareholders at each Annual General Meeting (AGM). This process not only maintains accountability but also ensures the Board remains aligned with its shareholders' interests.

A Board member will serve two 3-year terms, and the last term shall be 4 years. The maximum tenure for Board membership shall not exceed 10 (ten) years unless approval has been granted by the Central Bank of Tanzania.

The term of office for members of the Board is structured so that their terms do not end simultaneously. This approach ensures continuity and institutional memory within the Board, allowing for a seamless transition and sustained governance.

The Group has a formal and transparent procedure for appointing Board members. This ensures the selection process is fair, unbiased, and merit-based. By adhering to these principles, we maintain high standards of governance and accountability, fostering trust among stakeholders and promoting effective decision-making.

In identifying suitable candidates for Board positions, the committee follows these key steps:

- The Group advertises the vacancy through various platforms, including newspapers and the Bank's website, to attract a diverse pool of candidates. In some cases, it may seek assistance from external consultants to enhance the search process.
- Candidates are evaluated on several criteria, including academic qualifications, technical expertise, relevant experience, nationality, age, gender, integrity, and ethical standards. This comprehensive assessment ensures a well-rounded selection that reflects diverse perspectives.
- After the evaluation, the Group Board Governance and Human Resource Committee recommends new nominees for appointment to the Board, ensuring they align with the Group's strategic goals and governance needs. The recommended candidates are then approved by the Board of Directors and recommended for the AGM for election.

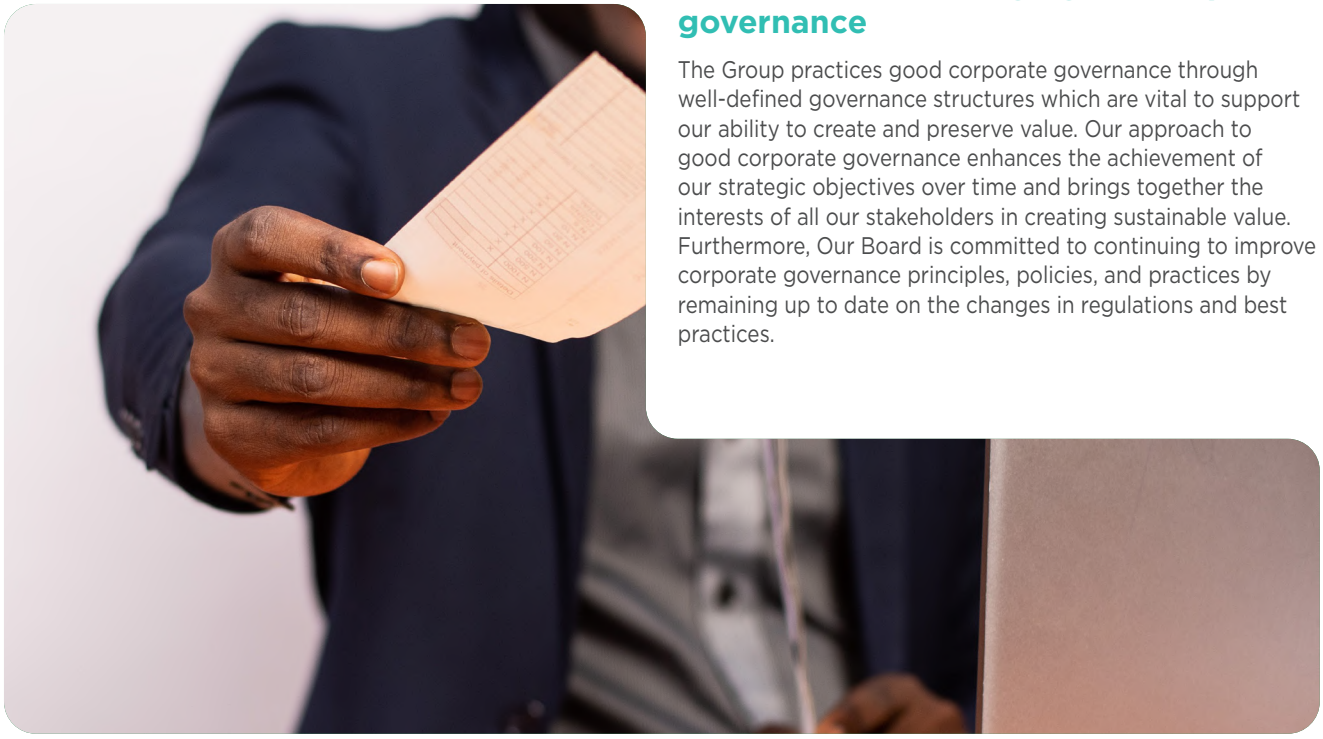
A Board member appointed by shareholders is not allowed to attend Board meetings or be assigned any responsibility until he/she obtains approval from the Central Bank of Tanzania.

All Directors are required to disclose outside Directorships' business and conflicts of interest on an annual basis and inform the Company Secretary of any changes to such Directorships and conflicts of interest within 30 days.

Non-Executive Directors do not have service contracts with the Bank; instead, they have letters of appointment that stipulate the terms of their appointment.

Value creation through good corporate governance

The Group practices good corporate governance through well-defined governance structures which are vital to support our ability to create and preserve value. Our approach to good corporate governance enhances the achievement of our strategic objectives over time and brings together the interests of all our stakeholders in creating sustainable value. Furthermore, Our Board is committed to continuing to improve corporate governance principles, policies, and practices by remaining up to date on the changes in regulations and best practices.



Our corporate governance approach ensures the Group;

- Adheres to applicable legal, regulatory and the practice of good corporate governance.
- Deliver sustainable impact to our stakeholders while caring for our community and contributing to our economy and the environment through our business activities.
- Embed in an ethical and risk-awareness culture.
- Promote transparency, accountability and empathy in managing our stakeholders' relationships.

Roles and Functions of the Board

The Board is responsible for ensuring adherence to the code of good corporate governance and its Board charter. It is the ultimate decision-making body, and its key role is to provide strategic leadership and guidance to the Bank and its controlled subsidiaries (the Group), and to provide effective oversight of risk management. The Board is accountable to the shareholders for the performance of the Group's businesses.

The specific roles and responsibilities of the Board include but are not limited to the following:

- To prepare financial statements of the Group which show a true and fair view in accordance with applicable standards, rules, regulations, and legal provisions which cover the period from the beginning of the financial year to the end. The Statement of Directors' Responsibilities is found on page 142.
- This responsibility covers the period from the beginning of the financial year to the date those charged with governance approve the audited financial statements and it involves all those charged with governance who acted in this capacity during any part of the period covered by financial statements.
- To determine the Bank's vision, mission and values that promote sustainability.
- To appoint the Group Managing Director and GCEO to whom the responsibility of managing the Group is being delegated; reviewing and evaluating his/her performance regularly; and reviewing and defining succession planning for the GCEO and senior management.
- To appoint Company Secretary.
- Approving corporate strategy, monitoring and evaluating the implementation of the strategy designed to create long-term value for the Group.
- Determining and amending the KPIs, such as financial ratios, to be applied in relation to the strategy.
- Establishing adequate policies and procedures that ensure the integrity and effective internal controls and adequate risk management practices across the Group.
- Setting the Group's risk appetite, reviewing and understanding the major risks, and overseeing the risk management processes and internal control systems.
- Reviewing the Group's plans for business resiliency. As part of its risk oversight function, the Board periodically reviews management's plans to address business resiliency, including business continuity, physical security, cybersecurity and crisis management.
- Ensuring that the Bank is adequately capitalised.
- Approving significant capital expenditures and changes in the capital structure of the Bank, acquisitions and dispositions and new subsidiaries investments.
- Ensuring the Group's compliance with laws and regulations and maintenance of ethical conduct.
- Continuously monitoring the performance of the Bank and that of Management.
- Reviewing and defining the succession planning of the Board and Committee Chairperson, Board Vice Chairperson, GCEO, and Senior Management.

"All members of the Board were collectively responsible and complied with the code of good corporate governance"



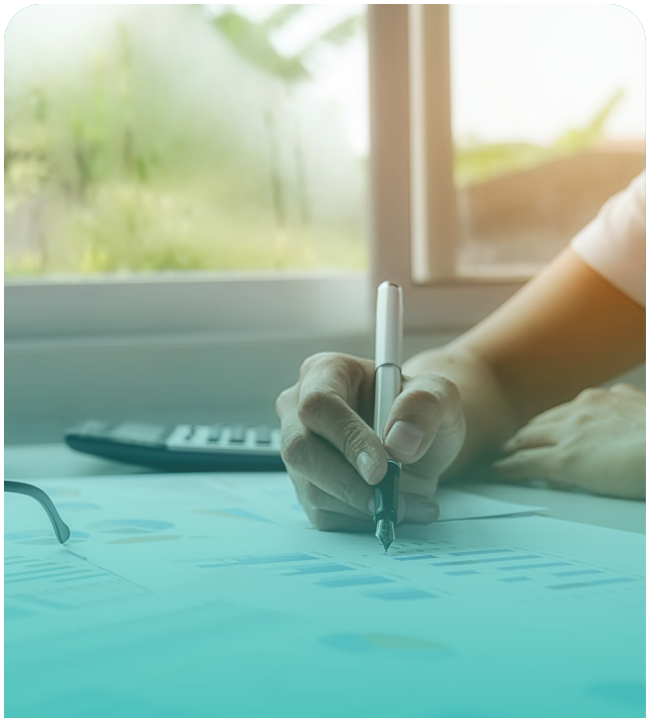
Delegation of responsibility for managing impacts

The Board of Directors, as the highest governance body, provides oversight of the Bank's strategy, purpose, and long-term sustainability ambitions. This includes supervision of the Bank's economic, environmental, and social impacts. The Board delegates day-to-day responsibility for managing these impacts to the Executive Management Team, led by the Group CEO, who is accountable for implementing the Bank's sustainability initiatives, climate-related commitments, Environmental, Social, and Climate Risk Management Policy, and broader impact management processes.

To further strengthen governance over sustainability matters, the Group has established the CRDB Bank Foundation, with clear responsibilities across key impact areas, including financial inclusion and capacity building. In addition, a dedicated sustainability unit has been set up to champion sustainability across the Group.

Management provides quarterly reports to the Board through the Board Credit Committee and the Board Risk Committee. These reports detail progress on sustainability implementation and performance. This governance mechanism ensures the Board maintains robust, consistent oversight of sustainability matters.





Annual Board work plan

The Board has an annual work plan designed to ensure that the bank's Board of Directors operates effectively throughout the year. It is the responsibility of the Chairperson and the Company Secretary, working closely with the Group Managing Director and Chief Executive Officer, to develop the annual Board work plan and the agenda for Board meetings.

The plan outlines the key activities, meetings, and strategic initiatives that the Board will undertake to fulfil its responsibilities. By adhering to this structured approach, the Board can maintain high standards of oversight, accountability, and transparency, thereby fostering trust among stakeholders and supporting the bank's long-term success. The work plan also facilitates proactive decision-making and continuous improvement, ensuring that the Board remains aligned with the bank's goals and regulatory requirements.

Board Operations

The Board meets at least once every three months to discuss the affairs of the Group, and the meetings are structured to allow for open discussions. The notice, agenda, and detailed Board papers are circulated seven days before the meetings to allow time for the Directors to undertake an appropriate review of the Board papers to facilitate full and effective discussions at the meetings. Those charged with Governance can request additional information to support their decision-making when necessary.

During the year, the Board had planned to meet six times but ultimately convened eight times, during which it deliberated on various matters concerning the Bank's operations and those of its controlled subsidiaries.

As per Article 124 of the Banks MEMARTs, the Board shall annually elect a Chairperson who is a non-executive Director. The elected chair is not permitted to be a member of any Committee except the Board Executive Committee, in which they do not serve as chair. When deemed fit, the Chairperson may be invited to attend any of the committees' meetings, excluding the Audit Committee and Credit Committee.

The Group is committed to maintaining a high standard of corporate governance. The Directors also recognise the importance of integrity, transparency, and accountability. In 2025, the Board constituted five Committees to improve corporate governance by delegating specific tasks from the main Board to smaller groups and harnessing the contributions of non-executive Directors, whose terms of reference are embedded in the respective Board Committee Charters. Committee members are elected annually from among the Board members.

The Board has also formed the Sharia Advisory Board, which provided advice to the Board and tracked compliance with Sharia (Non-Interest Banking Window); The Sharia Advisory Board consisted of one Board Member from the PLC Board (who chairs the Committee) and five other experts in Sharia.

The Board remains collectively responsible for any committee's decisions and is required to review the effectiveness and performance of committees annually.

The committees are;

- Board Audit Committee
- Board Governance, Nomination and Human Resources Committee
- Board Credit Committee
- Board Risk Committee
- Board Executive committee
- Shariah Advisory Board

"All these Board Committees are constituted and chaired by Non-Executive Directors"

The below table shows the planned meetings and execution for all Boards





Board Activities

During the year, the key areas of focus for the Board's activities and topics discussed were on the following matters:

- The Board reviewed quarterly Group KPI performance and provided guidance on expected outcomes for the Bank, its subsidiaries, and its investments.
- The Board approved the 2026 Group budget and strategy, offering key insights and direction to support effective implementation.
- The Board reviewed reports submitted by all Board committees and deliberated on the matters arising.
- The Board reviewed the Group's financial statements, budgets, and forecasts. The CFO, as a permanent invitee, provided comprehensive financial reports and analysis to support informed decision-making on investments, cost efficiency, and financial planning.
- The Board issued a recommendation to the shareholders regarding the approved final dividend for the Bank's 2025 performance.
- The Board exercised oversight of the performance of the Group and its subsidiaries.
- The Board reviewed various policies and compliance reports, with the Director of Risk and Compliance providing updates on regulatory changes and overall compliance status.
- The Board engaged in an in-depth discussion on Group Capital Management.
- The Board approved the audit fees for the external auditor.
- The Board approved the Board Work Plan
- The Board evaluated progress on strategic initiatives and advised management on areas requiring improvement to meet long-term goals.
- The Board reviewed audit reports, which include audit findings for the respective year, and directed Management to address audit findings and implement corrective actions.
- The Board reviewed the Group's risk profile, including emerging risks, and provided direction on appropriate mitigation measures to ensure continued financial stability and regulatory compliance

Board Diversity

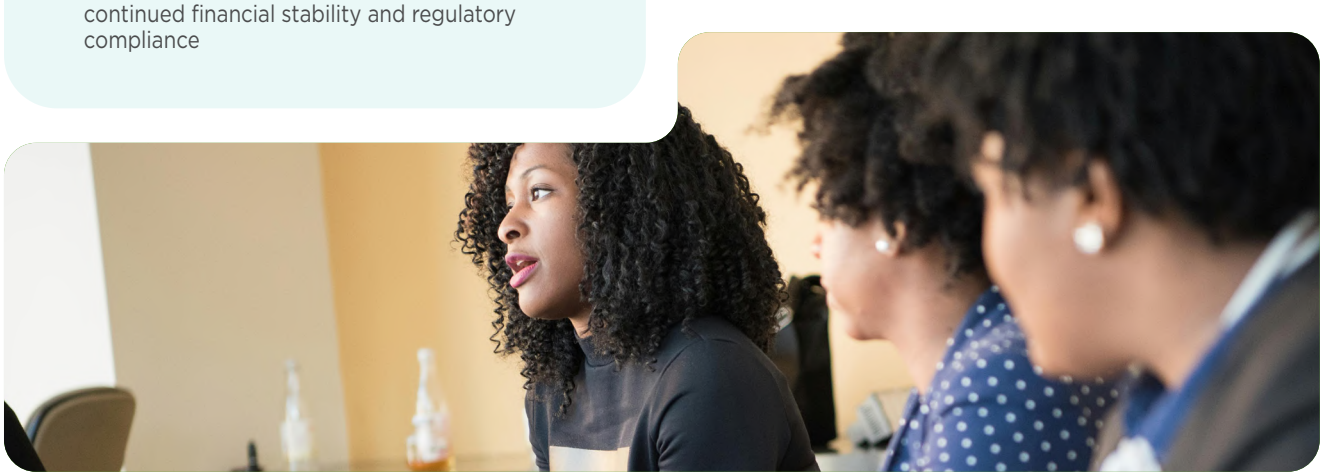
Board diversity is a cornerstone of our commitment to good corporate governance. We believe that a diverse Board brings a wealth of perspectives, experiences, and skills essential to effective decision-making. Our Board's diversity enables us to better understand and address the needs of our stakeholders, including employees, customers, and investors. This diversity fosters innovation and enhances our Group's performance, ensuring that we remain competitive in a rapidly changing business environment.

In line with best practices for corporate governance, we have implemented proactive strategies to ensure our Board reflects a mix of gender, age, and professional backgrounds. We have set ambitious diversity targets and established policies that promote inclusivity. Our Board members participate in regular training and development programs to understand the importance of diversity and how to leverage it for better governance. Additionally, we are committed to transparent reporting on board diversity, demonstrating our dedication to these principles and building trust with our stakeholders.

We recognize that Board diversity is not merely about meeting regulatory requirements; it is about creating an environment where different viewpoints are valued and contribute to our success. By prioritizing diversity, we enhance our reputation, attract top talent, and navigate the complexities of today's business landscape more effectively. Our commitment to good corporate governance practices that emphasize diversity ensures that we are resilient and adaptive, ready to thrive in an ever-changing world.

As of 2025, the Board's gender diversity ratio stands at 67% male and 33% female, reflecting a significant improvement from the 2024 ratio of 85% male and 15% female. This positive shift demonstrates the Group's commitment to enhancing gender balance at the leadership level.

To further strengthen female representation, the Board continues to implement targeted strategies, including actively encouraging qualified women to apply for Board positions and engaging in focused headhunting efforts to identify strong female candidates.



The duration of service for those charged with governance

The Group balances continuity and fresh perspectives on our Board by managing the length of tenure for our members. Our policy includes term limits and periodic evaluations to ensure a mix of long-serving Directors, who provide valuable experience, and newer members, who bring fresh insights. This approach fosters a dynamic and responsive Board, promoting continuous improvement and strategic foresight to guide the Group towards sustained success in an ever-changing business landscape. The table below summarises the composition by length of tenure.

Length of tenure - Directors	Number of Directors 2025	2024
Less than 1 year	3	1
1-3 years	2	1
4-6 years	1	1
more than 6 years	6	9

Age mix

The age diversity among the Board members at CRDB Bank Plc showcases a harmonious blend of seasoned expertise and innovative viewpoints. This diverse mix not only enriches the decision-making processes but also fosters a dynamic environment where traditional wisdom complements modern strategic strategies. Below is a detailed table that illustrates the age range.

	Directors	Composition
Above 50	8	58%
Below 50	5	42%

This combination fosters a harmonious blend of seasoned leadership and cutting-edge innovative thinking, significantly enhancing the Group's strategic direction and governance framework.

In Tanzania, there is no age limit for Board members.

Board Effectiveness

The effectiveness of the Board is emphasised by the diverse and experienced leadership team that plays a crucial role in guiding the Group toward its strategic goals. The Board is composed of both executive and non-executive Directors, including industry experts and independent members. This combination ensures a balanced approach to governance and decision-making.

Such diversity promotes strong oversight, strategic guidance, and accountability, all of which are essential for maintaining the bank's robust market position and financial stability. The Board is also dedicated to continuous improvement and adheres to best practices in corporate governance. This commitment enhances the Group's effectiveness, enabling it to navigate the ever-changing financial landscape and foster sustainable growth.



Those charged with governance

The Board is confident in its composition, which includes a well-balanced mix of members possessing the right blend of skills, diverse experiences, and extensive knowledge necessary to rigorously evaluate and enhance strategic proposals. Their collective insight enables them to offer independent judgment on critical issues related to performance and risk management. The Board comprises independent non-executive Directors who bring objective perspectives and valuable opinions on a variety of matters, ensuring that discussions are both comprehensive and insightful.

Gerald P. Kasaato
Director
Non-Executive

Dr. Donald E. Mmari
Vice Chairperson
Non-Executive

Miranda Naiman Mpogolo
Director
Independent Non-Executive



Eliud Betri Sanga
Director
Non-Executive

Dr. Abdulmajid Nsekela
Executive Director
Ex-Officio

Dr. Fred M. Msemwa
Director
Non-Executive

The Board comprised thirteen Directors - Twelve Non- executive Directors and the Managing Director who is an Ex-officio member.

Jes Klausby
Director
Non-Executive

Mr. Pascal Mihayo
Company Secretary

Ms. Grace P. Joachim
Director
Non-Executive

Dr. Judika L. King'ori
Director
Independent Non-Executive



Prof. Neema Mori
Chairperson
Non-Executive

Moses Wilson Dulle
Director
Non-Executive

Prof. Faustine K. Bee
Director
Non-Executive

Abdul Ally Mohamed
Director
Non-Executive

Subsidiary Boards

CRDB Bank Burundi



Hosea E. Kashimba
Chairman



Boma Rabala
Member



DIdace Ngendakumana
Member



Elizabeth Mkoba
Member



Kahumbia Bashige
Member



Oda Sindayizeruka
Member



Salvator Minani
Member



Fredrick Siwale
Member

CRDB Bank Congo (DRC)



Prof. Faustine K. Bee
Chairman



Charles H. de Beauvoir Carey
Member



Eng. Jameson J. Kasati
Member



Rama K. Bweya
Member



Jeannot O. On'Ahata
Member



Olivier C. Duterme
Member



Ornella I. Bomine
Member



Jessica Nyachiro
Member

Subsidiary Boards

CRDB Insurance Company Limited



Omari Mwaimu
Chairman



Nura Masood
Member



Hilda M. Shenyagwa-Noor
Member



Gerald Kasaato
Member



Bonaventura Paul
Member



Wilson Mnzava
Member

CRDB Bank Foundation



Oswald Urassa
Chairman



Marianna Balampama
Member



Julia Seifet
Member



Coletha Ndunguru
Member



Prof. Moses M. Nkundwe
Member



Amb. Maulidah Hassan
Member



Nesia Mahenge
Member



TullyEsther Mwambapa
Member

Board Members' Profiles



Prof. Neema Munisi Mori

Board Chairperson

Professional experience
Prof. Mori is an Associate Professor of Finance and Director of Public Services at the University of Dar es Salaam, Tanzania. Before that, she was a Senior Lecturer at the Department of Finance, University of Dar es Salaam, Research Fellow at University of Agder, Norway, Assistant Lecturer and Tutorial Assistant at University of Dar es Salaam and Audit Trainee at KPMG Tanzania.

Prof. Mori is impacting positively on youth and women as a trainer, researcher, coach and mentor in leadership, business management, corporate governance and entrepreneurship. She is among the founders of various leadership programmes in Tanzania. She has more than 20 years of experience in teaching, researching and consulting in areas of banking, finance, investment, corporate governance, microfinance and entrepreneurship. She is active in research and has published academic papers in international referred journals such as Journal of Management and Governance, Journal of Emerging Market Finance and Journal of African Business.

Academic background
She holds a PhD in International Business majoring in Corporate Governance and Boards of Financial Institutions from University of Agder Norway, Master of Business Administration (MBA) majoring in Finance and Bachelor of Commerce (B. Com) majoring in Finance both from the University of Dar es Salaam.

Leadership and Board Membership
Prof. Mori is the Board Chairperson. She formerly served as Vice Chairperson, Chairperson of the Credit Committee, Chairperson of the Executive Committee, Member of the Risk Committee and Member of Governance, Nomination and Human Resources Committee. She also chairs the boards of the Business Registrations and Licensing Agency (BRELA) and Air Tanzania Company Ltd. She holds a Certification in Company Direction offered by the Institute of Directors – UK. She enjoys reading, singing, dancing, walking and exercising outdoors.



Dr. Donald Eliapenda Mmari

Board Vice - Chairman

Professional Experience
Dr. Mmari is an economist with substantial knowledge of development policy analysis, social economic research and institutional development. He has vast experience in strategic planning, policy development, and corporate governance accumulated over 30 years of his various positions within REPOA and other organizations, membership in the Board of Directors of public entities and advisory services for private enterprises. He currently serves as the Executive Director of REPOA, a leading think tank in Tanzania since 2016, and prior to his current position, he served as its Director of Research on Growth and Development 2011 – 2015; and Coordinator for Commissioned Research & Consultancy 2001-2007. He also served at Ernst and Young as Assistant Manager for Business Advisory (1999 to 2001), and at CRDB Bank as Research & Planning Officer in 1996.

Academic background
Dr. Mmari holds a PhD from Erasmus University Rotterdam, Netherlands; Post-Graduate Diploma from the Institute of Social Studies, Netherlands; MBA from University of Oregon, USA; and MA and BA in Economics, both from the University of Dar es Salaam.

Leadership and Board Membership
Dr. Mmari is the Vice-Chairperson of the Board and Chairperson of the Board Credit Committee of CRDB Bank Plc. He also serves as Chairperson of the Board of the College of Social Science and Humanities at Sokoine University of Agriculture, Chairperson of the Council of Kairuki University and previously served on the Boards of the Institute of Tax Administration, the Presidential Trust Fund and Tanzania Petroleum Development Corporation (TPDC).



Miranda Naiman Mpogolo, CDir, FIoD (UK)

Independent Non Executive Director

Professional Experience
Miranda is a Chartered Director (CDir) and Fellow of the Institute of Directors (UK), reflecting the highest standard of professional competence in corporate governance and board leadership.

She is the Founder and Board Chair of Empower, a Pan African firm championing transformational consulting tailored for Africa's potential. As a strategy implementation partner to Executive Committees and Boards, Empower translates organisational vision into measurable execution, helping institutions align strategy, people and processes to deliver sustainable growth and long term institutional impact. The firm's work is guided by its proprietary Theory of Transformation©, a framework designed to strengthen organisational performance and leadership effectiveness across the continent.

With over two decades of experience spanning entrepreneurship, strategy execution and governance, Miranda brings deep board level insight across financial services, healthcare and enterprise development, with a strong focus on institutional strengthening, leadership effectiveness and long term value creation. She is a member of the World Bank Private Sector Council for Tanzania. She was also recognised on the Forbes Africa Over 30 Under 50 list, which highlights influential leaders shaping Africa's future through business and impact.

Academic Background
Miranda holds a Master of Arts in Theatre and Development Studies from the University of Leeds and a BA (Hons) in Drama, Applied Theatre and Education from The Central School of Speech and Drama, University of London.

Board and Governance Experience
Miranda serves on the Board Governance, Nomination and Human Resources Committee and the Risk Committee of CRDB Bank Plc. She has held several governance leadership roles including serving as Vice Chair of CCBRT Hospital and Chair of the Africa Women's Entrepreneurship Cooperative (AWEC).

She also serves on the Global AI Council and is an active member of the Entrepreneurs' Organization (EO), contributing globally through the Global Product Portfolio to strengthen leadership development and entrepreneurial ecosystems.



Prof. Faustine Karrani Bee

Non Executive Director

Professional Experience
Prof. Faustine Karrani Bee was a distinguished Professor in Development Studies at Sokoine University of Agriculture (SUA) until December 2024. From March 2019 to July 2022, he served as Professor of Development Studies and Vice-Chancellor at the University of Dodoma (UDOM). Prior to his tenure at UDOM, he was the Vice-Chancellor at Moshi Co-operative University (MoCU), where he also held a professorship in Development Studies.

Prof. Bee began his academic career as a Tutor at the then Co-operative College Moshi in 1988, advancing to Lecturer in 1993. He served as Head of the Department from 1993 to 2000, and as Director of Research and Consultancy Services from 2000 to 2004. In 2004, the Co-operative College Moshi transitioned into the Moshi University College of Co-operative and Business Studies (MUCCoBS), a Constituent University College of SUA, where Prof. Bee ascended to the rank of Professor in 2014.
He held several key positions at MUCCoBS, including Director of the Bureau of Research and Consultancy Services (2006-2007), Deputy Principal (Academic) (2007-2010), and Principal (2010-2014). Prof. Bee played a pivotal role in transforming MUCCoBS into an independent university, Moshi Co-operative University (MoCU), in 2014, becoming its first Vice-Chancellor (September 2014 – March 2019).

Academic background
Prof. Bee holds a Doctorate and a Master's degree in Development Studies, as well as a Bachelor's degree in Economics. He was a Visiting Research Fellow at the Institute of Developing Economies in Tokyo, Japan, from 1995 to 1996. Throughout his career, he has participated in numerous conferences and workshops both locally and internationally, and has an extensive record of research and publications.

Leadership and Board Membership
He has served on various University Councils and Boards of Directors, including the University of Dodoma (2019-2022), Nelson Mandela – African Institution of Science and Technology (2016-2019), Sokoine University of Agriculture (2010-2014, 2017-2019), Moshi Co-operative University (2021- 2025), and Mwenge Catholic University (2016-2026). He was Chairperson of the Inter-University Council for East Africa (IUCEA) (2019-2020) and the Committee of Vice Chancellors and Principals of Public Universities in Tanzania (CVCPUT) (2019-2021). Prof. Bee has also chaired several boards, including the Local Authorities Pensions Fund (LAPF), College of African Wildlife Management Mweka, Moshi Urban Water Supply and Sanitation (MUWSA), and Dodoma Urban Water Supply and Sanitation Authority. He has been a board member of the Tanzania Coffee Board, Centre for Agricultural Mechanization and Rural Technology (CARMATEC), and Co-operative Audit and Supervision Corporation (COASCO). Currently, Prof. Bee is a board member of CRDB Bank Plc and Acting Board Chairperson of its subsidiary in DR Congo. He is a member of the Risk Committee and the Credit Committee of the CRDB Bank Plc Board.

Board Members' Profiles



Mr. Eliud Betri Sanga

Non-Executive Director

Mr. Sanga brings extensive experience from the public sector, having risen through the ranks to hold multiple senior leadership positions in parastatals such as Director General; Public Service Social Security Fund (PSSSF 2018 – 2019); Director General LAPF Pensions Fund (2007-2018); Director of Planning, Investments and Projects (NSSF- 2002), Director of Planning and Investments (NSSF- 1999) and Finance Manager at NSSF (1995-1999).

Academic background
He holds a master's degree (with distinction) in Development Administration and Graduate Diploma (with distinction) in Development Administration both from Australian National University, Canberra in Australia and Bachelor of Arts in Economics (with honours) from the University of Dar es Salaam.

Leadership and Board Membership
Mr. Sanga was appointed Board Member of CRDB Bank Plc in October 2025 and serves on the Audit Committee. He is the Chairman of the Board of Directors of National Health Insurance Fund (NHIF) and the Board of Directors Airtel, Tanzania. He is a Board Member at the National Housing Corporation. He also served as Board Member of Maendeleo Bank Plc until August 2025 and previously served as Board Member at Azania Bank and Azania Bancorp and Council Member at the Dar es Salaam Stock Exchange.

He holds a Certification in Company Direction offered by the Institute of Directors – UK and a Certificate in Leadership and Change Management from Stanford University USA (1999). He has also attended various leadership training courses and conferences both locally and abroad.



Abdul Ally Mohamed

Non Executive Director

Professional experience
Mr. Abdul has extensive experience and a proven track record in dynamic, profitable, challenging, growth industries, including financial services, media, and commercial football. An accomplished financial specialist with high-quality leadership management, Mr. Abdul has served as Director of Strategy and Communication at Zanzibar State House since 2020. He has vast experience managing Van Mo Group, an emerging commodities trading and transport company with operations in Tanzania, Zambia, and South Africa, as Group Managing Director and CEO. Abdul has also served as Commercial Director at Azam Media Ltd. in 2018 and as Chief Executive Officer of Azam Football Club, Bakhresa Group, from 2016 to 2018; he was appointed General Manager of Azam Football Club in 2016. Between 2014 and 2015, he did the E & Y Summer Internship and served as a senior broadcasting Clouds Media Group (2010-2012) and ITV and Radio One (2003-2012).

Academic Background
Mr. Abdul is a Harvard alumnus from Harvard Kennedy School. He is also an accredited Harvard Business School-certified director; he holds a bachelor's degree in accounting and finance from Middlesex University UK. He is also a CFA Associate member and ACCA affiliate member from the United Kingdom. He is an IoD Certified Director.

Leadership and Board Membership
Mr. Abdul is the Chairperson of the Governance, Nomination, and Human Resources Committee and Member of the Credit Committee of CRDB Bank Plc as well as Chairperson of the Sharia Advisory Board.



Adv. Grace Philotea Joachim

Non Executive Director

Professional experience
Advocate Grace Philotea Joachim is the Co-founder and Managing Partner of Joachim and Jacobs Attorneys. Adv. Joachim has a proven track record of accomplishments in diverse areas including governance, creation and execution of policies, coupled with a wealth of experience in Leadership and Management. Furthermore, she has vast experience in regulatory compliance and financial oversight. She was Head of Risk Governance, Credit Legal at Stanbic Bank Tanzania Limited, from 2013 – 2015 and Collateral Manager-Stanbic Bank Tanzania Limited- 2012 to 2013.

Academic Background
Adv. Grace holds a Post Graduate Diploma in Legal Practice, Law School of Tanzania, Master of Laws, from University of Kent, UK and Bachelor of Laws, University of Pretoria, South Africa.

Leadership and Board Membership
She serves on the Risk Committee and Credit Committee of CRDB Bank Plc and is a Board Member of Tanzania Electric Supply Company Limited (TANESCO), ChemiCotex Industries and Strategis Insurance Tanzania Limited.



Moses Wilson Dulle

Non-Executive Director

Professional Experience
Moses Wilson Dulle is the Director of Planning in the Ministry of Finance with broad knowledge, understanding and experience in policy and finance management including: Mobilization and management of financial resources; planning, budgeting, execution, monitoring and evaluation of plans and budget frameworks; aid coordination and development cooperation management; project management, monitoring and evaluation; negotiations relating to mobilization of financial resources; interpretation of economic development indicators; identifying, analyzing, and responding to potential risks that could negatively impact an organization; management of fiscal and financial policies; analysis of backward and forward linkages of development initiatives; and identifying and analyzing development priorities within and across sectors.
Mr. Dulle has more than twenty years' professional experience, having previously served as Project Manager, Public Finance Management Reform Programme (PFMRP); and Cabinet Liaison officer (CLO) in the Ministry of Finance.

Academic background
He holds a Master's Degree in Development Studies - Economics of Development from the International Institute of Social Studies of Erasmus University of Rotterdam (ISS), Netherlands and Bachelor of Arts – Economics, from the University of Dar es Salaam.

Leadership and Board Membership
Mr. Dulle serves on the Board Risk Committee as well as the Governance, Nomination and Human Resources Committee at CRDB Bank Plc.

Board Members' Profiles



Dr. Fred Matola Msemwa

Non Executive Director

Professional Experience
Dr. Fred Matola Msemwa is the Permanent Secretary in the President's Office responsible for Investment. He previously served as the Executive Secretary of the Planning Commission and Managing Director of Watumishi Housing Investments (WHI), a real estate and fund management firm responsible for management of Watumishi Housing Real Estate Investment Trust (REIT) and FAIDA Fund which is an open-ended Collective Investment Scheme (CIS). He has more than twenty years' professional experience spanning across sectors including real estate, tourism, construction, energy and water regulation, accountancy, audit, fund management, bank governance, and risk management. He previously served as Director of Audit at the Energy and Water Regulatory Authority – EWURA, Deputy Principal at National College of Tourism and rose from an Accountant to Finance Manager at National Housing Corporation (NHC).

Academic Background
Dr. Fred graduated in accountancy from the Institute of Finance Management (IFM) and holds MBA Finance (UK). He is a certified Board Director and holds PhD in Business Administration.

Leadership and Board Membership
He sits on the Credit as well as Governance, Nomination and Human Resources Committees of CRDB Bank Plc and serves on the Boards of Business Registration Agency (BRELA) and SAGCOT. He volunteers as the Chair of the Youth Dream Foundation (YDF); a youth empowerment NGO focusing on education, careers guidance and entrepreneurship. He has authored a Book on Usimamizi wa Biashara na Fedha and written several articles on real estate investment, entrepreneurship and career development.



Jes Klausby

Non Executive Director

Professional Experience
Mr Jes Klausby is a Senior Bank Analyst at the Danish Central Bank. He worked as Executive Vice President, Head of Group Finance at Nykredit Group, Chairman/ Board Member of Dansk Pantebrevsbors, a subsidiary of Nykredit Realkredit, Managing Director at Nykredit Bank, a subsidiary of Nykredit Realkredit, Executive Vice President, Head of Central retail units in Nykredit Realkredit. He was also an External examiner in Finance at Danish Universities and a Teacher in Finance at Copenhagen Business School.

He has experience in financial reporting in a Danish bank, managing balanced scorecards, and implementing income and cost allocation in a complex financial organization.

Academic background
Mr Klausby holds MSc in Mathematics and Economy from Aarhus University Denmark. He has attended a change management program at INSEAD.

Leadership and Board Membership
Mr Klausby is Chairman of the CRDB Bank Plc Risk Committee and member of the Governance, Nomination and Human Resource Committee.



Gerald Paul Kasaato

Non-Executive Director

Professional Experience
Mr. Gerald Paul Kasaato is the Deputy Managing Director of the National Social Security Fund (NSSF), a mandatory retirement savings scheme in Uganda with assets under management of approximately USD 8.5 Billion. Prior to that he was the Chief Investment Officer for 10 years for NSSF Uganda until July 2024 when he was promoted to the position of Deputy Managing Director. Before that he was the Portfolio Manager in charge of Equities. Gerald also previously worked for National Housing and Construction Company Limited (Uganda) as Finance and Investment Manager and National Insurance Company Limited as Manager Investments and Treasury, and in the UK where he trained as a Chartered Accountant.

Academic background
Mr. Kasaato is an alumnus of Harvard Business School. He holds a Bachelor of Science with Honors (BSc. Hons) in Accounting from Oxford Brookes University (UK), a Bachelor of Laws degree, LLB (Hons) from Nottingham Trent University (UK), an MBA in Finance from the University of Exeter (UK), and an MSc. in International Finance and Investment from London South Bank University (UK). He obtained the MSc. degree with distinction and was best graduating student on the MSc. Finance cohort in his graduation year. Gerald is a CFA Charter holder (USA), a Chartered Accountant (UK), a Chartered Director of the IOD—UK (C. Dir), a Fellow of the Chartered Management Institute (FCMI, UK), and a Certified Public Accountant (CPA) of Uganda.
Gerald has obtained several trainings in the spheres of alternative investments from reputable higher learning institutions such as the Wharton School of the University of Pennsylvania and London Business School. Gerald has also undertaken the CEO Apprentice Program (Uganda) in Partnership with Strathmore Business School, Kenya.

Leadership and Board Membership
Mr. Kasaato is the Chairman of the Audit Committee of the Board of Directors of CRDB Bank Plc and represents CRDB Bank Plc on the Board of the CRDB Insurance Company Limited (CIC). He is the incoming Chairman of the CIC Board.
Additionally, Gerald was the Board Chairperson of Trade Development Bank (TDB), and Non-Executive Director representing the constituency that has, Uganda, Comoros, Democratic Republic of Congo, Sudan, and Angola. He served a three-year term which ended in September 2024. The term rotates across the five constituent member states. Previously he was a Non-Executive Director at both the Yield Fund Uganda—a private equity fund that focuses on agriculture in Uganda, and TPS (Uganda) also known as Serena Hotel. This was between 2017 and 2021.
Gerald loves travelling, listening to good debates, and watching sports such as formula one, football, rugby and tennis.



Dr. Judika L. King'ori

Independent Non-Executive Director

Professional Experience
Dr. King'ori has a rich background in accounting and finance-related fields with over 30 years' experience teaching the subjects at the University of Dar es Salaam. She also previously served as Director of Finance at the University of Dar es Salaam (2012-2016), and Acting Director at the Higher Education Students Loans Board (2016- 2020).

Academic background
Dr. King'ori holds a PhD in Business Administration from Southern Illinois University, USA , Master of Accountancy, Southern Illinois University, USA , Master of Business Administration- Katholike Universiteit Leuven, Belgium and Bachelor of Commerce (Accounting) from University of Dar es Salaam.

Leadership and Board Membership she
She serves on the Audit Committee at CRDB Bank Plc and is the Chairperson of the Audit Committee, UTT – AMIS. She previously served as Chairperson of the Credit Committee and Risk and Compliance Committee, Stanbic Bank Tanzania , Board Member at the National Insurance Corporation and the Tanzania Institute of Accountancy.



Dr. Abdulmajid Mussa Nsekela

Group CEO & Managing Director, CRDB Bank Plc

Dr. Abdulmajid Mussa Nsekela is a seasoned African business leader; with close to three decades of leadership experience and a successful career in investment, business, retail, wealth management and private banking in East Africa. He has vast experience in Transformational Leadership, Business Turnaround and Strategic Management. In the first decade of his career, Dr. Nsekela served in various positions, spanning business functions, bank operations, control functions and people management. He later served in diverse strategic leadership positions, including Financial and Strategic Planning, Risk, Governance, Auditing and Compliance.

Dr. Nsekela was appointed Group Chief Executive Officer (CEO) & Managing Director of CRDB Bank Plc in October 2018. He is passionate about leadership, economic empowerment, financial inclusion, and sustainable development. During his first year at CRDB Bank, Dr. Nsekela spearheaded the bank's accreditation by the United Nations Green Climate Fund (GCF) as a financial intermediary in green financing. CRDB Bank became the first commercial bank in East & Central Africa to be accredited as a Direct Access Entity (DAE). In October 2021, the bank secured US$100M in funding to support climate-resilient agriculture and technology adaptation in Tanzania. In 2023, under Dr. Nsekela's astute leadership, CRDB Bank Plc pioneered Tanzania's first green bond valued at $300 million for green financing.

Dr. Nsekela's business acumen has earned him distinguished leadership roles across several management boards in the country. He currently serves as Chairman of the Tanzania Cooperative Development Commission (TCDC), the Arts and Culture Fund (Bodi ya Sanaa na Utamaduni), and the Tanzania Tea Board. He previously chaired the Tanzania Smallholders Tea Development Agency (TSHTDA), now defunct, where he provided strategic stewardship during a critical phase of sector development. He is also a Council Member of the Tanzania National Business Council (TNBC) Finance Working Group, and a board member of the Tanzania Financial Inclusion National Council (TFINC) and the Economic and Social Research Foundation (ESRF). Previously, he served on the boards of the Tanzania Private Sector Foundation (TPSF) and the Tanzania Mortgage Refinance Company Limited (TMRC). He is also the immediate former Chairman of the Tanzania Bankers Association (TBA), having led the association for four years from 2018 to 2022 with notable impact.

In 2023, Dr. Nsekela was named among the 25 Top African Finance Leaders by African Leadership Magazine (ALM). In early 2020, he was inducted into the African CEO's Hall of Fame by ALM, and in 2021 he was listed among the 50 Most Reputable Bank CEOs in Africa by Reputation Poll International. In 2022, he was conferred an Honorary Fellowship Award by the Tanzanian Institute of Banking (TIOB). He was also named CEO of the Year for two consecutive years by the Tanzania Top 100 Executives List (2021 and 2022), and designated the "Most Inspiring Male Corporate Leader" by the Consumer Choice Awards in 2022.

Dr. Nsekela holds a PhD in Corporate Governance from the University of South Africa, a master's degree in Business Administration - International Banking Finance (MBA-IBF) and a Post Graduate Diploma in Business Administration (PGDBA) from Birmingham University (UK). He also has an Advanced Diploma in Banking from the Institute of Finance Management (IFM), Tanzania. He is a graduate of Harvard Business School's Authentic Leadership Program.



Pascal Thomas Mihayo

Director of Legal Services & Company Secretary CRDB Bank PLC

Pascal Thomas Mihayo is the Director of Legal Services and Company Secretary of CRDB Bank PLC, a leading financial services group listed on the Dar es Salaam Stock Exchange with operations spanning Tanzania, Burundi, and the Democratic Republic of Congo.

He is an accomplished legal and governance professional with over a decade of experience in corporate law, banking regulation, and group governance across multi-jurisdictional environments. Pascal provides strategic legal counsel to the Board and Management, ensuring compliance with applicable laws, regulatory frameworks, and international best practices.

In his role, he oversees the Company Secretariat and Legal Services functions across the CRDB Group, including its subsidiaries—CRDB Bank Burundi, CRDB Bank Congo, CRDB Insurance Company, and the CRDB Bank Foundation. He plays a central role in strengthening group governance structures, enhancing board effectiveness, and aligning subsidiary governance frameworks with the Group's strategic objectives.

Pascal has been instrumental in driving key governance initiatives, including board and committee performance evaluations, regulatory engagement across multiple jurisdictions, and the development of governance frameworks to support the Group's regional expansion. He also leads efforts to ensure high standards of transparency, accountability, and ethical conduct across the organisation.

He holds a Bachelor of Laws (LL.B) degree and is a qualified Advocate. He is also a member of the Institute of Directors and actively contributes to thought leadership in corporate governance and legal practice within the financial services sector.

Qualifications:
LLB Mzumbe. LLm from UDSM in taxation law.
IODUK certificate in company director.
IODT certificate on corporate governance

Company Secretary

The Company Secretary plays a vital role in supporting the Board by offering qualified, competent, and experienced assistance, although is not a member of the Board. The Board is responsible for appointing the Company Secretary. Throughout the year, the Company Secretary ensures compliance with all applicable laws, regulations, and professional standards to maintain a good professional standing.

The primary responsibilities of the Company Secretary include:

- Offering guidance to the Board and individual Board members regarding their duties, responsibilities, and powers, particularly concerning compliance with applicable laws and, when relevant, stock exchange requirements, and ensuring that these are exercised in the best interest of the Company.
- Ensuring that Board procedures are consistently followed and regularly reviewed and that the Board adheres to all applicable laws, rules, regulations, and governmental policies.
- Assisting the Chairperson and the Group Managing Director and CEO in organizing general meetings and Board activities. This includes:

  Organizing General Meetings and Board Activities:

  - Providing Information: Ensuring that all necessary information is available to Board members for informed decision-making.
  - Preparing Agendas: Creating detailed agendas for meetings to ensure all relevant topics are covered.
  - Issuing Notices: Sending out official notices for meetings in a timely manner to ensure all members are informed.
  - Overseeing Meetings: Managing the logistics of meetings, ensuring they run smoothly and efficiently.

  Board Evaluations and Governance Audits:

  - Board Evaluations: Conducting regular assessments of the Board's performance to identify areas for improvement.
- Governance Audits: Reviewing governance practices to ensure compliance with legal and regulatory standards.

  Board Induction and Development Programs:

  - Induction Programs: Providing new Board members with the necessary orientation and training to understand their roles and responsibilities.
- Development Programs: Offering ongoing education and development opportunities to enhance the skills and knowledge of Board members.
  Succession Planning:
  - Developing and implementing plans to ensure a smooth transition of leadership within the Board and executive management.

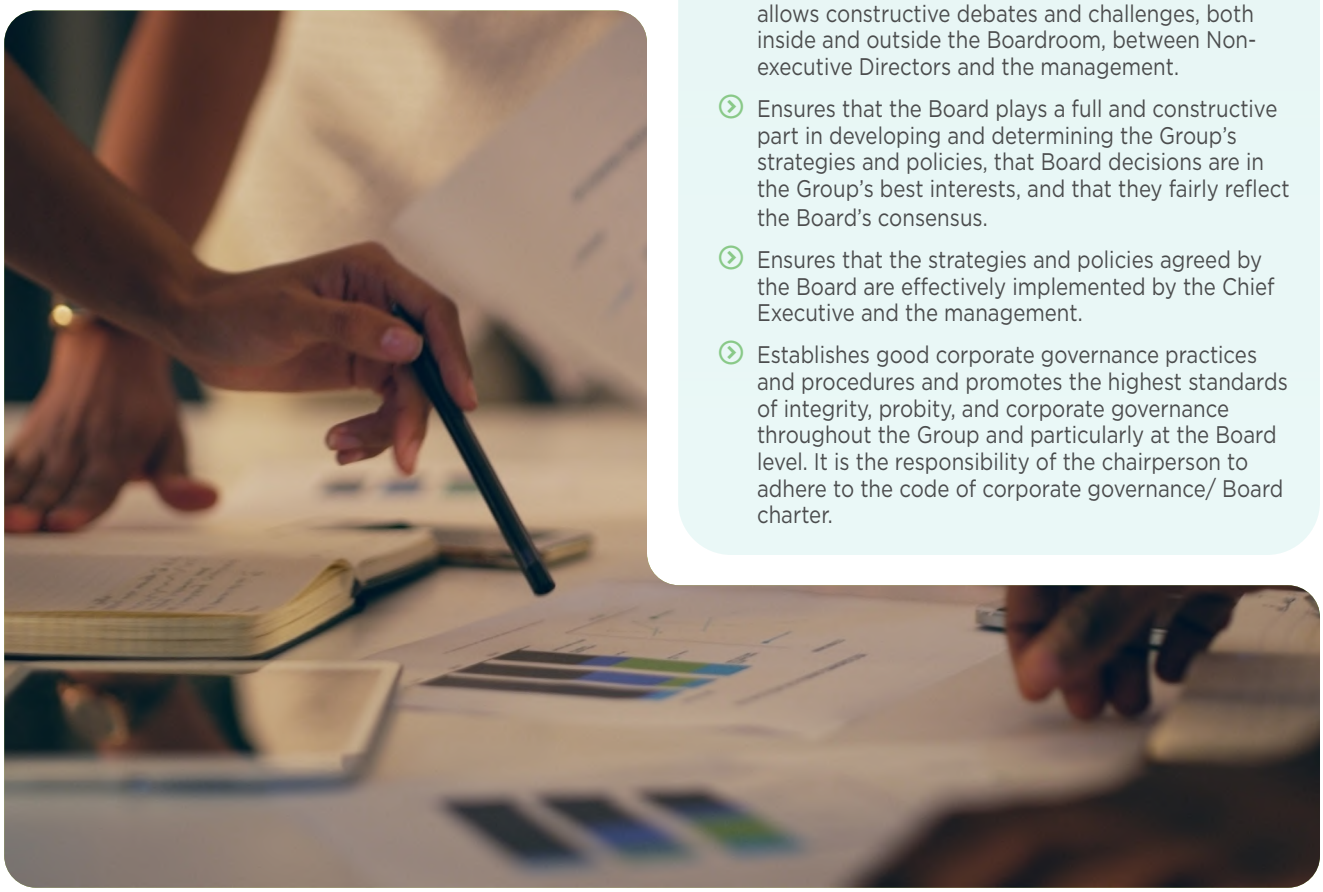
  Reviewing Governance Processes:

  - Regularly evaluating the effectiveness of governance processes within the Board and Group.
  - Making recommendations or developing initiatives to strengthen governance practices.



- Providing secretarial services to the Board, which includes preparing and adhering to the Board Work Plan, circulating Board papers ahead of meetings, keeping records of attendance, safeguarding the corporate seal and documenting its usage, ensuring timely preparation and distribution of minutes from Board meetings and Committees, updating Board and Committee charters, and promptly filing necessary returns with relevant authorities.
- Custodian of all Board's official records including Board packs, minutes, and bank's MEMARTS.
- Ensuring compliance with governance regulations, including filing required returns, updating statutory registers and Articles of Association, and adhering to continuous listing requirements.
- Facilitating effective communication between the Group and its shareholders, as well as coordinating the publication and distribution of the annual report and financial statements.
- Organizing and managing the process of conducting the Annual General Meeting (AGM) or extraordinary general meetings and advising on concerns that need to be raised at Board meetings to secure shareholder support and votes.
- Monitoring share movements on the Register of Shareholders

Both the appointment and removal of the Company Secretary are the responsibility of the Board.



Separation of roles and responsibilities

The roles of the Chairperson and the Group Managing Director & Chief Executive Officer have separated to uphold strong corporate governance principles. The Chairperson serves in a nonexecutive capacity and is responsible for leading the Board, ensuring its effectiveness, and overseeing the proper functioning of all Board committees.

The Group confirms that the Chairperson of the Board does not hold any senior executive position within the Bank. Executive responsibilities, including the daytoday management of the Bank's operations, are vested in the Group Managing Director and Chief Executive Officer. This separation of duties ensures an appropriate balance of authority, promotes independent oversight, and strengthens accountability across all levels of governance.

This governance structure supports objective decisionmaking and reinforces the Board's ability to provide strategic direction in line with recognized best practices.

Key roles and responsibilities of the Chairperson of the Board.

- Provides leadership and governance of the Board to create the conditions for the overall effectiveness of the Board and individual Directors and ensures that the Board discusses all key and appropriate issues in a timely manner.
- Promotes effective relationships and open communication and creates an environment that allows constructive debates and challenges, both inside and outside the Boardroom, between Non-executive Directors and the management.
- Ensures that the Board plays a full and constructive part in developing and determining the Group's strategies and policies, that Board decisions are in the Group's best interests, and that they fairly reflect the Board's consensus.
- Ensures that the strategies and policies agreed by the Board are effectively implemented by the Chief Executive and the management.
- Establishes good corporate governance practices and procedures and promotes the highest standards of integrity, probity, and corporate governance throughout the Group and particularly at the Board level. It is the responsibility of the chairperson to adhere to the code of corporate governance/ Board charter.

Key roles and responsibilities of the Group Managing Director and Chief Executive Officer

- Leads the management in the day-to-day running of the Group's business in accordance with the business plans and within the budgets approved by the Board.
- Leads the management to ensure effective working relationships with the Chairperson and the Board by meeting or communicating on a regular basis to review key developments, issues, opportunities, and concerns.
- Develops and proposes the Group's strategies and policies for the Board's consideration.
- Implements, with the support of the management, the strategies and policies as approved by the Board and its committees in pursuit of the Group's objectives.
- Conducts the affairs of the Group in accordance with the practices and procedures adopted by the Board and promotes the highest standards of integrity, probity, and corporate governance within the Group.

Board independence

A key component of our governance framework is the Board's independence. Our Board comprises a majority of Directors who are not part of the Group's executive team or otherwise closely tied to the Bank. This structure ensures that our Directors can provide unbiased oversight, free from conflicts of interest, and make decisions that are in the best interest of our shareholders. By maintaining an independent Board, we uphold the integrity of our governance practices and foster trust among our stakeholders.

The Group benefits from the presence of three Independent Non-Executive Directors who have no financial ties to it. Their independence allows them to provide unbiased oversight, hold management accountable, and contribute to strategic decision-making that aligns with shareholders' interests. Their independence is crucial in ensuring that the Board's actions are transparent and focused on long-term value creation for the Group.

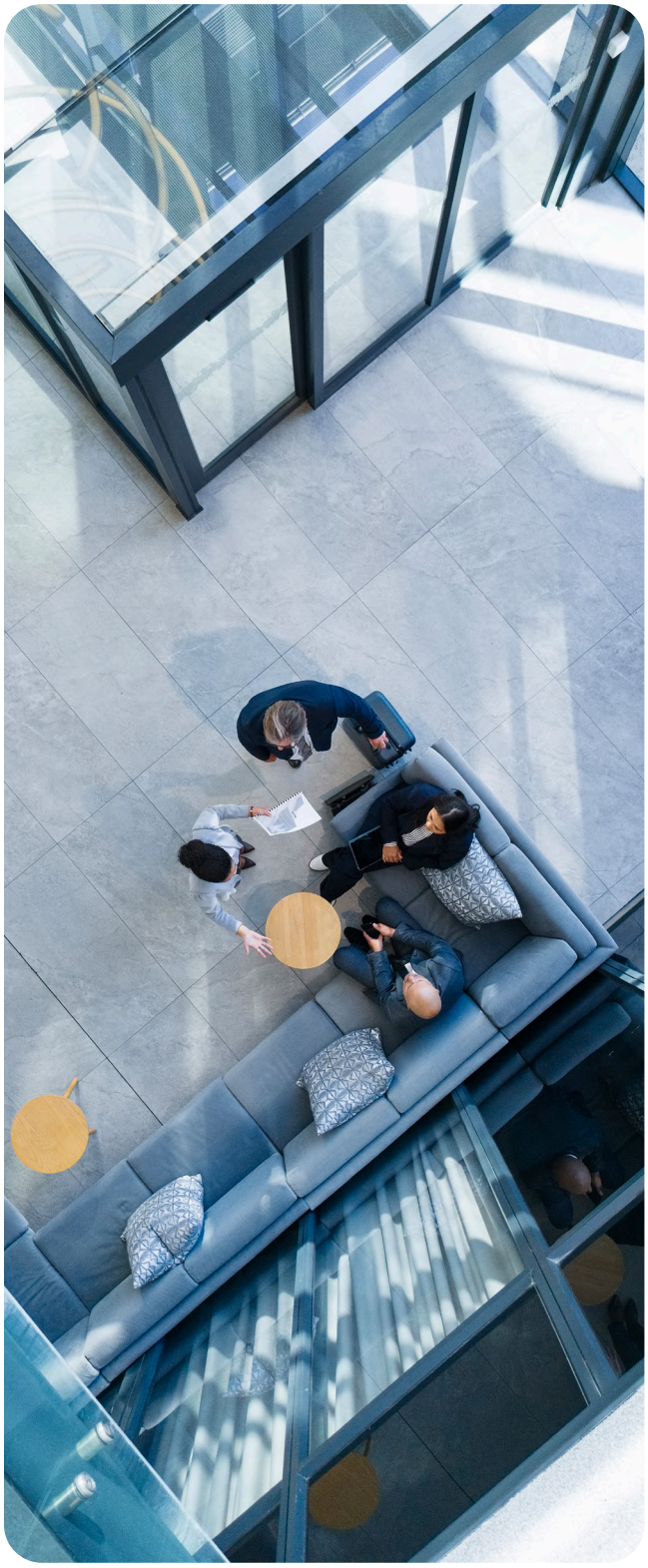
Assessing independence

The Board rigorously evaluates the independence of its Director's both at the time of their appointment and continuously throughout their tenure. Each Director is required to provide an annual declaration of their interests, any conflicts, and their independent status, with the opportunity to declare interests at any point during the year.

In assessing a Director's independence, the Board considers all relevant facts and circumstances, focusing on any direct or indirect relationships with the Bank, senior management, or other Directors that could influence their actual or perceived independence. This includes relationships with companies that have significant business ties with the Bank and not-for-profit organizations receiving substantial support from the Group.

The Board's independence is assessed annually in accordance with National Board of Accountants and Auditors (NBAA) declaration form. Additionally, all Board members are evaluated through the Regulator, the Central Bank of Tanzania (BOT).

Throughout the year, the Board received no complaints regarding Board Independence from the NBAA, the professional body, or from the Central Bank of Tanzania, the regulator.



BOARD COMMITTEES

An effective committee structure permits the Board to address key areas in more depth than may be possible at the full Board level. Decisions about committee membership and chairperson are made by the full Board based on recommendations from the nominating/corporate governance committee.

The responsibilities of each committee and the qualifications required for committee membership are clearly defined in a written charter that is approved by the Board. Each committee is required to review its charter annually and recommend changes to the Board. All committees are required to update the full Board of their activities on a regular basis. The reports include findings, matters identified for specific recommendations to the Board, action points and any other issues as deemed appropriate.

The table below shows the number of Board and Committee meetings held during the year and the attendance by those charged with governance:

S/N	Name of Director	Main Board	Board Audit Committee	Board Credit Committee	Board Governance, Nomination and Human Resource Committee	Board Risk Committee	Board Executive Committee
1	Dr. Ally H. Laay ↗	4/8					1/4
2	Prof. Neema M. Mori ↗↗↗	8/8		7/16		2/4	4/4
3	Mr. Boniface C. Muhegi ↗	4/8		6/16	4/7		
4	Mr. Jes Klausby	8/8			7/7	4/4	
5	Mr. Gerald P. Kasaato	8/8	5/5				
6	Mr. Abdul A. Mohamed	8/8		9/16	7/7	2/4	
7	Prof. Faustine K. Bee 1	8/8		16/16	4/7	2/4	
8	Dr. Fred M. Msemwa 1	7/8		7/16	3/7	2/4	
9	Ms. Miranda N. Mpogolo1	8/8		7/16	7/7	2/4	
10	Mr. Martin S. Warioba ↗	4/8	3/5				
11	Mr. Abdulrazak I. Badru ↗	6/8	4/5				
12	Mr. Moses W. Dulle	8/8			7/7	4/4	
13	Dr. Donald E. Mmari ↗↗	4/8		9/16	3/7		3/4
14	Dr. Judika L. King'ori ↗↗	4/8	2/5				
15	Ms. Grace P. Joachim ↗↗	4/8		9/16		2/4	
16	Mr. Eliud Betri Sanga ↗↗	1/8	1/5				

1 These are the Board members who moved between committees during the year
↗ These are the Board Members who retired during the year.
↗↗ These are the Board Members who were appointed during the year.
↗↗↗ She was appointed as chairperson in July 2025 but did not attend committee meetings.

During the year, the Group has complied with the principles and codes of best practice
There was no regulatory requirement that influenced the design of the governance above.

Permanent Invitee to Board Meetings

The Board ensures that key executives are permanent invitees to its meetings. This includes the Chief Financial Officer (CFO), Chief Commercial Officer (CCO), Chief Operating Officer (COO), Director of Internal Audit, Director of Business Transformation, Director of Risk and Compliance, Director of Information Technology, Company Secretary, and Director of Legal Services. Their presence is crucial for providing expert insights and facilitating informed decision-making. By involving these senior officers, the Board can leverage their specialised knowledge and experience, ensuring that discussions are comprehensive and decisions are well-grounded in the operational realities of the Group.

Board Audit Committee

The committee oversees the Group's internal audit function and ensures that the internal audit staff has adequate resources and support to carry out its role. The committee reviews the scope of the internal/ external audit plan, significant findings by the internal/ external audit and management's response, and the appointment and replacement of the senior internal auditing executive and assesses the performance and effectiveness of the internal audit function annually.

Role of the committee

- Overseeing the financial reporting process, ensuring that internal control systems are adequate and effective; and acting as a bridge between the external auditors and the management.
- Reviewing the quarterly Group performance and give assurance on the integrity of the numbers to the main Board before publication and submission to the Central bank.
- Reviewing the integrity of the Group's Consolidated financial statements for the period ended 31 December.
- Reviewing the appointment of the External auditors their terms of engagement and the audit fees and recommend to the Board for approval.
- Monitoring and reviewing the performance of the Group's external auditors.
- Reviewing periodic audit reports of the Group operations and internal controls presented by the internal auditors.
- Reviewing and recommend to the Board the internal and external audit plans.
- Approving committee annual work plan

This committee planned and met six (5) times during the year.

The committee comprised of the following members:

S/N	Name	Position	Nationality	Qualification
1.	Mr. Gerald P. Kasaato	Chairman		MBA(Finance) MSc. in International Finance & Investment Bachelor of Laws degree, LLB (Hons) BSc. Hons) in accounting CFA Charter holder, a Chartered Accountant (UK), a Fellow of the Chartered Management Institute (FCMI, UK), and a member of the Institute of Certified Public Accountants of Uganda (ICPAU) Chartered Director CDir & Fellow of IoD UK (FIoD)
2.	Mr. Martin S. Warioba*	Member		MSc in Information Management, MBA BSc in Computer Science
3.	Mr. Abdulrazak I. Badru*	Member		PhD candidate exploring strategy alignment and execution to create value, and sustainability (in progress), MBA – International Business Management Postgraduate Diploma in Leadership, B.A in Sociology – University of Dar es Salaam
4.	Dr. Judika L. King'ori *	Member		PhD in Economics Master of Accountancy Master of Business Administration B. Com in Accounting, CPA (T)
5.	Mr. Eliud B. Sanga *	Member		Master of Development Administration BA in Economics

* During the year, Dr. Judika King'ori and Mr. Eliud Sanga joined the Audit Committee in July and October 2025 respectively, replacing Mr. Martin Warioba, and Mr. Abdulrazak I. Badru

To ensure full separation of membership, members serving in the Board Audit Committee are not allowed be elected to serve in any other committee. The committee like other committees, has a charter that describes its oversight function. All members served in this committee during the year are non-executives and independent with no financial interest in the entity or significant relationships with major shareholders, management, suppliers, or customers.

Two members of the Audit Committee are accountants who hold professional certifications from recognized accounting bodies.

Activities of the Committee

The committee held five meetings this year and performed the below activities;

- Reviewed the external auditor appointment, considering their effectiveness, independence, and relevant guidelines, and made a recommendation to the Board before the approval at AGM.
- Reviewed and approved the quarterly financial reports for publication presented by the management which was audited by the internal auditors to be published as required by the regulations 7 and 8 of the Banking and Financial Institutions (Disclosures) Regulations, 2014.
- Discussed quarterly internal audit reports done in various departments and general branch operations on selected branches which were presented by the Department of Internal Audit. The reports were discussed by the members of the Board, and the Board directed the internal Audit department to increase the coverage of the areas to be audited to reduce risks of fraud, and over/understatement of the numbers. Emphasis was pressed on internal controls, to make sure that strong internal controls are in place and were being reviewed regularly.
- Discussed the External Auditors' Audit report and audited financial statements for the year ended 31st December 2025 presented by the External Auditors (PwC) and directed management to ensure issues raised are closed timely.
- Discussed the performance of the internal audit department, especially on the closure of issues raised by the Central bank and directed that they must validate all issues closed by management before they are shared with the Central bank as closed.
- Reviewed and recommended to the Board the internal and external audit plans.
- Approved committee annual work plan for FY 2025.

Board Governance, Nomination and Human Resources Committee

The Committee is responsible for ensuring that the Board maintains an appropriate balance of skills, experience, and composition, including a clear distinction between Executive and NonExecutive Directors. It oversees the process for Board appointments and submits recommendations to the Board following a formal, rigorous, and transparent procedure. In addition, the Committee makes decisions on seniorlevel recruitment, taking into account the responsibilities and remuneration of management staff and Directors.

The Board periodically evaluates the collective skills, knowledge, and experience of its members against those required to deliver the organization's strategic objectives. Continuous efforts are made to broaden the Board's diversity, particularly in relation to skills, professional backgrounds, and gender representation. The Committee is specifically tasked with considering these factors when identifying and recommending candidates for appointment.

Role of the Committee

- Establishing and recommending to the Board for approval criteria for Board membership and periodically reviews and recommends changes to the criteria.
- Reviewing of the composition of the Board, along with its succession planning including an assessment of the mix of the Directors' skills, experience and an identification of qualifications and attributes that may be valuable in the future and anticipated Directors' exits.
- Reviewing the appointment of Directors to be recommended to the Board before they are recommended to shareholders at the AGM for election and re-election for director who had reached the statutory retirement.
- Monitoring evaluation of whether the Board has the necessary tools to effectively perform its oversight function.
- Reviewing and recommending for Board approval the remuneration proposals for Executive, non-executive Directors, as well as Senior Management.
- Reviewing key policies such as human resources policy which guides the operations, remunerations and management of human capital.
- Reviewing and recommending the annual staff bonus to the Board.
- Reviewing and recommending the renewal of terms and conditions of employment for Board approval.

This Committee planned 5 meetings and met seven (7) times during the year.

The Committee comprised of the following members:

	Name	Position	Nationality	Qualification
1	Mr. Abdul A. Mohamed	Chairman[1]		BSc in Accounting & Finance Associate member of CFA and ACCA (UK)
2	Eng. Boniface C. Muhegi*	Chairman		MSc Engineering (Civil), BSc Engineering (Civil) Advanced Post Graduate Diploma in Construction Management
3	Mr. Jes Klausby	Member		MSc Mathematics - Economics
4	Ms. Miranda N. Mpogolo	Member		M.A in Theatre & Development Studies B.A (Hons) in Drama, Applied Theatre & Education Chartered Director CDir & Fellow of IoD UK (FIoD)
5	Prof. Faustine K. Bee*	Member		PhD in Development Studies M.A in Development Studies, B.A in economics
6	Mr. Moses W. Dulle	Member		M.A in Development Studies & Economics, B.A in Economics
7	Dr. Donald E. Mmari*	Member		PhD in Development Economics, MBA in Strategic Management, MA & BA in Economics
8	Dr. Fred M. Msemwa*	Member		PhD in Business Administration, MBA in Finance

*During the year, Dr. Donald Mmari and Dr. Fred Msemwa joined the Governance, Nomination and Human Resources Committee in July and October respectively, replacing Eng. Boniface Muhegi, and Prof. Faustine Bee.
[1] Mr. Abdul A. Mohamed was appointed as Chairman of this Committee

Activities of the Committee

The Committee held seven meetings this year and performed the below activities;

- Discussed matters relating to both the Board and management, including initiatives aimed at enhancing diversity at all levels.
- Reviewed the progress of women empowerment programs, including training initiatives designed to prepare women for higher leadership roles.
- Discussed staff productivity and directed management to implement measures that enhance productivity to support increased revenue generation and profitability for the Group.
- Reviewed and recommended staff salary increments for Board approval.
- Reviewed and recommended to the Board the bonuses payable to staff for the 2025 performance year, based on achievement against set targets.
- Discussed and recommended to the Board the appointment of a new Company Secretary, whose tenure commences in January 2025.
- Reviewed and recommended the Directors' training and development plan for Board approval.
- Reviewed and made recommendations to the Board on the appointment of Board members ahead of their approval at the AGM.
- Reviewed employee welfare initiatives and advised management on measures to strengthen staff engagement and retention.
- Assessed succession planning and recommended actions to ensure a strong leadership pipeline across the Group.
- Reviewed the Group's human resources policies and proposed updates to align with evolving best practices and regulatory requirements.

Board Credit Committee

Recognising that lending is the Group's core business and primary source of income, the Committee supports the Board by providing effective oversight of credit risk management. It continuously reviews and analyses the Group's credit risk profile and advises the Board on appropriate direction and, where necessary, timely corrective actions.

The Board Credit Committee is committed to ensuring that the quality of the Bank's asset portfolio remains within acceptable risk parameters. It further ensures that the business operates under a robust and compliant credit policy aligned with regulatory requirements and sound risk management practices.

Role of the Committee

- Supporting the Board in understanding the Bank's credit portfolio and related activities, including developing credit management strategies and recommending them for Board approval.
- Monitoring the implementation of the approved credit management strategy to ensure effective execution across the Bank.
- Providing strategic leadership and oversight of the Bank's credit risk management framework, including reviewing and recommending Credit Policies and the Bank's credit risk appetite to the Board.
- Reviewing the quality and performance of the Bank's credit portfolio on a quarterly basis and advising management on appropriate measures to maintain or improve portfolio quality.
- Ensuring full compliance with the Bank's Credit Policy and adherence to prudential regulations governing credit risk management.
- Reviewing and recommending to the Board, for approval, the loans and advances to be charged off in line with Central Bank regulations.
- Evaluating portfolio concentration risks and recommending diversification strategies to maintain a balanced and resilient credit portfolio.
- Reviewing stress-testing results on the credit portfolio and advising on mitigation plans to strengthen the Bank's risk position.

This Committee planned 9 meetings and met sixteen times (16) during the year.

The Committee comprised the following members:

	Name	Position	Nationality	Qualification
1	Dr. Donald E. Mmari*	Chairman[1]		PhD in Development Economics, MBA in Strategic Management, MA & BA in Economics
2	Prof. Neema M. Mori*	Chairperson		PhD in International Business Corporate Governance & Boards of Financial Institutions MBA in Finance, BCom Finance
3	Eng. Boniface C. Muhegi*	Member		MSc Engineering (Civil), BSc Engineering (Civil) Advanced Post Graduate Diploma in Construction Management
4	Dr. Fred M. Msemwa	Member		PhD in Business Administration, MBA Finance
5	Prof. Faustine K. Bee	Member		PhD in Development Studies M.A in Development Studies, B.A in economics
6	Ms. Miranda N. Mpogolo*	Member		M.A in Theatre & Development Studies B.A (Hons) in Drama, Applied Theatre & Education Chartered Director CDir & Fellow of IoD UK (FIoD)
7	Mr. Abdul A. Mohamed*	Member		BSc in Accounting & Finance Associate member of CFA and ACCA (UK)
8	Ms. Grace P. Joachim*	Member		LL.M in International Commercial Law, LL.B

*During the year, Dr. Donald Mmari, Mr. Abdul Mohamed, and Ms. Grace Joachim joined the Credit Committee in July, replacing Eng. Boniface Muhegi, Ms. Miranda Mpogolo, and Prof. Neema Mori.

[1] Dr. Donald E. Mmari was appointed as chairman of this Committee.

Activities of the Committee

The Committee held sixteen (16) meetings this year and performed the below activities;

- Reviewed the quality of the loan portfolio to ensure compliance with the Group's internal NPL ratio limits and the regulatory requirement of maintaining NPLs below 5%.
- Reviewed and recommended the annual Credit Policy review to the Board for approval.
- Reviewed and approved several loans and advances requiring Board-level authorisation and recommended them to the main Board for final approval.
- Discussed the Single Borrower Limit and directed management to ensure continuous compliance with regulatory thresholds.
- Reviewed and restructured loans and provided recommendations to the Board on remedial actions and measures to enhance overall portfolio quality.
- Assessed the adequacy and effectiveness of the credit monitoring and reporting processes to ensure timely identification of emerging risks.
- Reviewed sectoral exposures and advised management on opportunities and risks related to portfolio diversification.
- Considered updates on recoveries and legal cases related to non-performing loans and provided strategic guidance on improving recovery performance.

Board Risk Committee

The primary responsibility of the Board Risk Committee is to provide comprehensive oversight of risk across the Group. The Committee ensures that the Board receives regular and meaningful information on all major risks, their alignment with the Group's strategic objectives, and the measures in place to mitigate them.

The Committee oversees and advises on the Bank's current and emerging risk exposures, evaluates the effectiveness of the Risk Management Framework, and reviews the Bank's future risk strategy, including capital and liquidity management. It also plays a key role in fostering a strong riskawareness culture throughout the Bank and ensuring adherence to established risk policies, procedures, and regulatory requirements.

Role of the committee

- Providing comprehensive oversight of risk across the Group to ensure an effective risk governance framework.
- Reviewing annual risk assessment reports to evaluate the Group's overall risk exposure and emerging risk trends.
- Reviewing all business operations policies and recommend them to the main Board for approval.
- Overseeing the adequacy and effectiveness of internal control systems and the overall risk management framework.
- Overseeing and monitoring the Group's compliance with all applicable legal and regulatory compliance
- Reviewing and assessing the Group's risk appetite and tolerance levels, recommending adjustments to the Board in line with changing business conditions.
- Evaluating the effectiveness of risk mitigation strategies and providing guidance on enhancements to strengthen the Group's risk culture

This Committee planned and met four (4) times during the year.

Activities of the Committee

The Committee held four (4) meetings this year and performed the below activities;

- Discussed risk assessment, risk management, and compliance matters, emphasizing the importance of preventing penalties that may arise from non-compliance with internal controls or regulatory obligations.
- Reviewed and deliberated on the risk assessment report presented by management, and subsequently recommended the report to the main Board for consideration and approval.
- Discussed Group compliance issues, including adherence to the Group's Code of Conduct, regulatory reporting obligations, and compliance with all internal ratios set by the Board.
- Reviewed and discussed legal and regulatory updates relevant to the Group's operations and their potential impact on business activities.
- Reviewed the Committee's Terms of Reference to ensure alignment with evolving governance best practices.
- Approved the Committee's Annual Work Plan for FY 2025 to guide risk oversight activities for the year.
- Assessed cyber and information security risks, including management's controls to safeguard systems, data, and digital infrastructure.
- Reviewed the development of stress test methodology.

In addition to the above Committees, there are management-level committees composed of senior management that meet weekly, monthly, and quarterly.

The Committee comprised of the following members:

S/N	Name	Position	Nationality	Qualification
1	Mr. Jes Klausby	Chairman		MSc Mathematics – Economics
2	Dr. Fred M. Msemwa*	Member		PhD in Business Administration MBA in Finance
3	Prof. Neema M. Mori*	Member		PhD in International Business Corporate Governance & Boards of Financial Institutions MBA in Finance Bachelor of Commerce in Finance
4	Mr. Abdul A. Mohamed*	Member		BSc in Accounting & Finance Associate member of CFA and ACCA (UK)
5	Mr. Moses W. Dulle	Member		M.A in Development Studies & Economics, B.A in Economics
6	Prof. Faustine K. Bee*	Member		PhD in Development Studies M.A in Development Studies, B.A in economics
7	Ms. Miranda N. Mpogolo*	Member		M.A in Theatre & Development Studies B.A (Hons) in Drama, Applied Theatre & Education Chartered Director CDir & Fellow of IoD UK (FIoD)
8	Ms. Grace P. Joachim*	Member		LL.M in International Commercial Law, LL.B

*During the year, Prof. Faustine Bee, Ms. Miranda Mpogolo, and Ms. Grace Joachim joined the Risk Committee in July, replacing Dr. Fred Msemwa, Mr. Abdul Mohamed, and Prof. Neema Mori.

Board Executive Committee

The Board Executive Committee was established to support the Board in fulfilling its governance and strategic oversight responsibilities. The Committee serves as a responsive body that provides timely guidance on critical matters, acts on behalf of the Board in urgent situations, and facilitates effective communication across the governance structure. In performing its duties, the Committee ensures that emerging issues are addressed promptly while maintaining accountability through regular reporting to the full Board.

The Committee shall meet as often as required and may align meetings with Board sessions.



Role of the committee

- Strategic oversight: participate in strategic planning and advise the Board on key matters.
- Emergency decision-making: act on behalf of the Board in urgent situations where convening the full Board is impractical.
- Workplace issues: review serious workplace matters requiring Board attention before escalation.
- Communication: facilitate effective communication between the Board, its committees, and senior Management.

Activities of the Committee

- Act on behalf of the Board in urgent matters where convening the full Board is impractical.
- Provide strategic guidance and conduct a preliminary review of critical issues before escalation to the full Board.
- Recommend actions to the Board, while recognizing that the Committee cannot override decisions of the full Board.
- Ensure accountability by reporting all decisions taken under emergency authority to the Board for ratification at its next scheduled meeting.

Al-Barakah
BANKING



Shariah Advisory Board

The Shariah Advisory Board for CRDB Bank plays a vital role in the bank's operations by ensuring that all financial products and services offered through the Al Barakah Islamic window comply with Islamic principles. This board comprises respected scholars and experts in Islamic finance who carefully review and approve the bank's offerings. Their guidance ensures that CRDB Bank's Islamic banking window, Al Barakah, operates within the framework of Shariah law, providing ethical and interest-free financial solutions to its customers.

The Shariah Advisory Board is comprised of the following members, planned to meet 4 times and met 6 times

Name	Position	Nationality	Age	Qualification	Meetings attended
Mr. Abdul A. Mohamed	Chairman		35	BSc in Accounting and Finance	6/6
Mr. Sheikh Issa Othman Issa	Member		61	Advance Diploma in Social Science (Counselling)	5/6
Mr. Khalfan A. Salim	Member		42	Master's degree in management and leadership	5/6
Mr. Juma A. Mohammed	Member		58	MSc. in Finance	4/6
Mr. Xavery M. Makwi	Member		57	Master of Business Administration (Finance), LL.B, B.Com Finance, CPA, Advocate	5/6
Prof. Aishath Muneeza	Member		40	PhD. Islamic Banking	6/6



Directors' remunerations

Remuneration of those charged with governance, (Directors) considers the demands, complexities, and performance of the Group. Management periodically prepares a proposal for fees and other emoluments to be paid to Directors. Proposals include benchmarking against similar companies or the industry, market realities, and the need to attract and retain skilled, experienced Directors to drive the business. The same is forwarded to the Annual General Meeting (AGM) for final approval.

The remunerations are reviewed annually to ensure that they are appropriate and adequate in comparison with the industry benchmark. The Directors are not eligible for pension scheme membership and are not part of the Bank's staff remuneration scheme.

The table below shows remunerations of the Directors of the parent company, subsidiaries and that of the Shariah Advisory Board within the parent company.

Information on aggregate amounts of the emoluments and fees paid during the year to Directors in comparison to the previous year is disclosed below: -

Name	2025 TZS Million	2024 TZS' Million
Dr. Ally H. Laay*	**49**	89
Prof. Neema M. Mori	**103**	86
Eng. Boniface C. Muhegi*	**43**	84
Mr. Jes Klausby	**88**	80
Mr. Gerald P. Kasaato	**88**	76
Mr. Abdul A. Mohamed	**86**	76
Prof. Faustine K. Bee	**86**	80
Dr. Fred M. Msemwa	**86**	80
Mr. Martin S. Warioba*	**46**	76
Ms. Miranda N. Mpogolo	**80**	80
Mr. Abdulrazak I. Badru**	**62**	38
Mr. Moses W. Dulle	**78**	-
Dr. Donald E. Mmari***	**50**	-
Dr. Judika L. King'ori***	**43**	-
Ms. Grace P. Joachim***	**44**	-
Mr. Eliud B. Sanga****	**22**	-
Dr. Abdulmajid M. Nsekela*****	**-**	-
TOTAL	**1,054**	**965**

* During the year 2025, Dr Ally Laay, Eng. Boniface Muhegi and Mr. Martin Warioba were paid for two quarters that they served in the Board (Q1 and Q2).
** During the year 2025 Mr. Abdulrazak Badru was paid for three quarters that he served in the Board (Q1, Q2 and Q3).
*** During the year 2025 Dr. Donald Mmari, Dr. Judika King'ori, and Ms. Grace Joachim were paid for two quarters that they served on the Board (Q3 and Q4).
**** During the year 2025 Mr. Eliud Sanga was paid for one quarter that he served in the Board (Q4).
***** Dr. Abdulmajid Nsekela (Managing Director) is an ex-officio member who is paid a monthly salary by the Bank; this is part of key management remuneration.

The table below shows Directors who also served the Group's subsidiaries during the year with the respective fees paid

Name	2025 TZS Million	2024 TZS' Million
Mr. Hosea E. Kashimba	-	92
Prof. Faustine K. Bee	50	46
Dr. Fred M. Msemwa	17	44
Mr. Martin S. Warioba	20	26
Mr. Gerald P. Kasaato	22	19
TOTAL	109	227

Details of the meetings attended has been disclosed to the respective subsidiary's separate financial statements for the year ended 31 December 2025.

The table below shows Directors who served the Shariah Advisory Board during the year with the respective fees paid

Name	2025 TZS Million	2024 TZS Million
Mr. Abdul A. Mohamed	32	32
Mr. Sheikh Issa Othman Issa	21	21
Mr. Khalfan A. Salim	21	21
Mr. Juma A. Mohammed	21	21
Mr. Xavery Makwi	21	21
Prof. Aishath Muneeza	21	-
Prof. Monzer Kahf	-	5
TOTAL	137	121

Evaluation of the performance of those charged with governance

The Board conducts a structured annual evaluation designed to assess its effectiveness in overseeing the Bank's economic, environmental, and social impacts. This process follows a formal governance evaluation framework that assesses key areas, including strategic guidance, risk oversight, sustainability integration, ethical conduct, and stakeholder engagement. The assessment covers both collective Board performance and individual Directors' contributions, ensuring alignment with regulatory expectations and leading corporate governance practices. As part of the evaluation, the Board also reviews the adequacy of its oversight mechanisms including Board Committees, reporting structures, and internal control systems to ensure they remain effective in managing the organization's impacts across all areas of responsibility.

The evaluation is conducted annually and may be undertaken through internal reviews or independent facilitation, depending on the scope of review required in a given year. After every three years, Board evaluation and assessment are conducted by an external party or Consultant, providing enhanced objectivity, benchmarking, and insights into the Board's performance relative to global governance best practices. The annual evaluation typically incorporates Director self-assessments, Peer reviews, Committee assessments, and structured questionnaires administered by the Corporate Governance Unit or the appointed external Consultant. The final evaluation report is reviewed by the Board Chairperson and subsequently presented to the full Board for deliberation and action planning.

Actions arising from the evaluation are implemented to strengthen governance effectiveness and Group performance. These actions may include targeted governance training, adjustments to board and committee composition, enhancements to board reporting processes, refinements to strategic oversight practices, and improvements in risk and sustainability monitoring. Where relevant, changes may be made to committee mandates, director succession plans, or board competency profiles to address identified gaps. The evaluation outcomes also inform ongoing governance development initiatives, ensuring the Board continues to operate with the highest standards of accountability, transparency, and effectiveness in fulfilling its stewardship responsibilities.

Code of conduct and Ethical behaviour

The Board has adopted a code of conduct for all Directors and employees, including the chief executive officer, that addresses conflict of interest, among other things. The code is reviewed and updated regularly. It is shared annually with all employees and Directors, who are required to confirm in writing that they have complied with it.

Board members are expected to observe the highest standard of ethical behaviour, which supports and encourages policies requiring Directors and all employees to maintain a high standard of integrity and to display honesty in their dealings.

We are committed to high standards of ethical behaviour and operate a zero-tolerance approach to bribery and corruption, which we consider unethical and contrary to good corporate governance. It is the utmost responsibility of all staff within the Bank to comply with the Group's code of conduct. In addition, the code of conduct emphasises the responsibility of the Board and internal and external auditors to ensure the confidentiality of the Group information.



Managing conflicts of interests

Processes to prevent and mitigate conflicts of interest

The Group has established structured governance mechanisms to ensure conflicts of interest are identified, prevented, and effectively mitigated, in line with the Banking and Financial Institutions (Corporate Governance) Regulations, 2021. These regulations define conflict of interest and require Boards of financial institutions to implement robust controls and disclosures.

Key Processes at the Bank.

Board conflict of interest policy
The Bank follows a formal conflictofinterest policy aligned with national regulatory requirements. Board members must act impartially and avoid situations where personal, professional, or financial interests could interfere with their responsibilities.

Ongoing monitoring through Board Committees
The Board Risk Committee oversee compliance and reviews any potential insider dealings or relatedparty risks, as required under the regulatory framework governing insider transactions and sound governance practices.

Internal control and assurance function
The Bank's risk management, compliance, and internal audit functions independently evaluate conflictofinterest risks as part of control functions defined in the Corporate Governance Regulations.

Mandatory conflict of interest disclosure
Upon appointment and annually thereafter, Board members and Senior Executives complete declarations of interest, including relationships, shareholdings, and external directorships.

Recusal and mitigation measures
Where a conflict is identified, affected individuals must recuse themselves from discussions or decisions. This aligns with the regulatory duty of care and loyalty required from Board members.

Disclosure of Conflicts of Interest to Stakeholders

The Bank is committed to transparent disclosure of material conflicts of interest to stakeholders and complies with regulatory disclosure requirements. This includes disclosures related to:

- ***Existence of Controlling Shareholders***
  The Bank discloses the structure of its significant and controlling shareholders as part of governance transparency, in compliance with Part IX of the Corporate Governance Regulations, which covers shareholding and management disclosures.

- ***Related Parties, Transactions, and Outstanding Balances***
  The Bank reports:
  - Nature of transactions
  - Outstanding balances for loans and deposits.

This aligns with the regulatory provisions governing insider transactions, credit accommodations, and the disclosure of such dealings.



Board Policies

The Board has developed comprehensive policies and procedure documents to serve as essential guides for the Directors and Management in effectively executing their roles and responsibilities. These documents provide a framework that ensures clarity and accountability throughout the Group. Below, is a detailed summary of the governance documents along with their key provisions.

Conflict of interest policy

The Board has established a policy and a set of procedures relating to Directors' conflicts of interest and related party transactions. In all Board meetings, there is an agenda for declaring conflicts of interest, and a conflict-of-interest register is reviewed regularly.

Those charged with governance are expected to avoid any action, position, or interest that conflicts with the interest of the Bank or gives the appearance of a potential conflict. In this regard, all Directors are required to:

- Declare any interests that may give rise to potential or perceived conflict e.g., multiple Directorships, business relationships or other circumstances that could interfere with the exercise of objective judgment;
- Declare as soon as they become aware that a subject to be discussed at a Board or committee meeting may give rise to a conflict of interest at the outset of the applicable meeting. The conflicted Director is not allowed to participate further in the discussion of that subject, nor vote on it.
- Director(s) with a continuing material conflict of interest is required to consider resigning from the Board.

Board members are required to inform the Company Secretary of any changes regarding Directorships and conflicts of interest within 30 days. The Board is required to evaluate all potential or perceived conflicts of interest as declared and approve such transactions with the bank as may be appropriate.

A register of declared conflicts of interest is being maintained by the Company Secretary.

During the year, none of the Directors had a material interest, directly or indirectly, in any significant contract with the Group.

Insider trading and disclosure policy

It is the Group policy that Directors and employees considered to have privileged knowledge, from time to time, of material facts or changes in the affairs of the Group, which have not been disclosed to the public, including any information likely to affect the market price of the Bank's securities, cannot buy or sell ("trade") Group securities, except in accordance with the requirements of the Group policy.

CRDB Insiders are prohibited from trading Group securities either on their own behalf or on behalf of someone else when the trading window is closed. They are also required to keep any unpublished and non-public sensitive information received by them, whether in the ordinary course of their employment or office or otherwise, confidential and with sufficient protection from unauthorized disclosure or access.

The Bank regularly communicates through corporate communication with all staff to remind them of the restrictions on insider trading.

Whistle-blowing policy

The Group has strong whistle-blowing policies and procedures with the main objective of promoting a framework within the Bank where staff are encouraged and feel confident to reveal and report any fraudulent, immoral, unethical, or malicious activity or conduct of fellow employees, management, those charged with governance, clients, consultants, vendors, contractors, and/or any other parties with business relationship with the Bank which in their opinion may cause financial or reputational loss to the Bank.

The policy is crucial for fostering a compliance culture where employees follow internal policies and respect laws. The Bank is dedicated to upholding high ethical and legal standards. This policy allows concerns about fraud, corruption, or misconduct to be raised while protecting whistle-blowers from retaliation.

The whistle-blower and Witness Protection Act of 2015 make it illegal for employers to retaliate against whistle-blowers. Staff receive periodic training as part of their induction and ongoing development. This training encourages employees and other stakeholders to share information that supports good corporate governance practices. The bank's website features a whistle-blower section where customers and other stakeholders are encouraged to report misconduct through various channels, either internally or externally via an independent third party. Whistle-blowers have the option to disclose their identity or remain anonymous.

Anti-Corruption and fraud risk policy

Our commitment to good corporate governance is reflected in our stringent anti - corruption and fraud risk policy which has been developed to provide a coordinated approach towards managing fraud and corruption risk as one of the key elements in our overall business risk management practices. We maintain a zero-tolerance stance towards any form of bribery or corruption, ensuring that all business activities are conducted with the highest level of integrity and transparency. This policy applies to all employees, directors, and third-party associates, requiring them to adhere to ethical standards and legal requirements. Regular training and awareness programs are conducted to ensure that everyone within the Group understands their responsibilities and the importance of compliance.

To safeguard against corruption and fraud, we have implemented robust internal controls and reporting mechanisms. These measures include thorough due diligence processes, regular audits, and a secure whistleblowing system that allows employees to report any suspicious activities without fear of retaliation. By fostering a culture of accountability and ethical behaviour, we aim to protect the interests of our stakeholders and uphold our reputation as a responsible and trustworthy organization.

Anti-money laundering policy

The Board of Directors plays a vital role in ensuring effective corporate governance and compliance with anti-money laundering (AML) measures. Their responsibilities include establishing a clear governance framework, defining roles for AML compliance, and holding senior management accountable. The Group has implemented a strong governance process for AML measures to protect the bank's reputation and financial stability. Adhering to this policy is mandatory at the Group level, as it ensures compliance with AML, counter-financing of terrorism (CFT), and counter-proliferation financing (CPF) legislation in all the countries where we operate.

Group Communication/ Public Relations Policy

The policy aims to ensure that the information originating from the Bank is accurate and complete, reflects the official position of the Bank and is released to the media and targeted public in a consistent and timely manner. The ultimate objective is to build a mutually beneficial relationship between the Bank and the public. The Board has established effective communication with the Bank's stakeholders including the media and other channels found appropriate.

- The primary objective of this policy is to ensure the Public Relations process is conducted in a structured, systematic and consistent manner,
- Define the roles of the Board and senior management in the management of Public Relations process in the Bank.
- Ensure the Bank is presented with consistent messages and with one clear voice to the media and public.
- Provide guidance and direction to all Bank staff regarding public and media for the benefit of the Bank.
- To develop positive public perceptions, manage and maintain internal and external public and media relations for the Bank's benefit.
- Guide the Bank's activities related to management of risks arising from local, regional, national and international publicity.
- Safeguard and enhance the Bank's reputation across the wider community.
- To promote the Bank's mission, vision and value

Remuneration policy

The policy outlines the guidelines and criteria for the compensation of those charged with governance. It aims to ensure transparency and fairness in the compensation process while aligning with the Groups' goals and values

Group operational policies

Comprehensive operational policies serve as essential guidelines for the Management team, enabling them to effectively navigate and execute the various functions within the Group's operations. These policies clearly define roles, responsibilities, and standard procedures, ensuring that every process is streamlined, consistent, and aligned with the Group's overall strategic vision. By establishing a uniform framework for decision-making and performance execution, the policies not only enhance operational efficiency but also foster transparency and a strong culture of accountability across all levels of the Group. Ultimately, they support better governance, reduce risks, and empower teams to deliver results with confidence and clarity

Nomination Process

The nomination and selection of members of the highest governance body follow a structured process overseen by the Board and its relevant committees. In line with the governance framework potential candidates are identified through a combination of internal assessments, recommendations from the Board, and engagement with external search firms where necessary. The Governance and Human Resource Committee evaluates all prospective members based on predefined criteria, including professional expertise, leadership experience, integrity, and alignment with the organization's strategic direction.

The Committee conducts a rigorous vetting process that includes background checks, interviews, evaluation of qualifications, and assessment of the candidate's ability to contribute to the Board's effectiveness. Recommendations from the Committee are subsequently presented to the full Board for approval. This structured approach ensures that appointments are transparent, meritbased, and consistent with the organization's governance standards.

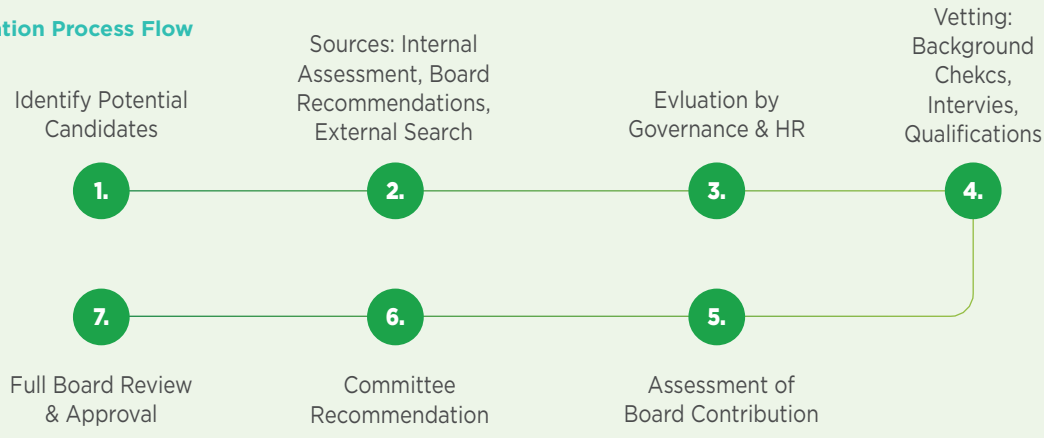
Criteria for Nomination and Selection

The Group applies clear and comprehensive criteria when nominating and selecting members of the highest governance body. These criteria reflect both regulatory requirements and best practices in corporate governance. Stakeholder views including those of shareholders are taken into consideration through formal mechanisms such as the Annual General Meeting, shareholder engagement sessions, and ongoing feedback channels. Insights gathered through these processes guide the Board's assessment of the skills and perspectives needed to support longterm value creation.

Diversity is a central consideration in the nomination process. The Board seeks to ensure a balanced composition in terms of gender, age, professional background, and cultural perspectives, recognizing that diverse representation strengthens oversight and decisionmaking. Independence is also a key criterion, with the organization assessing each candidate's ability to provide objective judgment free from conflicts of interest. In addition, nominees are evaluated for competencies relevant to the Group's material impacts, including expertise in financial oversight, risk management, sustainability, regulatory compliance, and sectorspecific knowledge. This ensures that the Board possesses the collective capability to oversee the organization's strategic, environmental, and social responsibilities effectively.



Nomination Process Flow



Induction program of the new members of the Board

Each new Board member is required to participate in an induction program that is tailored to effectively orient the member to the Bank's business and organization structure including subsidiaries, roles/responsibilities of the Board and its various committees, strategy, objectives, policies, procedures, operations, senior management, and the business environment. The induction package also includes all the necessary information that is required by a member for effective performance in the Board including Board charters, recent financial reports and governing laws and regulations. They receive comprehensive guidance from the Company Secretary on the Group's corporate governance framework.

Training and development of the members of the Board

The Board members are also being introduced to their fiduciary duties and responsibilities, and any other aspects unique to the business. Therefore, the main purpose of the training is to ensure that Board members have a clear understanding of their role in corporate governance and can exercise sound, objective judgment in the bank's affairs.

The Board is required to ensure adequate training and development for members through ongoing training to keep them well informed about critical information pertinent to the business and the corporate governance environment. It is the responsibility of the Board to conduct an annual review to identify each member's training needs and to facilitate upskilling and continuous development.

Non-executive Directors also develop and refresh their skills and knowledge through periodic interactions and briefings with senior management of the Group's business functions, as well as through updates on changes in laws and regulations, policies, and practices.

During the year, the Board completed the planned training and development sessions as per the table below.

Course Theme	Dates	Participants	Trainer/ Institution	Outcome of the Training
Governance Training – Accelerated Certificate in Company Direction (IoD, UK)	15–20 June 2025	Mr. Abdulrazaq I. Badru	Institute of Directors (UK)	Strengthened understanding of board duties, leadership responsibilities, director liabilities, and strategic oversight; enhanced capabilities in risk governance, stakeholder engagement, and decision-making.
Board Committee Training – Casablanca, Morocco	23–27 June 2025	Prof. Neema M. Mori Ms. Miranda N. Mpogolo Mr. Moses W. Dulle Mr. Abdul A. Mohamed Prof. Faustine K. Bee	Common Purpose Asia Pacific	Improved strategic foresight and boardroom judgment; strengthened cross-border governance awareness, committee effectiveness, governance innovation, and collaborative leadership.
Board Committee Training – IIA Global Conference, Toronto, Canada	14–16 July 2025	Eng. Boniphace C. Muhegi Dr. Ally H. Laay Mr. Martin S. Warioba Mr. Abdulrazak I. Badru	International Institute of Internal Auditors (IIA Global)	Enhanced competencies in audit and risk governance, sustainability oversight, fraud risk mitigation, and emerging technology impacts on governance; strengthened alignment of internal audit and board roles.
Board Induction Course	23–24 July 2025	Dr. Donald E. Mmari Ms. Grace P. Joachim Dr. Judika L. King'ori	Group Corporate Governance Unit CRDB Bank Plc	Provided orientation on governance frameworks, regulatory obligations, board roles, policies, and strategic priorities; increased readiness for effective board participation.



Access to independent advice

The Board may, from time to time, require independent legal, financial, governance or other expert advice. To facilitate this, the Board shall ensure members obtain external advice, as may be required, at the bank's expense and shall invite senior management to provide technical advice as needed.

All non-executive Directors have access to independent professional advice or external specialists to support them in carrying out their responsibilities when the required expertise is lacking among the current Directors or staff within the Group.

Succession planning

The Group has in place a succession plan for those charged with governance of all critical skills, which is being reviewed regularly. The governing body bears ultimate responsibility for the succession plan. This is through the Board governance and Human resources committee. The committee plays a key role in devising criteria for governing body membership and governing body positions and possibly, with the assistance of external advisors, to identify specific individuals for nomination.

The succession discussion features on the Board governance and Human resources committee agenda as often as necessary for the committee to fulfil its duties. This allows the succession plan to take account of the changing dynamics of the business, making the Bank more agile and enhancing its ability to satisfactorily react to any sudden changes that may occur. The committee maintains a profile of desired skills, competencies, and skills gaps that need to be filled by potential candidates.

In some cases, the committee may consult external resources (for example external search firms) to identify appropriate individuals to fill vacant positions.

The Group also rotates Board members between committees to ensure continuity of experience and knowledge and to introduce people to new ideas and expertise.

Access to information

Those charged with governance have unrestricted access to information, and they are provided with timely information and comprehensive reports on material operational, risk management and financial matters of the Group to facilitate informed discussions during meetings. Those charged with governance have access to the advice of the Company Secretary, who provides support to the Board and is responsible for advising the Board on governance matters. Those charged with the governance also have access to independent professional advice at the Group's expense where they deem necessary to discharge their roles.

Board relationships/ engagement with shareholders/ stakeholders

The Group is committed to maintaining clear communication with our shareholders and other stakeholders by providing regular updates on our performance and addressing any relevant concerns. This commitment is evident through our quarterly financial performance summaries published in leading newspapers, the annual release of audited accounts, and our comprehensive annual integrated report, which complies with regulatory requirements. We also hold an Annual General Meeting to engage directly with our stakeholders.

Additionally, the Board maintains regular communication with analysts and investors, as we believe it is essential to keep them informed about the Bank's financial performance. The Bank strives to publish all relevant information to the market in a timely, effective, and non-discriminatory manner. Financial reports and stock exchange announcements are made available on the Bank's website as well as the Dar es Salaam Stock Exchange website.

The Board recognizes, respects, and protects shareholders' rights and ensures equitable treatment of all shareholders in the same class of issued shares, whether minority, institutional, or foreign. It also provides shareholders with information as required under applicable law and has established mechanisms to ensure effective communication with shareholders, including the media, if appropriate.

The Board have a stakeholder-inclusive approach and is responsible for giving due consideration to the legitimate interests and expectations of the bank's stakeholders in its deliberations, decisions, and actions. Shareholders are not a uniform group, and their interests may be diverse. Although the Board considers the shareholders' views, the Board's duty is to act in what it believes to be the long-term best interests of the bank and all its shareholders.

The views of certain shareholders are one important factor that the Board evaluates in making decisions.
However, the Board is required to exercise its own independent judgment. Once the Board reaches a decision, the Group consider how best to communicate the Board's decision to shareholders.

The Group engages with long-term shareholders in a manner consistent with the respective roles of the Board and maintains effective protocols for shareholder communications with Directors and for Directors to respond in a timely manner to issues and concerns that are of widespread interest to long term shareholders. The Board has delegated the responsibility of managing stakeholders' relationships to management.

Group culture, ethics, and organisational values

CRDB Bank places great importance on its organizational culture, ethics, and values as it shapes its relationships with various stakeholders, including customers, employees, shareholders, and the wider community. The Bank's culture of excellence and customer-centric approach is evident in everything we do. Furthermore, the Bank realizes that its success is closely linked to the well-being and prosperity of the communities it serves. The Bank is committed to transparency, integrity, and accountability, which ensures that it operates in a responsible and sustainable manner while promoting trust and confidence among its stakeholders.

Additionally, the Bank's emphasis on innovation, customer-centricity, and social responsibility enables it to create long-term value for all stakeholders while driving economic growth and development in Tanzania and beyond. The Bank's culture, ethics, and values also significantly impact its decision-making processes and resource allocation.

The Group's code of conduct embodies its culture and values and reflects its commitment to operating responsibly and ethically with high standards of integrity. It provides a comprehensive description of the employees' responsibilities towards customers, other employees, businesses, and society. The code of conduct is designed to empower employees and enable effective decision making at all levels of our business according to defined ethical principles.

The Group have in place mechanisms for employees to seek guidance and to alert management and the Board about potential or actual misconduct without fear of retribution. As part of fostering a culture of compliance, the Group encourage employees to report compliance issues promptly and emphasize their policy of prohibiting retaliation against employees who report compliance issues in good faith.

Risk management and internal control

The Board ensures that the Bank has sound risk management and an internal control system that is appropriate to its activities. The risk management and internal control systems are based on the Bank's corporate values, ethics guidelines and principles for sustainability and corporate social responsibility ("CSR").

It is the responsibility of the Management to ensure that adequate internal control systems are developed and maintained on an ongoing basis to provide reasonable assurance regarding:

- Operational effectiveness and efficiency;
- Safeguarding of the Group's assets;
- Reliability of accounting records;
- Responsible behaviours towards all stakeholders
- Compliance with applicable laws and regulations; and
- Business continuity.

To ensure the internal controls remain adequate, the Bank has a fully-fledged Risk and Compliance function that coordinates and oversees the implementation of an enterprise-wide risk management framework within the Group. The audit committee, on behalf of the Board, assess issues related to financial review and internal control and the external audit of the Group's accounts. The Board ensures that the Bank can produce reliable annual reports and that the external auditor's recommendations are given thorough consideration. During the year, internal control systems were assessed by the Board and were found to be at an acceptable level.

IT Governance

IT governance is part of the overall corporate governance of the Group, which is aimed at improving the overall management and implementation of IT structure to derive value from investment in information technology. The Group has in place an IT charter and policies which govern the structure and operations of ICT and is being reviewed annually. The charter enables the Group to manage IT risks effectively. It is the responsibility of the Board to ensure the activities associated with information and technology are aligned with the overall Group strategies/business objectives.

Financial reporting and auditing

The Bank publishes its quarterly financial statements within thirty days after the end of the quarter and publishes the annual audited financial statements within fifteen days after approval of the Board but not later than one hundred and five days after the end of the financial year as required by the "Banking and Financial Institutions (Disclosures) Regulations, 2014". Copies of the Bank's last audited financial statements are exhibited in the Bank's branches and website, and the annual report is made available to the public two weeks prior to the AGM.

Those charged with governance are responsible for preparing the Annual Report, including the Consolidated and Bank Financial Statements, in accordance with IFRS Accounting Standards to comply with the Companies Act 2002. In preparing these financial statements, the Directors are required to:

- Adopt the going concern basis unless it is inappropriate to do so;
- Select suitable accounting policies and then apply them consistently; and
- Make judgements and accounting estimates that are reasonable and prudent

The external auditor presented the audit results to the audit committee and the Board at the meeting on the annual financial statements, including any material changes in the Bank's accounting principles and significant accounting estimates. The auditor also reported on whether the financial statements give a true and fair view of the Group's state of affairs.



Going concern assessment

Those charged with Governance have made an annual assessment about whether there exists any material uncertainty which may cast significant doubt upon the Bank's ability to continue as a going concern. This assessment involves making appropriate inquiries including review of budget and future outcome of inherent uncertainties in existence. The Directors are convinced from the following indications, which give reasonable assurance as to Bank's continuance as a going concern for the foreseeable future.

- ***Financial Performance***
  The Bank remains the largest commercial Bank in Tanzania with a leading share of total deposits (29%) and total assets (29%) in the market. The Group closed the year with a strong Balance Sheet, total assets grew by 33.6% to TZS 22,308.9 billion (2024: TZS 16,698.8 billion). Customer deposits increased by 36.5% to TZS 14,930.5 billion (2024: TZS 10,934.1 billion). Net Loans and advances to customers increased by 32.5% from TZS 10,360.8 billion in 2024 to TZS 13,723.3 billion in 2025. After-tax profit of TZS 728.6 (2024: TZS 551.5), growth of 32.1%.
- ***Ensuring Sufficient Capital Maintenance***
  The Group has demonstrated robust financial health, with the Core capital ratio standing at 16.1% and the Total capital ratio at 17.8%. These figures significantly exceed the minimum regulatory requirements of 12.5% for Tier I capital and 14.5% for Tier II capital, showcasing the Bank's strong capital position and commitment to maintaining financial stability. This solid foundation not only ensures compliance with regulatory standards but also enhances the Bank's ability to support growth and manage risks effectively.
- ***Credibility in payment obligations***
  The Group has established a strong reputation for credibility in meeting its payment obligations. We have a consistent track record of timely and accurate payments, which reflects our commitment to financial integrity and reliability. This credibility is further reinforced by the Group's robust capital ratios, which exceed regulatory requirements, ensuring a solid foundation for fulfilling its obligations.
- ***Positive Operating Cashflow***
  Group cash flow represents its strengths in its ability to repay its obligations, ability to adapt in changing circumstances and generate sufficient cash and cash equivalents, which will lead the organization to sustainable future growth. Bank cash flow from operating activities in 2025 was positive TZS 63,685 million (2024:932,148 million).
- ***Consistent payment of dividends***
  Over the past five years, the Bank has demonstrated strong financial performance and a clear commitment to shareholder value. Dividends per share have risen from TZS 22 per share in 2020 to TZS 90 per share in 2025. This consistent upward trend reflects resilient earnings, effective capital management, and confidence in our long-term

strategy. The notable 38% increase in dividends in 2025 highlights our focus on sustainable value creation. We remain committed to delivering strong returns while ensuring sound governance and financial stability.

Dividend Per Share
(TZS shilling)

22 2022	50 2023
36 2021	65 2024
45 2022	90 2025

Cross border/ Business/ expansion
The Bank has expanded its geographic outreach by opening two subsidiaries in Burundi and the Democratic Republic of Congo and branches in various locations, considering their economic significance. As of December 31, 2025, the Bank operated 261 (2024:259) branches across the region. The Bank places great importance on product diversification, which is a key strategy for achieving customer satisfaction by tailoring services to meet customer needs.
The Bank's management is committed to sustaining this growth in the coming years, demonstrating the Bank's intention for long-term success.

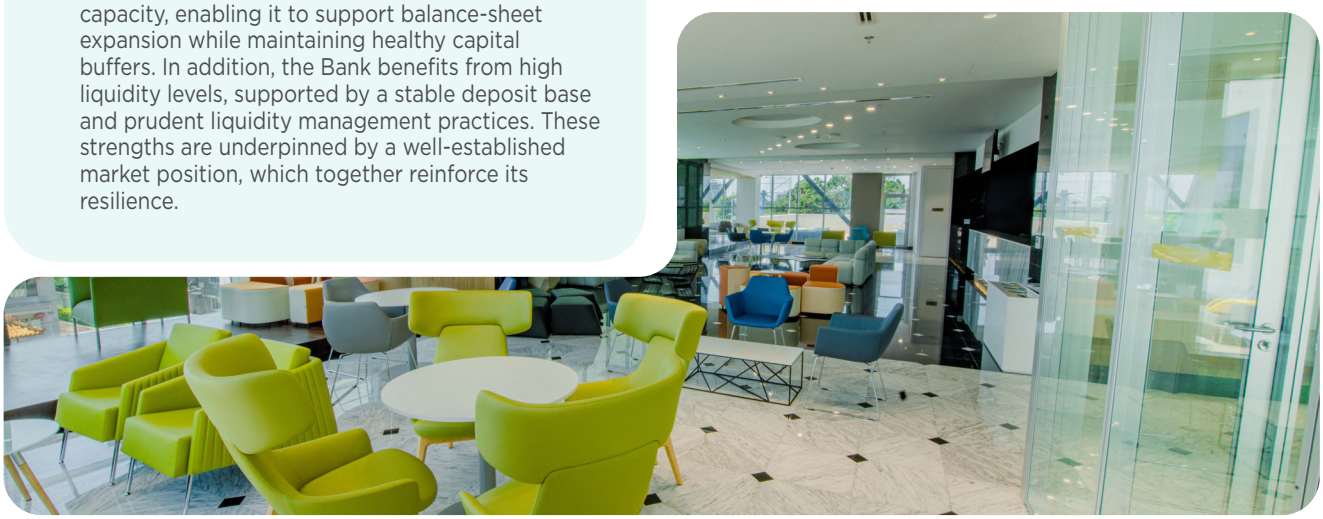
Satisfactory credit rating
CRDB Bank Plc maintains a B1 long-term deposit rating, which is consistent with its B1 Baseline Credit Assessment (BCA) published by Moody's on 4th July 2025. This rating reflects the Bank's strong financial fundamentals. The Bank's robust capitalisation further strengthens its risk-absorbing capacity, enabling it to support balance-sheet expansion while maintaining healthy capital buffers. In addition, the Bank benefits from high liquidity levels, supported by a stable deposit base and prudent liquidity management practices. These strengths are underpinned by a well-established market position, which together reinforce its resilience.

Workplace satisfaction
A positive work environment and high employee satisfaction are vital for the Group's long-term success and sustainability. The Group promotes excellent communication among employees and strives to be honest and to treat everyone fairly. Our team is the backbone of our operations, and their engagement, well-being, and productivity directly affect service quality, operational resilience, and strategic execution. Ongoing efforts in employee development and workplace satisfaction are essential for retaining top talent, fostering innovation, and enhancing our overall performance.

The Bank conducted an employee satisfaction survey through an external consultant, with the latest results indicating an overall satisfaction level of 94%. The survey highlighted particularly strong scores in areas such as job satisfaction and internal customer service, demonstrating employees' positive perception of their work environment and the support they receive across the organisation. Further details of the survey outcomes are provided in Section 6: Entity Operation, under the Employee Engagement subsection. The high satisfaction levels underscore the commitment and confidence of our employees, serving as a strong indicator of the Group's continued stability and its ability to operate as a going concern for the foreseeable future.

From the assessment, Those charged with Governance concluded that the Bank and its subsidiaries have the ability to continue as a going concern and satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, those charged with governance are not aware of any material uncertainties that may cast significant doubt on the Bank and its subsidiary's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

In addition, there are no events or conditions that create uncertainty about the Bank's ability to continue as a going concern in the next 12 months.



Executive and Management Team

The Bank's executive office consists of the Managing Director, who is the Chief Executive Officer. He is assisted by the Chief Commercial Officer, Chief Operations Officer, and Chief Finance Officer, who report directly to him. They oversee various functions via the Directors of departments within the Bank.

The Bank is organized in the following functions/ departments:

Finance	Procurement	Corporate Affairs
Credit	ICT	Corporate Banking
Risk and Compliance	Banking Operations	Business Transformation
Treasury and Capital Markets	Retail Banking	Internal Audit
Human Resources	Legal & Company Secretary	Marketing
Customer Experience	Real Estate & facilities management	BCM and Security

The key management personnel who served during the year were:

Name	Position	Qualification	Age
Dr. Abdulmajid Nsekela	Managing Director & Chief Executive Officer	MBA-IBF, PGD-Business Administration,	54
Mr. Boma Raballa	Chief Commercial Officer	MBA, BA (Accounting)	42
Mr. Bruce Mwile	Chief Operations Officer	MBA (Finance), B.com (Finance)	55
Mr. Frederick Nshekanabo	Chief Financial Officer	MSc. Finance, CPA (T), Advanced Diploma in Accountancy	54
Mr. Alex Ngusaru	Director of Treasury and Capital Markets	MBA (Finance)	57
Mr. Pendason Philemon	Director of Procurement	MBA, CSP (T), CIPP	51
Mr. Godfrey Sigalla	Director of Internal Audit	CPA (T), PGD (Tax management), B, Com (Accounting) and MBA (Finance)	52
Mr. Bonaventure Paul	Director of Retail Banking	MSc. Accounting & Finance, ADA, CPA(T)	43
Mr. Admin Mwansansu	Director of Banking Operations	Bachelor of Commerce in Accounting	42
Mr. Godfrey Rutasingwa	Director of Human Resources	Master's degree in public administration, bachelor's degree in education.	45
Mr. James Mabula	Director of Risk and Compliance	MSc. Finance, MBA, PG Dip. Financial Mgt. Advanced Diploma in Accounting.	51
Ms. Tully-Esther Mwambapa	Director of Corporate Affairs and MD CRDB Bank Foundation	MBA, BA Public Administration & International Relations.	58
Mr. Xavery Makwi	Director of Credit	CPA (T), PGD (Legal Practice), LST, LLB, MBA, B.com (Finance)	57
Mr. Deusdedit Massuka	Director of ICT	MSc. Computer Numerical Control (CNC)	59
Mr. Mussa Kitambi	Director of Corporate Banking	Master's degree in Banking and Finance	50
Mr. Leo Ndimbo	Director of Business Transformation	PGD- BA, Int'l Adv. Dip in Computer Engineering (IADCE)	41
Mr. Pascal Mihayo	Director of Legal Services and Company Secretary	LLB Mzumbe University, LLM Taxation Law, UDSM, Post Graduate Diploma, Law School of Tanzania	39
Mr. Fredrick Siwale	Managing Director – CRDB Bank Burundi (subsidiary)	MBA, PGD in Business Administration	49
Ms. Jessica Nyachiro	Managing Director – CRDB Bank Congo (subsidiary)	MBA International Business, B. Ed & Diploma in Accounting	47
Mr. Wilson Mnzava	Managing Director – CRDB Bank Insurance Company Ltd. (subsidiary)	MSc in Insurance & Actuarial Science, PGD in Cooperative.	50

Key roles and responsibilities of the Management team

The management team, spearheaded by the Group Managing Director and Chief Executive Officer, plays a crucial role in the daily operations of the Group, which oversees a diverse portfolio of financial services. This dynamic team, comprising experienced professionals from various sectors of the banking industry, is tasked with managing day-to-day activities and ensuring the effective execution of the comprehensive strategies and policies established by the Board of Directors.

Through regular performance monitoring using key performance indicators (KPIs) and data analytics, the Executive Team aligns departmental objectives with the organisation's overarching vision, driving efficiency and excellence. By fostering a culture of accountability and innovation, the management team encourages employees at all levels to contribute ideas and solutions, effectively nurturing talent and promoting professional growth within the Bank. This collaborative approach enhances service delivery and strengthens the Bank's competitive position in the market, ensuring sustainable growth and customer satisfaction

Management team is charged with thefollowing duties:

Business operations – The CEO and management run the Group's business under the Board's oversight, with a view toward building long-term value.

Strategic planning -The CEO and senior management generally take the lead in articulating a vision for the Group's future and in developing strategic plans designed to create long-term value for the Group, with meaningful input from the Board. Management implements the plans following Board approval, regularly reviews progress against strategic plans with the Board, and recommends and carries out changes to the plans as necessary.

Identifying, evaluating, and managing risks - Management identifies, evaluates, and manages the risks that the Group undertakes in implementing its strategic plans and conducting its business. Management also evaluates whether these risks and related risk management efforts are consistent with the Group's risk appetite. Senior management keeps the Board and relevant committees informed about the Group's significant risks and its risk management processes.

Accurate and transparent financial reporting and disclosures - Management is responsible for the integrity of the Group's financial reporting system and the accurate and timely preparation of the Group's financial statements and related disclosures. It is management's responsibility, under the direction of the CEO and the Group's Chief Financial Officer, to establish, maintain and periodically evaluate the Group's internal controls over financial reporting and the Group's disclosure controls and procedures, including the ability of such controls and procedures to detect and deter fraudulent activity.

Annual operating plans and budgets - Senior management develops and presents the group's annual operating plans and budgets to the Board. The management team implements and monitors the operating plans and budgets, adjusting them to reflect changing conditions, assumptions, and expectations. The team also keeps the Board apprised of significant developments and changes.

Business resiliency - Management develops, implements, and periodically reviews plans for business resiliency that provide the most critical protection considering the Group's operations. It is the responsibility of Management to identify the Group's major business and operational risks, including those relating to natural disasters, leadership gaps, physical security, cybersecurity, regulatory changes, and other matters. Management develops and implements crisis preparedness and response plans and works with the Board to identify situations (such as a crisis involving senior management) in which the Board may need to assume a more active response role.

A key factor in the ongoing success of the Group is the quality of its management team. This team is composed of individuals with a strong mix of leadership skills and diverse experiences. To effectively leverage this extensive expertise, the Group Managing Director has established Management Committees. These committees consist of departmental Directors and other senior managers as needed.

As of 2025, the Management Committees that support the Group's operations are structured as follows.

Executive Committee (EXCO)

Key Focus area and it's objective

Strategy development & strategic updates
+ Oversee strategy development and receive updates on strategic initiatives implementation, including corporate BSC.

Policy development & Governance oversight
+ Institute policies and recommend to Board for approval
+ Provide overall Governance oversight.

Leadership & resource deployment
+ Provide direction for the implementation of key strategic issues.
+ Provide oversight and direct on optimal resource allocation.

People and culture
+ Discuss the implementation of culture transformation

Escalation points from other committees
+ Resolve any escalations from various committees.
+ Challenge & re-organise underperforming committees of the Bank.

Decision making on key disruptions
+ Based on various strategic issues (internal & external), decide how to address disruptions and delegate execution to other committees.

Expected Outcome

- Enhanced collaboration between business functions.
- Improved productivity as senior management will be able to advise and take the lead on key business.

Management Committee (MCM)

Key Focus area and it's objective

Business Performance
+ Key Business strategies implementation updates from Business, including Treasury. Also, discuss the challenges and support needed.

Operational Updates
+ Key Operational strategies implementation updates, challenges and support needed.

Monitoring of deployed resources
+ Discuss how human, business, and operational resources have been optimized and give directives to correct deviations.

Escalation points from other committees
+ Resolve any escalations from various committees working under MCM.

Decision Making
+ Based on various deliberations, make decisions (within the Mandate) and give directives. Should escalate strategic issues to EXCO.

Expected Outcome

- Focused discussions based on key business and operational results.
- Increased productivity.
- Creates a culture of ownership where some decisions shall be made at a Business unit level instead of being brought to the Meetings.

The Asset Liability Committee (ALCO)

Key Focus area and it's objective



Manage structure and composition of Assets and Liabilities

+ Continuously review and decide on strategy and direction of all aspects of balance sheet management
+ Oversee financial risk management and ensure compliance with all regulatory requirements



Manage Market Risk and Funding Optimization

+ Ensure the Bank achieve its strategic goal while balancing both risk & return.



Monitor Regulatory Requirements

+ Review adherence to regulatory limits and requirements



Monitoring of deployed resources

+ Discuss how business and operational resources have been
+ optimized and give directives to correct deviations.



Decision Making

+ Based on various deliberations, make decisions (within Mandate) and give directives

Expected Outcome

- Focused discussions based on key ALCO targets, deviation, lags & exposure results,
- Increased productivity, and increased efficiency on resolving deviation from internal limit
- Creates a culture of ownership where some decisions shall be made at a Business unit level, instead of being brought to the Meetings.
- Enhance collaboration while decreasing silos among functional units

Management Audit and Risk Committee (MARC)

Key Focus area and it's objective



Risk Appetite

+ Set the tone and discuss the risk appetite of the Bank, any exceptions and significant deviations reported to Board.



ERM Practices across the Group

+ Oversight on Risk Management practices across CRDB Bank group



Regulatory Compliance

+ Oversight on Regulatory Compliance across the Group.



State of Internal Audit

+ Oversight on where audit matters are being properly managed by the management of both the parent and subsidiaries.



Decision Making

+ Based on various deliberations, make decisions (within the Mandate) and give directives

Expected Outcome

- Focused discussions based on key RisksAudit & Controls exposure results,
- Increased productivity, increase efficiency on resolving audit and risk deviations
- Creates a culture of ownership where some decisions shall be made at a Business unit level, instead of being brought to the Meetings.
- Enhance accountability and collaboration while decreasing control issues to functional unit.

Customer Experience Forum (CPC)

Key Focus area and it's objective

Oversight on the Bank's Performance
- Continuously review and discuss on strategy execution and all aspects of the Bank's productivity
- Oversee cost management and ensure compliance with all regulatory requirements

Monitor Culture & Management Actions
- Monitor culture initiatives implementation progress,
- Monitor implementation of management directives from various management meetings

Manage BSC Optimization
- Ensure Bank achieve its strategic goal while balancing both risk & return through adequate KPIs and targets on day-to-day operations.

Decision Making
- Based on various deliberations, make decisions (within Mandate) and give directives. Should escalate strategic issues to EXCO.

Expected Outcome
- Focused discussions based on key targets, deviation, lags & exposure results,
- Creates a culture of ownership where some decisions shall be made at a Business unit level, instead of being brought to the Meetings.

Customer Experience Forum (CEF)

Key Focus area and it's objective

Oversight on Customer
- Experience
- Oversight on the issues around customer experience and associated risks.

CX Strategy updates
- Key customer experience strategies implementation updates, challenges and support needed from the management.

Performance management
- Recommending the establishment of customer service standards and monitoring the performance of management to such standards

Escalation points
- Resolve any escalations from branches and customer experience team, act as a centre for guidance and support

Decision Making
- Based on various deliberations, make decisions (within Mandate) and give directives. Should escalate strategic issues to EXCO.

Expected Outcome
- Focused discussions based on key business results, to drive experience to customers.
- Increased productivity and ownership of deployed resources to create better customer
- experience culture.
- Creates a culture of ownership by business units to drive accountability around customer
- experience.
- Enhance accountability and collaboration while decreasing control issues around the
- customer experience process.

Compensation of Key Management Personnel

The Board reviews and approves the compensation of key management personnel on an annual basis. The remuneration of key management personnel during the year was TZS 23,390 million (2024: TZS 12,588 million). Details are in note 63 of the financial statement.

Group Performance evaluation and reward

The Group's performance and reward approach ensures remuneration structures are balanced and are designed to drive sustainable performance by ensuring that reward programmes support our business strategy and are both supportive of and aligned with sound remuneration practices. Individual rewards and incentives are linked directly to the performance and behaviour of the employee, the performance of their respective business units and the interests of shareholders. Details on the remuneration of the key management personnel are disclosed in Note 63 to the financial statements



Strategic Risk Management



Risk Management

Building resilience in a changing risk landscape

James Mabula - Director of Risk & Compliance



In today's dynamic business environment, The Bank continued to demonstrate a strong commitment to proactive and disciplined risk management, which remains a cornerstone of its sustained success. Amid challenges such as liquidity pressures, heightened competition, regulatory demands, and the growing sophistication of cyber threats, the Bank maintained strong performance and operational resilience. This was achieved through continuous strengthening of risk identification, assessment, and mitigation frameworks, supported by robust governance structures and advanced monitoring tools. As a result, The Bank remained well-positioned to navigate uncertainty, protect stakeholder interests, and sustain stable growth throughout the year.

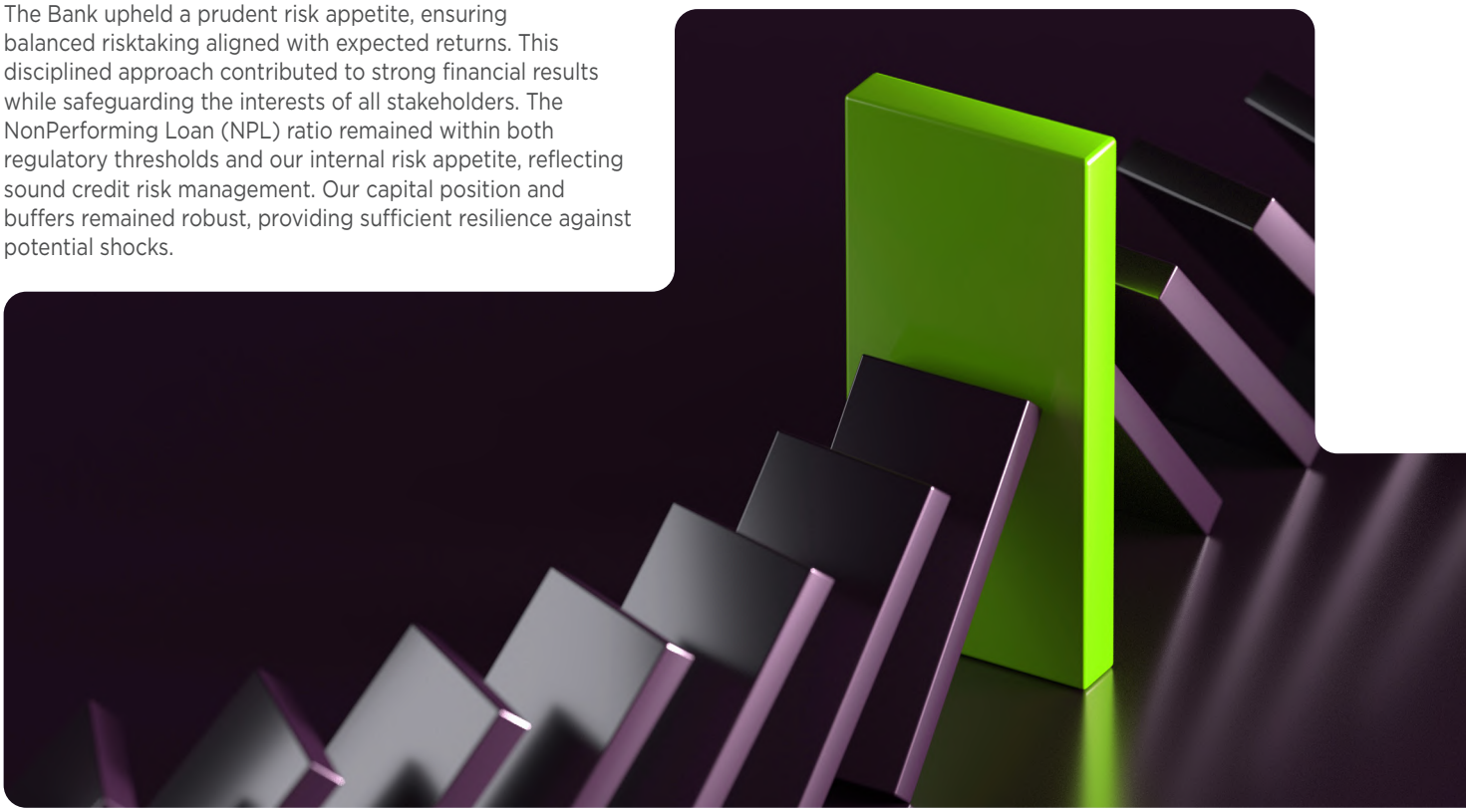
We continued to reinforce our risk management framework, integrating risk and opportunity assessments into strategic and operational decision-making. Automation of key controls further improved monitoring efficiency, enabling early detection and timely mitigation of potential threats.

The Bank upheld a prudent risk appetite, ensuring balanced risktaking aligned with expected returns. This disciplined approach contributed to strong financial results while safeguarding the interests of all stakeholders. The NonPerforming Loan (NPL) ratio remained within both regulatory thresholds and our internal risk appetite, reflecting sound credit risk management. Our capital position and buffers remained robust, providing sufficient resilience against potential shocks.

The Bank successfully migrated to Basel II and III regulatory frameworks and complied with new sustainability risk management and disclosure guidelines. Additionally, the upgrade to our new core banking system enhanced operational efficiency, product innovation, and transparency for customers and stakeholders.

The Bank remains committed to supporting Tanzania's economic development through a forwardlooking, resilient, and sustainable approach to risk management. Our dedicated teams continue to safeguard the Bank's stability and longterm value creation for all stakeholders.

As we continue to drive the economic development of Tanzania and build a sustainable future for the communities we serve, The Bank remains committed to a dynamic and forward-looking approach to risk management. Our dedicated team is excited to continue contributing to the stability and growth of the bank, safeguarding the future for all our stakeholders.



OUR RISK MANAGEMENT REPORT



Wankyo Komongo
Head of Risk

Risk Management

The group remains committed to meeting stakeholders' expectations in mitigating risks through a robust enterprise-wide risk management framework. The framework is designed to ensure that risks are systematically identified, assessed, managed and monitored aimed at achieving an optimal-risk reward profile. Our enterprise risk management framework has well-defined internal structures, adequate processes, systems and policies which monitor and mitigate current and emerging risks whether stemming from external pressure or internal vulnerabilities, while promoting proactive, preventive actions to minimize potential harm, losses, or disruptions.

We strongly believe that effective risk prevention drives long-term shareholder value. By managing risks proactively and strategically, we unlock greater earning potential, ensure earnings stability, and safeguard the business from unexpected losses. Primarily, our risk management aims to protect our solvency through the preservation of high asset quality, operational efficiency and prudent capital management. This approach supports sustained earnings that augment our core capital, ensuring regulatory compliance and enhances market confidence by fostering lasting stakeholder trust and support.

Risk Management Principles

At CRDB Group, we recognize that effective risk management is not just about mitigating threats, it is about creating value and supporting achievement of our strategic objectives. This is driven by continuous review of processes and systems to ensure our risk management framework remains relevant and impactful.

Our integrated risk management framework and governance structures are embedded within both operational and strategic planning processes. This ensures that key decision-makers across the group rely on proactive risk principles to make informed choices, prioritize actions, and strike the right balance between risk and reward.

Drawing from experience, we understand that effective risk management requires a thorough analysis of all available information while recognizing the potential limitations of that data. Our risk management framework ensures that both internal and external factors are carefully considered, enabling a well-rounded adaptive risk approach.

We also appreciate the role of human and cultural factors in risk management. Our framework emphasizes the importance of people and culture in achieving the group's business objectives. To this end, we constantly engage stakeholders, both internally and externally, throughout the risk management process, recognizing that open communication and collaboration are key to identifying, analyzing and monitoring risk effectively.

Moreover, we acknowledge that managing risk demands flexibility and adaptability. Operating in a dynamic and ever evolving environment requires that we remain vigilant continuously scanning for emerging threats while adjusting for those risks that no longer exist.

The group's commitment to strengthening its risk culture is reflected in the ongoing allocation of resources to ensure we manage risks effectively and demonstrate sustained achievement.

Group's Attitude Toward Risk

We actively pursue opportunities within our risk appetite and risk tolerance levels. Each risk we take is carefully assessed to ensure potential benefits justify the exposure. Unacceptable risks, those that exceed maximum tolerance set by our Board of Directors or those that could hinder the group's sustained growth and disrupt operations, are strictly avoided.



Group Approach In Managing Risk

The primary responsibility for managing risk resides with the business and functional areas where the risk is taken (first line of defence). The group business and subsidiary function owners are accountable for embedding the Group Risk Management Framework into daily risk management processes. All employees have the responsibility to ensure an effective risk management and must report appropriately any control failure, omissions or any potential exposures that may result in financial or reputational loss to the group.

For every new product, process or system that is introduced or implemented in the Group, an internal control process is developed and made available to all relevant employees. The control process, at minimum, include the following elements: defined accountabilities, identification of key risks and controls in place to mitigate the risks, objectives of the internal controls being proposed and description of the control environment which must be implemented and maintained including monitoring and reporting.

The Group Management Audit and Risk Committee and Subsidiary's Audit and Risk Committees oversee risk management and monitor effectiveness of controls implementation in their respective areas.

The Group Risk and Compliance function provides an independent oversight and monitoring of group-wide risks and controls. This function reports directly to the Group CEO and Managing Director ensuring transparency and accountability.

Risk Philosophy And Appetite

In carrying out its business, the bank is exposed to a broad range of risks. To support effective governance and fostering a risk informed decision-making culture, the bank has set out a qualitative risk appetite statement (RAS) that outlines its approach to managing these exposures. The risk appetite statement considers the full spectrum of risks the bank faces and provides a structured approach to managing them.

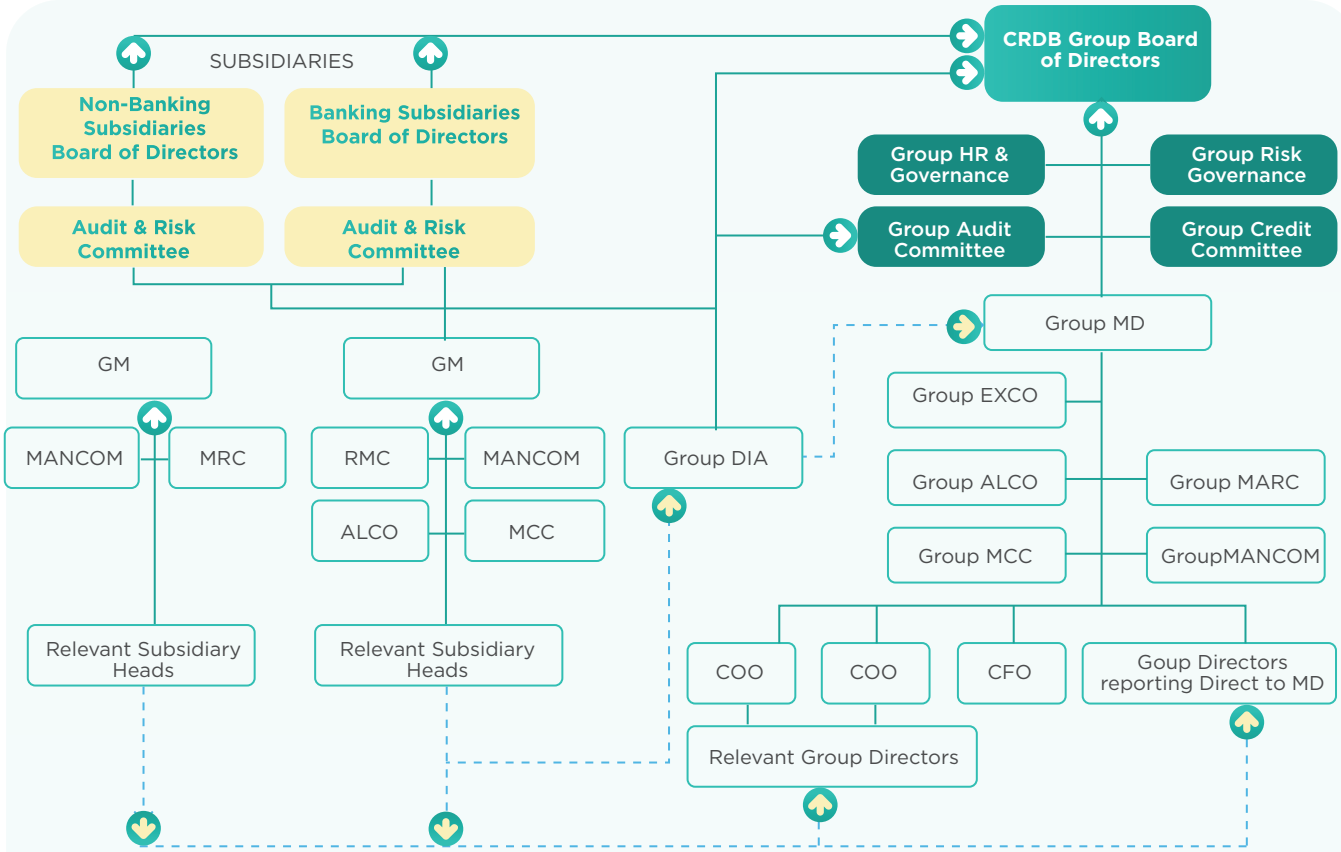
Complementing this, the bank has in place quantitative risk appetite in the form of risk limits which enable the bank to take calculated risks while ensuring operations remain within defined boundaries. To as support this, the bank consistently ensures sufficient resources are available to manage risks effectively and maintain exposure within acceptable levels.

The bank acknowledges that eliminating all risks is neither possible nor desirable. Some level of risk is essential to foster innovation, enhance efficiency and seize strategic opportunities.

To reinforce this approach, the bank has developed and implemented various policies, procedures and tools that align the risk appetite with the risk taken and expected returns. This ensures that decision making supports the bank's strategic objectives. The group maintains a zero-tolerance policy demonstrating unwavering commitment to integrity and accountability. In other areas, the bank embraces calculated risks to achieve its growth ambitions, always striving to align with industry best practices and maintain robust risk management across the group.



Detailed Group Risk Management Governance Structure



GM – General Manager
MARC – Management Audit & Risk committee
MANCOM – Management Committee
ALCO – Asset Liability Committee
MCC – Management Credit Committee

Roles And Responsibilities Of The Group Board Of Directors In Risk Management

The Group Board of Directors holds ultimate responsibility for risk management across the Group. This includes setting the tone and shaping a strong risk-aware culture throughout the Group. The Board's key responsibilities include:

- Approving of the overall business strategy, risk appetite and limits, Group Risk Management Framework and its associated policies.
- Ensure the risk management framework and its related policies are effectively embedded across the group's operations with strict adherence to regulatory requirements at all times.
- Defining the nature, role, responsibility, and authority of the risk management function within the Group, ensuring a clear mandate and scop for risk oversight.
- Review and monitoring of the Group risk profile through management reports to assess the Group's risk exposure. This ensures risks remain within the Board approved appetite and timely remedial actions are taken.

Responsibility Of The Group Senior Management In Managing Risk

The Group Senior Executive Team plays a pivotal role in setting the tone for risk management and fostering a strong risk-aware culture across the Group. Their key responsibilities include:

- Facilitate the review and/or development of the Group risk management Framework and its related policies, recommending changes to the Group Board for approval.
- Provides an oversight to the Bank and its subsidiaries' operations covering risk management, strategy formulation and execution.
- Executing the Group's strategy while proactively managing the inherent risks of each initiative, ensuring continuous compliance with laws and regulations both long term and day-to-day basis.
- Establishing and maintaining robust policies, controls and risk monitoring systems while ensuring accountability and clear lines of authority throughout the Group.
- Establishing and communicating strong awareness of and the need for effective internal controls and high ethical standards.

Segregation Of Duties In Managing Risks

All employees across the group hold a vital in ensuring the business operates within the approved risk appetite. These responsibilities have been clearly defined based on their roles within the "three lines of defense."

First Line of Defense

The first line comprises all employees engaged in risk taking, revenue generation and client facing areas of the group and all associated support functions, including finance, treasury and capital markets, technology, human resources, operations and administration etc. Employees in the first line have primary responsibility for their risks, including:

- Proactively identifying and managing all inherent risks in the activities in which they are engaged, and developing appropriate policies, business processes/ standards and controls to govern their activities.
- Operating within approved risk limits and appetite.
- Escalating risk events to senior management and to risk and compliance function as soon as they become known.
- Ensure that the business / function structure reflects actual operating practices.
- Ensure that there are adequate, accurate, reliable and timely financial, operational and regulatory reports with exceptions noted and promptly investigated.
- Responsible for establishment and maintenance of self-assessments to test controls and maintenance of departmental risk registers.
- Responsible for ensuring that identified material weaknesses (from internal or external reviews / audits) are adequately documented, given the appropriate attention (with objective verification and review), and timely resolved.

The first line of defense is responsible for designing and maintaining its own policies and controls in line with established control framework, particularly for operational activities. All employees are expected to manage controls within the defined risk tolerances. While First Line teams may carry out control-related activities, these must stay within any applicable limits established. All activities in the first line are subject to oversight from the relevant parts of the second and third lines of defense.

Second Line of Defense

The Risk and Compliance function comprises the second line of defense. The role of the second line defense is to coordinate establishment of risk limits, rules and constraints under which the first line activities shall be performed, consistent with the risk appetite. The Second Line actively monitors performance and intervenes when breaches occur, ensuring swift corrective action and maintaining risk discipline. The Second Line holds the authority and responsibility to independently challenge risk decisions and exposures within the First Line whenever necessary.

In discharging its role, the second line shall:

- Develop and oversee risk management strategies, structures, and processes that address the institution's full spectrum of risks.
- collaborate with first line to establish robust control processes that ensure compliance with relevant regulatory and legal requirements.
- Continuously monitor changes in relevant legislation and regulatory environment and ensure timely adaptation and compliance.
- Design and maintain risk management frameworks and structures to ensure consistent, effective risk management practices across the Group.
- Reinforce risk culture and strengthen risk management through awareness programs and staff training.

Where deemed necessary by the Director of Risk and Compliance, the Second Line may take on additional activities or interventions to minimize or mitigate the Group's exposure to emerging or unforeseen risks, reinforcing its role as an independent, proactive safeguard.

Third Line of Defense

The Internal Audit function comprise the third line of defense. Internal Audit provides an independent assurance to the Board of Directors and senior management over the effectiveness of governance, risk management and control over current, systemic and evolving risks.

Combined Assurance

The Bank has implemented a combined assurance framework designed to coordinate activities across the three lines of defense for an effective control oversight. This has maximized oversight, minimized duplication of efforts and optimized overall assurance provided to senior management and Board of Directors about the risk and overall control environment.

Stress Testing

The Group conducts stress testing to complement its existing risk management measures. It covers key principal risks that the Group is exposed to, namely: Credit, Interest rate, foreign exchange, Liquidity, Operational and climate-related financial risks.

Stress tests provide an indication of the potential size of losses that could arise in an extreme or worst-case condition.

The group applies risk factor stress testing, where stress movements are applied to each risk category. The analysis assists in assessing and determining the Group's capital resilience under different assumed market shocks which are likely to occur.

Stress testing is carried out quarterly to evaluate capital adequacy. This serves as an early warning indicator to senior management on potential unfavorable outcomes and determines capital buffers necessary to absorb significant losses in severe market shocks. The results guide strategic decisions by highlighting weak spots and supporting preemptive measures to strengthen the Group's financial position.



KEY RISKS LINK TO THE 6 CAPITALS

RISK TYPE	NATURE OF RISK	MITIGATION STRATEGIES	CAPITALS IMPACTED	MATERIAL TOPICS ADDRESSED
Credit	This refers to the risk of financial loss that arise from unmet customer obligations, either willingly or unwillingly, which may result into economic loss to the group.	Proactive risk management by onboarding clients from strategic projects or those with inherently moderate risks Robust credit approval process Enhanced credit portfolio oversight and monitoring Adherence to credit concentration limits	Financial Intellectual Social and relationship	The bank's maintained the right asset quality by keeping the Nonperforming loans ratio within the bank's appetite of below 3%, well within the regulatory thresholds of 5%. Diversification strategies to further reduce concentration risk are being implemented to maintain the right portfolio balance.
Operational	This refers to the risk of financial loss resulting from inadequate or failed internal processes, people and system or from external events. Operational risk includes legal risk covering, but not limited to, exposure to fines, penalties and punitive damages resulting from failure to honour contractual obligations and/or settlements due to internal process failures.	Continuous building of a strong risk culture Effective management and resolution of control issues from all assurance providers Leveraging the three lines of defence model Full embedment of risk surveillance tools including risk registers, incidents reporting and key risk indicators	Manufactured Intellectual Human Financial	Operational risks remain a key focus for the Bank, especially considering its extensive network and infrastructure. The Bank continuously takes necessary actions to minimize the impact of risks arising from processes, people, and technology, while staying vigilant against external events. This proactive approach ensures resilience and supports the Bank's ongoing commitment to operational excellence and stability. The bank intends to invest in technology to manage operational risks
Technology and cyber	This refers to potential loss from technology failures which may disrupt delivery of services, this may arise from information security breach incident(s), systems outages, and/or technology obsolescence.	Real time surveillance for possible cyber threats and attacks Closure of identified system vulnerabilities Continuous awareness to staff on cyber risks and specific role of each staff	Financial Intellectual Manufactured Human	Our success is dependent on how much we innovate and increase efficiency. Our technology remains focal as we embark on improvement of our digital infrastructure, ensure seamless services, and monitor cyber threats. No material issues were noted

RISK TYPE	NATURE OF RISK	MITIGATION STRATEGIES	CAPITALS IMPACTED	MATERIAL TOPICS ADDRESSED
Climate, Environmental and Social	Climate-related financial risks refer to the set of potential risks that may arise from climate change and that could potentially impact safety and soundness of the Group and have broader financial stability implications for the banking system. These risks are typically classified as physical and transition risks E&S risks refer to risks that have potential negative consequences to a business that result from its impacts (or perceived impacts) on the natural environment (i.e. air, water, soil) or communities of people (e.g. employees, customers, local residents).	Establishment of sustainable financing team Establishment and embedment of sustainability strategy across all our markets Performance of sustainability risk profiles and monitoring all material exposures Inclusion of the climate related financial risks into risk management framework and establishment of specific policy for the management of this risk	Financial Natural Social and relationship Intellectual	Responsible banking require that we take necessary assessment of the impact of our activities to the society, environment we operate in and the planet. We have embedded sustainability and climate related financial risks into our risk management framework and ensures that sustainability risks are considered in each business decision and in risk assessment Established baseline data to inform our climate related financial risks strategy
Strategic	Refers to current and prospective impact on earnings and capital arising from adverse long-term business decisions, improper implementation or execution of decisions and/or strategies, or lack of responsiveness to industry or technological changes.	Periodic review of our strategy performance to align it with current environment and timely corrective action for observed lapses Market scans for competitor actions and/or changes in customer tastes and development of responses	Financial Intellectual Manufactured Human Social and relationship	The monitoring of all threats towards achieving the bank's objectives is critical. We have periodic reviews of strategy performance and take corrective action to achieve the same. The bank is on track towards attaining its strategic objectives

RISK TYPE	NATURE OF RISK	MITIGATION STRATEGIES	CAPITALS IMPACTED	MATERIAL TOPICS ADDRESSED
Compliance	Refers to current or prospective risk to earnings and capital arising from violations or non-compliance with laws, rules, regulations, agreements, prescribed practices, or ethical standards, as well as from the possibility of incorrect interpretation of effective laws or regulations.	Monitoring of legal and regulatory changes, proactively assessing its impact on the business and designing compliance road map Continuous monitoring and testing to assess compliance to various regulatory and legal requirements. Real time transactions monitoring to mitigate financial crimes	Social and relationship Intellectual Financial	To maintain our license to operate, we ensure compliance risk is managed in line with regulatory requirements. All newly issued regulations are promptly reviewed, and a compliance roadmap is established to ensure timely implementation.
Reputation	A risk arising from adverse perception or publicity regarding the bank's business practices and associations that may cause loss of confidence in the integrity of the Group. An adverse perception on the Group's reputation can adversely affect its ability to maintain existing or establish new business relationships and continued access to sources of funding	Brand perception surveys Customer satisfaction surveys Social media scans for customer sentiments or negative mentions of the bank and its products and address noted issues. Building strong risk culture and upholding of bank values by each employee	Intellectual Social and relationship	Although contained, reputation risk remains a core focus for the Bank to safeguard its good name against potential threats. The Bank employs advanced tools to monitor brand mentions and sentiments across social media platforms, ensuring timely feedback and resolution of raised queries. Additionally, continuous service improvement initiatives are prioritized to enhance customer experience and further mitigate potential reputational issues.

RISK TYPE	NATURE OF RISK	MITIGATION STRATEGIES	CAPITALS IMPACTED	MATERIAL TOPICS ADDRESSED
Liquidity	This refers to the risk that the ability of the Group to meet its maturing financial obligations and/ or commitment is threatened. The possibility of having shortfall to earnings or capital arising from the likelihood that the group will not have sufficient liquidity to meet maturing obligations as they fall due, or it cannot raise enough liquidity in a cost-effective manner.	Development of embedment of daily liquidity requirements and funding plans Robust assets and liabilities management Having a contingency funding plan in place	Financial Intellectual	Despite customers continuing to shift funds towards government bills and bonds offering attractive returns pressures, the Bank's strategic measures ensured stability, enabling it to navigate through the challenges while keeping the cost of funds (interest expenses) within budget. Continuous monitoring of liquidity risk has been strengthened to maintain resilience in the face of evolving market conditions.
Fraud	This refers to the risk of unexpected financial, material, or reputational loss as a result of fraudulent activities by an internal or external person(s).	Adoption of zero tolerance to fraudulent practices by taking appropriate disciplinary actions for staff involved. Continuous awareness to customers on frauds Automation of key controls of the bank Close to real time customer transactions analysis	Financial Intellectual Social and relationship	The Bank remains exposed to various fraud risks, with the most prevalent in 2025 being over-the-counter frauds (impersonation) and SimBanking frauds driven by social engineering tactics. In response, the Bank intensified customer communication efforts, focusing on educating customers on safeguarding their login credentials and avoiding sharing account details with unauthorized individuals. These proactive measures aim to strengthen fraud prevention and enhance overall customer awareness.

Additional Input:
The reduction of risk weights for retail loans from 75% as per Basel II/III guidelines to 50%. This was a saving of 25% in RWAs, which by then had a relief of around TZS 700bn in Risk weighted assets (RWA).





Financial Statements



ANNUAL consolidated AND BANK FINANCIAL STATEMENTS

For the year ended 31 December 2025

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THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

1 INTRODUCTION

Those charged with governance (" Directors") have the pleasure to submit their report and the audited financial statements for the year ended 31 December 2025, which disclose the state of affairs of CRDB Bank Plc ("the Bank") and its subsidiaries, CRDB Bank Burundi S.A., CRDB Bank Congo, CRDB Insurance Company Limited and CRDB Bank Foundation (together "the Group").

This report has been prepared in compliance with TFRS 1 issued by the National Board of Accountants and Auditors (NBAA) which became effective on 1 January 2021.

2 INCORPORATIONS

The Bank was incorporated in the United Republic of Tanzania under the Companies Act No.12 of 2002 as a Public Company limited by shares with registration number 30227. The Bank was established in 1996 and listed on the Dar es Salaam Stock Exchange on 17 June 2009 and has established three wholly owned subsidiaries, namely CRDB Bank Burundi S.A., incorporated in the Republic of Burundi in 2012, CRDB Insurance Company Limited incorporated in the United Republic of Tanzania under TIRA in 2023 and CRDB Bank Foundation registered by the Registrar of NGOs in 2023. The Bank also own another subsidiary in Congo, "CRDB Bank Congo," incorporated in the Democratic Republic of Congo in 2023, with 55% ownership.

3 VISION

Transform lives and develop economies to their fullest potential.

4 MISSION

Provide disruptive solutions to unlock social-economic value for our stakeholders.

5 OUR PURPOSE

Improve livelihoods and deliver sustainable impact.

We believe our role as an organization is to positively impact the world and the people we serve. We strive to improve the livelihoods of our customers, employees, and communities by delivering innovative products and services that make a real difference in their lives.

6 ENTITY OPERATION

The Bank is licensed in Tanzania under the Banking and Financial Institutions Act of 2006. It has several subsidiaries, which are as follows:

- **CRDB Bank Burundi S.A:** This is a licensed bank in Burundi under the Banks and Financial Institutions Act of 2003. It provides banking services.
- **CRDB Bank Congo:** CRDB Bank DR Congo is a public limited company and licensed Bank registered under the Ohada Uniform Act, relating to the law of commercial companies and G.I.E and the Banking Regulation of DR Congo. It provides banking services.
- **CRDB Insurance Company Limited** is a licensed insurance company in Tanzania that provides insurance services.
- **CRDB Bank Foundation:** This is a non-profit organization registered in Tanzania that aims to promote inclusive growth for social-economic and financial inclusion through community-focused initiatives.

The Bank is a public listed company on the Dar es Salaam Stock Exchange. The share price as at 31 December 2025 was TZS 1,530 (2024: TZS 670). Market capitalization as at 31 December 2025 was TZS 3,996.11 billion (2024: TZS 1,749.93 billion). The Bank remains one of the largest commercial Banks in Tanzania with a leading share of total customer deposits of 29% (2024:27%) and 29% (2024:26%) of assets as of 31 December 2025.

Environmental matters and impact on the Group's business operations

The Group believes that taking care of environmental and social matters is a key responsibility for everyone. As corporate citizens, we have embraced a culture of responsible living, with the ultimate intention of building a sustainable work environment with insignificant impact on the environment, which can impact business operations. Details on environmental matters, impact, and what the bank is doing to reduce the adverse effects of the environment and social risks have been disclosed under section 25.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

6 ENTITY OPERATION (CONTINUED)

Employees

Our people are the cornerstone of our success. Their engagement and commitment make us who we are. Our employees play an important role in contributing to the bank's long-term success and performance. The employee focus is centered on learning and development, employee well-being, employee engagement, and diversity and inclusion.

- *Learning and Development*

The Bank greatly emphasizes continuous learning, even in a fast-paced environment. It offers online and classroom training programs to ensure that its staff stays updated with the latest industry trends and actively develops their skills. These programs are carefully designed to cater to the employees' busy schedules, allowing them to prioritize their work while taking advantage of the available training opportunities.

To further encourage self-learning among its employees, the Bank has introduced an online platform that offers a wealth of educational resources, training materials, and interactive modules. This platform is accessible 24/7, allowing employees to learn at their own pace and convenience, regardless of location or schedule. Overall, the Bank is committed to providing its staff with ample opportunities for professional development and growth and constantly strives to create a supportive and conducive learning environment.

By promoting self-learning through this platform, the Bank empowers its employees to take ownership of their professional development. They can continuously learn, acquire new competencies, and stay relevant. This benefits the individual employees and contributes to the Bank's overall growth and success.

The availability of an online learning platform that can be accessed conveniently on mobile phones demonstrates the Bank's commitment to fostering a culture of learning and development throughout the year. In addition, the Bank has also established a dedicated unit to promote learning among its staff, and the top learners are recognized semi-annually based on the number of courses completed. This recognition serves as an encouragement for everyone to put in effort and improve their skills.

During the year, the Group spent TZS 9.38 billion (2024: TZS 7.98 billion) on learning and development, and 2,657 staff were trained from senior management to support staff level.

- *Employee Well-being*

As a Bank, we believe employee wellness is essential to our overall employee value proposition. We prioritize the value of 'Care' and constantly seek ways to provide the best possible customer experience. We recognize that a happy and engaged workforce is critical to achieving this goal. To achieve this, we prioritize health and well-being. We understand that a sedentary lifestyle, poor posture, and stress are the primary health concerns in the workplace. To address these issues, we conduct regular medical check-ups, promote best health practices, and provide counselling services through a dedicated helpline to help our employees deal with mental health issues.

Bank's Employees

Additionally, we offer medical coverage to all our employees, and we have a specialized maternity care program to support our female employees on the path to motherhood. We also understand the importance of nutrition, physical fitness, and stress reduction. Our bank firmly believes that quality health is essential for our organisation's success and for promoting our staff's well-being. In 2021, we launched well-being services focused on empowering our colleagues and eligible dependents to address challenges related to physical and social well-being. The services offered include:

i. Professional telephone counselling in Swahili and English: Counselling for psychosocial problems, substance abuse and addiction, relationship problems, financial management, health, personal, or work-related problems, and all mental disorders. During the year 169 staff received counselling through this platform.

ii. In 2025, 141 staff were provided with professional face-to-face Counselling for any psychological, relationship, medical stress, financial problems, marital and prenatal counselling, trauma-focused counselling, teenage counselling, family therapy, individual and corporate coaching, fitness, nutrition, and lifestyle management issues.

iii. Managerial Consultation for stress management, crisis management, assistance in managing risk cases, cultural diversity, or performance management of employees were provided to 15 staff in 2025.

iv. Psychiatric care arrangement: outpatient assessment and care through an accredited Psychiatrist.

v. Emergency response critical incident stress debriefing (CISD): Worksite counselling and stress management support for issues such as armed robbery, death, or disaster at a worksite.

vi. Education Support and awareness: Periodically conduct an awareness program across the network to equip employees with key psychological threats/signs. During the year 2,925 staff were provided with awareness training on social well-being including mental health and stress management.

vii. Human Resource department, in collaboration with Occupational Safety and Health Authority (OSHA), annually conducts fitness to work and medical examinations for all staff.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

6 ENTITY OPERATION (CONTINUED)

Bank Employees (continued)

- *Employee Engagement*

The Group believes Employee engagement is the foundation that supports several positive business outcomes, such as productivity, profitability, growth, customer experience, employee retention, and safety. At CRDB, employees are engaged at three levels: physical, emotional, and cognitive. These are not only to ensure full commitment from the employees but also create passionate and motivated workers who strive hard to work towards the Bank's vision and personal goals. By focusing on employee engagement at multiple levels and providing opportunities for growth, recognition, and well-being, CRDB aims to create a motivated and committed workforce that can contribute to the bank's success and deliver exceptional customer experiences.

In addition to work-related activities, CRDB organizes sports events such as the CRDB Super Cup and supports young talents through the UniTalent Sponsorship program. These initiatives contribute to employee engagement by promoting teamwork, friendship, and personal development outside the regular work environment.

Fundamentally, people want to be recognized and appreciated for their efforts. To emphasize this, in 2020, the Bank formally launched the "CEO Awards" award to recognise excellence in the workplace, which is conducted annually. The awards were structured in line with our strategic themes to recognize key drivers of change within the Bank. As a future-oriented employer, we believe in rewarding excellence among our staff as a motivating factor and a noble action.

The Bank believes that to continue becoming an employer of choice in the market, it must keep its employees engaged and listened to. From time to time, the Bank has used an employee satisfaction survey to listen to and engage its employees. The survey is conducted annually with the main aim of better understanding employees' morale, satisfaction, and engagement across the Bank and our subsidiaries. The survey is very important for the Group as it provides feedback to management to improve the working environment.

The survey is conducted via research, a simple and easy-to-use online survey tool. Employee survey responses are anonymous, and the survey team cannot trace individuals. The survey results are communicated to staff via organized Group sessions to discuss ways of improving our culture and performance and addressing problem areas.

The table below shows the results of the survey for the three years:

Employee survey data:	2024	2022	2020
Total eligible employees	3,984	3,712	3,278
Participation (no of employees)	3,227	3,623	2,560
Participation rate (%)	81%	98%	78%
Overall satisfaction index	**94%**	**87%**	**80%**

The survey results are used for three purposes.

i. Identify areas of strength, best practice, and potential improvement of our policies to make them more practical and effective.
ii. Understand engagement drivers, satisfaction levels, and team effectiveness.
iii. Formulate actions to resolve issues that demotivate people, compromise customer satisfaction, and /or diminish performance.

Furthermore, the Bank conducts quarterly town hall sessions branded as "CEO Town Hall" a platform where management communicates with employees on strategy, performance, and key updates. The platform also allows employees to ask various questions on performance and issues on staff matters. It is conducted physically and virtually from the head office to enable all staff to participate.

- *Diversity, Inclusiveness, Equity and Belonging*

The Group values Diversity, Inclusion, Equity, and Belonging, which fosters a positive work environment for all. This results in better ideas and promotes equality, ultimately delivering positive outcomes. The Group believes that a diverse and inclusive workplace is critical to ensure that every employee, irrespective of their background or role, feels equally involved, supported, and valued in all aspects of the workplace.

As a bank with a presence in several countries, our workforce comprises more than 4,000 employees. We believe having a diverse team is essential to our business's success, and we prioritise recruiting, developing, and retaining diverse talent. By doing so, we can better understand and connect with our customers, foster creativity and innovation, solve complex problems, make better business decisions, and boost employee engagement and morale.

The Group is committed to providing equal opportunities for all employees to develop and achieve their full potential, regardless of their background or identity. Diversity is an integral source of our strength because it fosters innovation and problem-solving by forcing everyone to look at things from different perspectives.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

6 ENTITY OPERATION (CONTINUED)

Bank Employees (continued)

Our response

- The Group has developed a Diversity, inclusion, equity, and belonging policy to ensure that the Bank adheres to the best human resources practices and standards. The policy sets out our approach to creating an inclusive and diverse work environment. The Group is an equal-gender employer, and several efforts are being made to maintain gender balance.
- The Bank introduced the She Initiatives program as one of the initiatives aiming at empowering women through training, coaching, and mentoring. This program provides training, coaching, and mentoring opportunities to support women's professional growth and development. The She Initiatives program offers women various resources and support systems to enhance their skills, knowledge, and confidence. Training sessions are designed to equip women with the necessary tools and expertise to excel in their careers. These sessions may cover various topics, including leadership development, communication skills, financial literacy, and other relevant areas.
- Through Coaching and mentoring, women participants are paired with experienced professionals who can provide guidance, advice, and support based on their expertise and experiences. This mentorship helps women navigate challenges, set goals, and make informed decisions about their career paths. By implementing the She Initiatives program, the Bank aims to create a more inclusive and supportive environment for women, enabling them to thrive professionally. The program seeks to empower women through training, coaching, and mentoring by equipping them with the necessary skills and knowledge to succeed in their chosen fields.

As of 31 December 2025, the Group's total workforce stood at 4,528 staff, with 2,401 (53%) males and 2,127 (47%) females. The workforce below 35 years of age (38%), between the age of 35-50 (55%) and above 50 years (7%). The Bank continued to focus on driving women's agenda through special sessions aimed at inspiring and empowering more women to draw unique leadership qualities that would enable them to rise to the highest levels of leadership.

Social and community issues

The Group acknowledges that Corporate Social and community issues are of increasing importance to our stakeholders and are vital to the continued success of the Group. The Bank is committed to contributing to sustainable developments by delivering economic, social, and environmental benefits for all its stakeholders. This is recognized as an important element of good corporate citizenship, alongside sustainability and good governance, and aims to improve the lives of disadvantaged people across multiple development sectors.

Our Group is committed to responsible and ethical operations that benefit all our stakeholders. To ensure this, we have a Corporate Social Investment (CSI) policy. Through this policy, we partner with communities and invest in them to find sustainable solutions. This helps us achieve our goal of operating in a socially responsible manner.

The Bank's Corporate Social Investment strategy addresses significant social problems to create sustainable solutions, particularly in health and wellness, education, environment, women and youth, and financial capabilities. The Bank also prioritizes programs that enable communities to meet their immediate needs and empower them to become self-sustainable and self-reliant in the future.

Employees are encouraged to participate in Corporate Social Investment (CSI) programs that aim to enhance the living standards of neighbouring communities. Employees are encouraged to participate in Corporate Social Investment (CSI) programs that aim to enhance the living standards of neighbouring communities.

The Governance

Our Group is founded on strong principles of good corporate governance, which we conceive as integral to our prosperity. We understand the depth of the responsibility placed upon us by our shareholders to safeguard their hard-earned investments. Therefore, we conduct our business openly and transparently, adhering to the tenets of good corporate governance. We have a diverse Board of Directors with the right balance of skills and experience to steer our Group into prosperity.

Those charged with Governance are responsible for controlling the entity's strategic direction, including the financial reporting processes.

The Group has a Risk Management Framework integral to the Bank's corporate governance. It defines the Bank's high-level governance structure and documents the key responsibilities and accountabilities for managing risks inherent in the Group's business and operations.

For further details on our corporate governance structure, see section 23 of this report.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

6 ENTITY OPERATION (CONTINUED)

The Bank's Operating Model

Our integrated business model is designed to address the widespread needs of all market segments by responding to the rapidly changing world. Our governance operating model ensures robust internal governing bodies and proper systems and processes to support our customers and stakeholders.

The Bank continues to be innovative and adopt an agile operating model to respond rapidly to our customers' ever-changing needs. More details of the bank's operating model are disclosed under section 10 of this report.

Contractual Arrangements

The Group entered several contract arrangements, which are grouped as enumerated below;

- Contractual arrangements with customers to whom we provide loans, advances, letters of credit, and guarantees.
- Long-term Borrowings with various reputable local and International Development Financial Institutions, such as IFC, AFDB, EIB, PROPARCO, INVESTEC, FMO, DFC, IBRD GCPF, DEG,DFIC,CITI, Respons Ability Investments AG, TIB, NBC, and TMRC, as detailed in note 50 of the annual consolidated and bank financial statements.
- Strategic partners on green climate projects - GCF
- Contract with vendors/Suppliers of goods and services to the Group and Bank for the provision of various services as detailed in note 46 (other liabilities) of the annual consolidated and bank financial statements.
- Professional service contracts with Consultants, Lawyers and Tax advisory firms.

7 OPERATING STRUCTURE

The Group provides a wide range of products that suit the needs of different segments in the market through our business divisions, namely Retail, Corporate, Treasury and Insurance. We are transforming our digital presence, providing simpler, seamless interactions through digital platforms while sustaining extensive customer reach through our leading branch network. We offer digital solutions, including simbanking, internet banking, point of sale (POS) machines, and Agency banking (Fahari-Huduma). Further details on our operating model are in section 10 of this report.

Products and Services Offered

The Bank has become one of the most innovative and preferred financial services partner in East Africa, supported by uniquely updated services like CRDB agency banking, Mobile banking, and Internet banking. The main services provided by CRDB are corporate banking, small business banking, Institution banking, Consumer banking, Capital market, and Insurance services through a network of 261 branches, including mobile branches, 732 ATMs, including depository ATMs,6,607 Point of Sale (POS) terminals, and 38,883 registered banking Agents.

8 OPERATING ENVIRONMENT

Macro and Micro- Economic Overview

Global Economic Growth

Growth is projected to remain resilient at 3.3% in 2026 and 3.2% in 2027, rates similar to the estimated 3.3% outturn in 2025. The forecast marks a small upward revision for 2026 and no change for 2027 compared with that in the October 2025 World Economic Outlook (WEO). This steady performance on the surface results from the balancing of divergent forces. Headwinds from shifting trade policies are offset by tailwinds from surging investment related to technology, including artificial intelligence (AI), more so in North America and Asia than in other regions, as well as fiscal and monetary support, broadly accommodative financial conditions, and adaptability of the private sector.

Global headline inflation is expected to decline from an estimated 4.1% in 2025 to 3.8% in 2026 and further to 3.4% in 2027. The inflation projections are also broadly unchanged from those in October and envisage inflation returning to target more gradually in the United States than in other large economies.

Growth in advanced economies is projected to be 1.8% in 2026 and 1.7% in 2027. In emerging markets and developing economies, growth is expected to remain just above 4.0% in 2026 and 2027. Growth is also expected to accelerate in sub-Saharan Africa, from 4.4% in 2025 to 4.6% in 2026 and 2027, supported by macroeconomic stabilisation and reform efforts in key economies.

Emerging Markets and Developing Economies

Growth across emerging market and developing economies is projected to remain slightly above 4.0% in 2026 and 2027. In China, growth for 2025 has been revised upward to 5.0%, supported by stimulus measures and increased policy bank lending for investment. For 2026, growth is expected to reach 4.5%, reflecting reduced effective U.S. tariff rates following the yearlong trade truce agreed in November, alongside continued policy support. However, growth is anticipated to ease to 4.0% in 2027 as structural challenges reemerge.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

8 OPERATING ENVIRONMENT (CONTINUED)

Emerging Markets and Developing Economies (continued)

India's outlook has also strengthened, with growth for 2025 revised up to 7.3% on the back of stronger-than-expected third-quarter performance and sustained momentum into the fourth quarter. Growth is projected to moderate to 6.4% in both 2026 and 2027 as temporary drivers of activity fade.

In the Middle East and Central Asia, growth is expected to rise from 3.7% in 2025 to 4.0% in 2027, supported by higher oil production, resilient domestic demand, and ongoing reform efforts. SubSaharan Africa is also projected to experience a gradual improvement, with growth rising from 4.4% in 2025 to 4.6% in 2026 and 2027, driven by macroeconomic stabilization and reforms in major economies.

Across most regions, the broad improvement in outlook reflects the diminishing impact of recent shifts in global trade policies.

East Africa

East Africa is positioned to remain the fastest-growing region in Africa in 2026, with GDP growth forecasts generally ranging between 5.8% and 6.1%. This strong outlook is supported by resilient domestic demand, expanding services and construction sectors, and rising investment flows, particularly in infrastructure, energy, and digital connectivity. Key institutions such as the IMF, World Bank, and UN highlight the region's broad-based recovery and continued economic diversification, especially driven by major economies like Kenya, Ethiopia, Tanzania, and Uganda

Inflation across East Africa is expected to remain moderate in 2026, following significant easing in 2025 when major markets saw price growth fall to around 3–5%. Stable exchange rates, cooling global inflation, and lower foodprice pressures have strengthened purchasing power, allowing central banks more room for neutral or mildly accommodative policy. Despite this, monetary policy space remains limited due to high global uncertainty and elevated debt servicing obligations, which continue to weigh on macroeconomic flexibility across several countries

Fiscal pressures remain an important challenge, with governments across the region working to balance growth objectives with sustainability concerns amid high public debt. Kenya, for example, projects a fiscal deficit of 5.3% of GDP in FY 2026/27 due to ongoing infrastructure spending and heavy debt service costs. Political cycles such as Uganda's January 2026 election and Kenya's approaching 2027 election also introduce short-term uncertainties affecting investor confidence and fiscal planning. Overall, while East Africa's economic trajectory for 2026 is strongly positive, it remains exposed to risks tied to global shocks, commodity volatility, debt vulnerabilities, and political transitions.

Tanzania

Tanzania's economy continues to demonstrate resilience and moderate expansion heading into 2026. After registering robust GDP growth of around 5.5-6.0% in recent years. Projections indicate continued growth in the 6%+ range through 2026, supported by services, infrastructure investment, regional trade and structural reforms. The tourism sector, benefiting from increased international arrivals and solid performance in telecommunications, industry, and construction, remains a key growth driver.

Stable inflation within the central bank's target range has helped preserve domestic demand and purchasing power, though climate variability and global commodity price swings remain notable risks to stability.

The annual Headline Inflation Rate for December 2025 increased to 3.6%, up from 3.1% recorded in December 2024. This increase indicates a slight acceleration in the pace of price increases for commodities in the year ending December 2025 compared to the year ending December 2024. Inflation was within the target range of 3% to 5% and consistent with SADC and EAC regional benchmarks. The stability of headline inflation was achieved despite an increase in some key food items, particularly rice and sorghum.

Money Supply and Credit Developments in Tanzania

During the fourth quarter of 2025, the Monetary Policy Committee (MPC) maintained an accommodative monetary stance to anchor inflation within the target band while supporting steady economic growth. Monetary policy transmission remained strong, with the 7-day interbank rate staying within the ±2 percentage point target corridor and closely aligned with the policy rate.

Liquidity conditions were actively managed through repo and reverse- repo operations, issuance of 35, 91, and 182-day Treasury bills, foreign exchange operations, and use of the Lombard window by banks to meet short-term liquidity needs. These measures ensured orderly liquidity flows across the financial system, reinforcing price stability and a supportive environment for economic activity.

Broad money (M3) grew by 25.8 percent yearonyear by December 2025, reflecting adequate liquidity, higher currency in circulation, and rising bank deposits. Credit to the private sector expanded by 23.5 percent, marking one of the strongest growth rates in recent years. This growth was broad-based across sectors such as mining and quarrying, trade, agriculture, transport and communication, and construction. Personal loans, particularly those accessed by MSMEs, continued to represent the largest share of total credit.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

8 OPERATING ENVIRONMENT (CONTINUED)

Tanzania (continued)

Money Supply and Credit Developments in Tanzania (continued)

The external sector demonstrated improved resilience during the period, supported by stronger export performance and moderated import demand. Overall, monetary and credit developments aligned with stable macroeconomic conditions characterised by moderate inflation and supportive policy settings. The robust expansion in money supply and private sector credit strengthened Tanzania's economic momentum heading into 2026, contributing to increased production, investment, and private sector dynamism.

Interest Rates

The average overall lending rate in Tanzania declined slightly to 15.24 percent from 15.71 percent in December 2024, reflecting a modest improvement in borrowing conditions within a stable monetary policy environment. This easing of lending rates is consistent with the Bank of Tanzania's decision to maintain the Central Bank Rate at 5.75 percent, a measure intended to support credit expansion while keeping the 7-day interbank rate guided within the established corridor of 3.75 to 7.75 percent.

The financial system continues to demonstrate resilience, underpinned by strong private-sector credit growth. At the same time, deposit rates showed mild upward adjustments, with the weighted average on the overall time deposit rate rising to 8.36 percent from 8.33 percent in December 2024, while average savings deposit rates increased to 3.02 percent in December 2025 from 2.84 percent in December 2024, indicating steady returns for depositors amid stable market conditions.

Developments in the Foreign Exchange Market

Developments in the foreign exchange market showed a significant improvement in liquidity during the year ending December 2025, driven by both external and domestic factors. Improved global financial conditions, particularly interest rate cuts by major central banks, declining oil prices, and easing global inflation, supported stronger foreign currency inflows while reducing the country's demand for foreign exchange.

This favorable environment helped strengthen market liquidity throughout the year. The Interbank Foreign Exchange Market (IFEM) remained broadly stable in December 2025, supported by adequate foreign exchange availability, much of which was underpinned by strong export proceeds. Consistent with the increase in foreign exchange liquidity, the Tanzanian shilling posted a modest movement against the US dollar, averaging TZS 2,447.5 per USD in December 2025, compared with TZS 2,394.8 in December 2024, reflecting relative stability in the market.

Regulatory Environment in Tanzania Financial Sector

The banking environment remains stable and resilient, with sufficient capital to support economic activities. The Bank of Tanzania (BOT) plays a crucial role in maintaining the integrity and stability of the country's financial system. To fulfil this important mandate, the Bank developed guidelines on the Banking and financial institutions (Non-interest banking business) regulations, 2025. The guidelines are designed to provide directions on the establishment and operations of a non-interest banking Business or a non-interest banking window.

The establishment and operation of a non-interest banking business or non-interest banking window require financial institutions to follow a defined regulatory framework designed to ensure compliance, transparency, and proper governance. Any institution seeking to offer non-interest banking services must submit a formal application that meets the prescribed conditions for establishing such a business, while those intending to open a non-interest banking window are required to file a separate application and set up a dedicated unit to manage these operations.

To ensure authenticity and compliance with Shariah-based principles, institutions must obtain Shariah advisory services to guide product development and operational decisions. Additionally, banks must maintain strict separation of books of accounts and records between conventional and non-interest banking activities to prevent commingling of funds and ensure clear audit trails. Should a bank decide to discontinue a non-interest banking window, the regulatory framework provides structured procedures for its orderly closure, safeguarding customer interests and ensuring full compliance with supervisory requirements.

The Group's response to the regulatory environment

+ At CRDB, we are well-positioned to adapt to these regulatory expectations through our Al Barakah Banking Unit, a fully established Islamic banking window specifically designed to deliver Shariah-compliant financial solutions. This unit already operates with dedicated governance structures, specialised expertise, and a Shariah advisory Board, enabling us to meet regulatory requirements around product assurance, operational integrity, and customer confidence.

+ The emphasis on maintaining separate books of accounts and records aligns with the operational framework we have already put in place for Al Barakah Banking, ensuring that Islamic banking activities remain fully distinct from conventional operations.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

8 OPERATING ENVIRONMENT (CONTINUED)

Tanzania (continued)

Regulatory Environment in Tanzania Financial Sector (continued)

+ As we continue strengthening the Al Barakah platform, the Bank remains committed to leading the market in compliant, innovative, and customer-centred non-interest banking, fully aligned with the enhanced regulatory expectations and the broader vision of expanding ethical and inclusive financial services across Tanzania.

Acting on climate change

Climate change is a serious problem that affects our planet and all living things. As a responsible bank, we understand how urgent this issue is and are committed to reducing our environmental impact. We focus on supporting sustainable finance because we want to help build a greener and safer future for everyone.

We are also committed to encouraging new, environmentally friendly solutions and helping the country move toward a low-carbon economy. To do this, we invest in projects that support sustainability, protect the environment, and promote eco-friendly practices. Our actions are designed to reduce negative environmental or social effects that may come from our financial activities. Overall, our goal is to create a positive impact on society by supporting responsible financial practices and investments that help protect the environment for future generations.

More details on section 25 – Sustainability report.

The Economic Environment in Our Regions of Operation

Burundi

Burundi's 2026 economic outlook projects moderate GDP growth (around 4-5%) driven by agriculture recovery, mining, and new hydropower, but faces significant challenges like high inflation (though easing), fiscal pressures from debt repayment, and reliance on external financing, with poverty remaining high despite efforts under the National Development Plan. Continued food insecurity and border trade disruptions add pressure, while strategic investments in infrastructure and governance are crucial for structural change.

In essence, 2026 is a year of potential recovery and reform for Burundi, balancing growth drivers with persistent poverty and fiscal challenges, heavily reliant on stable agriculture and continued international support and inflation is expected to remain high but start easing from 2026 peaks (around 27.9% - 37.3%), due to stabilised food prices and reduced import costs, though still eroding incomes.

Democratic Republic of Congo (DRC)

The economic outlook for the Democratic Republic of the Congo (DRC) indicates strong growth, with GDP projected to expand by 5.5%-6.5%. This performance is largely driven by the mining sector, especially cobalt and copper production, which remain essential inputs for global supply chains and the rapidly growing green technology sector.

Beyond mining, non-oil sectors such as agriculture, services, and manufacturing are also poised to make meaningful contributions. These gains are supported by ongoing reforms aimed at enhancing infrastructure, strengthening regulatory frameworks, and improving the business environment. Inflation is expected to ease to more manageable levels, although fiscal deficits continue to pose challenges, prompting authorities to refine fiscal policies and bolster revenue collection mechanisms.

Looking ahead to 2026, growth from non-oil sectors is projected to remain modest but resilient, at around 3.1% to 3.6%. This outlook reflects continued reform momentum, moderating inflation, and a sustained focus on economic diversification.

Competitive position

The financial services sector is experiencing significant transformation as competition intensifies from Mobile Network Operators (MNOs) and innovative FinTech companies. MNOs are capitalizing on their broad mobile infrastructure to offer widespread mobile money services, providing convenient financial access particularly in regions where traditional banking networks remain limited. At the same time, FinTechs are reshaping customer expectations by introducing advanced digital solutions such as peer-to-peer lending platforms, digital wallets, and automated credit scoring tools, resulting in faster, more seamless, and technology-driven financial experiences.

Our response

- Digital Transformation

The Bank accelerated its digital transformation agenda, focused on building the Bank of the Future. Through enhancements to SimBanking, the CRDB App, and Internet Banking, customers gained access to a wide range of services, including digital loans, CRDB-to-mobile wallet transfers, government payments such as TRA taxes and LUKU tokens, and digital merchant solutions like Lipa Hapa and Merchant payments.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

8 **OPERATING ENVIRONMENT (CONTINUED)**

Competitive position (continued)

- Customer-Centric Service

Guided by the promise "The Bank that Listens," CRDB strengthened its customer-centric capabilities. Initiatives included expanding selfservice zones to reduce queues and continuously refining products and channels based on customer feedback gathered from branches, call centres, and digital platforms.

- Expansive Service Network

With 261 branches and 38,883 CRDB Wakala Agents across Tanzania, Burundi, and the Democratic Republic of Congo, the Bank continued to lead in financial inclusion. This extensive footprint enabled service delivery to underserved and remote areas, supporting communities where traditional banking infrastructure is limited.

- Leveraging a Strong Brand

CRDB's trusted brand continued to reinforce customer loyalty and confidence. The Bank enhanced customer experience through initiatives such as Premier Banking lounges and introduced tailored solutions for youth and small enterprises, helping cement its position as an innovative and dependable market leader.

Speed and impact of technological change

The banking industry continues to evolve rapidly with advancements in digital technology. The widespread adoption of online and mobile banking has transformed how financial services are delivered, reducing reliance on physical branches and increasing efficiency. As a result, banks increasingly depend on financial technology (fintech) innovations to enhance customer experience and promote greater financial inclusion.

While technology enables significant opportunities, it also introduces new risks, particularly in information security and cybersecurity. Unauthorised access, cyberattacks, and data breaches pose serious threats that can lead to financial losses, legal implications, and reputational damage.

Our response

+ The Group is dedicated to leveraging cutting-edge technological advancements to adapt to the changing needs of our customers while ensuring we remain competitive in the market. We actively embrace modern technologies and innovative business models that foster sustainable growth, enhance operational efficiency, and expand our digital usage, enabling us to create more value for our stakeholders.
+ To prevent breaches, the bank has established a cyber risk management plan designed to protect its network from potential threats and ensure financial security for its clients. The bank places a high priority on information security, as its main business involves providing banking services to customers both domestically and in the Diaspora, through various physical and online channels.
+ The Group is committed to staying up to date with technological advancements that improve the speed, convenience, and security of customer transactions. We are actively developing new digital products to expand access to financial services. Additionally, we have upgraded and modernised our ICT infrastructure, including a new core banking system, to enhance operational efficiency.

Market forces

The Group caters to a diverse range of customers with changing needs and a growing demand for both value and convenience. Technology has a significant impact on the banking industry, leading customers to expect seamless access to banking services at all times, as well as ongoing innovation. The Group is dedicated to a customer-focused approach by creating innovative business models that address customer demands and leveraging advanced technology to provide effective solutions.

We have enhanced the capabilities of our banking systems and alternative channels, ensuring a strong presence nationwide and in our cross-border operations to provide an exceptional customer experience.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

8

OPERATING ENVIRONMENT (CONTINUED)

SWOC analysis

Strengths	Weaknesses
▪ *Strong recognizable brand with strong relationship with clients* ▪ *Asset size with market leadership* ▪ *Digitalization and innovation:* Being at the forefront of innovation allows us to deliver excellent customer experiences and enables growth. ▪ *Operations and governance:* The Group Risk Management Framework forms the Bank's integral part of corporate governance. ▪ *Customer focus: we are the Bank that listens.* The Group maintains a customer-centric focus. ▪ *Large network footprint:* The bank has the largest network of branches & agents. ▪ *Strong stakeholder relations*: The Bank has strong relations with multiple stakeholders, including the Government. ▪ *Strong CSI:* The Bank has invested in community development. ▪ *Strong International affiliations and partnerships*	▪ Semi-automated process
Opportunities	**Challenges**
▪ *Youth*: a growing, vibrant population ▪ *Women, Informal, and SME sectors:* underserved segments with limited offerings in the markets we operate ▪ *Agriculture Value Chains:* The agriculture sector is heavily underinvested with few forward linkages in industries – increase focus on that sector ▪ *Strategic Partnerships:* collaboration with diverse stakeholders to support growth and speed of execution ▪ *Regional Brand:* Continue with cross Boarder expansion to increase our brand visibility	▪ Cyber risk ▪ Macro-economic and geopolitical uncertainties ▪ Climate risks ▪ Disruptions caused by changes in technology. ▪ Unpredictable changes in the regulatory environment.

Societal matters in the environment in which we operate

Financial inclusion

"*Creating an enabling banking environment for everyone.*"

We are committed to promoting financial inclusion by ensuring that our community has access to affordable and convenient financial products and services, regardless of their location, background, ethnicity, or financial status. Our brand propositions and offerings are designed to meet the diverse and evolving needs of our customers. We have made substantial investments in the latest technologies and innovative delivery channels to make our services accessible to everyone. Our goal is to provide a level playing field for all customers, especially those in underserved and remote areas, helping them achieve their financial goals and aspirations.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

8 OPERATING ENVIRONMENT (CONTINUED)

Societal matters in the environment in which we operate (continued)

Our response

- Our approach to financial inclusion is centred on the CRDB Bank Foundation through its Imbeju programs. These initiatives empower individuals by offering valuable financial literacy training and capacity-building sessions. Through these programs, participants enhance their business and financial management skills, which transform lives and strengthen their economies. In 2025, we reached 501,201 women and youth across Tanzania, compared to 196,650 in 2024. This progress further reinforces our commitment to fostering economic empowerment and sustainability within communities.
- The Bank implemented key business reforms focused on creating sustainable value, expanding financial inclusion, and strengthening economic integration through a wide range of products, services, and innovative delivery channels. Our extensive distribution network includes 732 ATMs, 38,883 CRDB Wakala agents, and 6,607 Point-of-Sale (POS) terminals, all of which support our commitment to accessible and efficient banking services nationwide.
- In addition, through our Al Barakah banking services, we proudly offer an Islamic banking window designed to meet the specific needs of communities that adhere to Shariah principles. Unlike conventional banking, our Islamic window provides tailored financial solutions that fully align with religious guidelines, ensuring that clients can manage their finances in a way that respects their beliefs and values. We remain committed to offering ethical, faith-aligned banking alternatives for customers seeking solutions that are both responsible and spiritually grounded.
- The Bank has partnered with Development Finance Institutions (DFIs) to improve financial inclusion for small businesses in Tanzania, which are vital to the country's economy. The partnership focuses on providing credit and technical assistance to help these businesses modernize and digitize their operations. The Bank is committed to supporting small businesses, encouraging them to become active participants in their entrepreneurial journeys.

Human rights

As a socially responsible institution, the Bank consistently monitors human rights considerations across all markets where we operate. We are committed to ensuring that human rights matters are appropriately addressed across our operations and upheld by all third parties we engage with. These principles are embedded throughout our business practices, including:

- Maintaining a safe and respectful workplace that is free from harassment, bullying, and discrimination.
- Preventing financial crime and corruption, including bribery and money laundering.
- Conducting rigorous due diligence on suppliers, customers, and business partners to ensure adherence to our ethical Code of Conduct.
- Requiring all employees to complete mandatory annual refresher training on Anti-Money Laundering (AML) and to acknowledge their understanding of our Code of Conduct, including our zero-tolerance stance on corruption.

All employees must report alleged or suspected human rights violations through the available reporting channels or our whistleblowing procedures. The Bank takes any reported incidence of human rights abuses seriously.

During the year, no incidence of human rights violations was reported.

Health

The Bank is dedicated to conducting its business in compliance with all applicable health and safety laws and regulations, including the Occupational Safety and Health Act (No. 5 of 2003). We strive to provide a safe and healthy work environment to prevent any adverse impacts or injuries to our employees and customers. Achieving this goal is the responsibility of all Bank employees, regardless of their positions.

We understand the importance of protecting our employees and customers from potential hazards and negative effects. To accomplish this, we actively assess and manage risks to prevent accidents and health issues. Our commitment extends to everyone on our property—including employees, contractors, customers, visitors, and members of the public. We ensure that all individuals are protected from conditions that could compromise their health and safety. Through ongoing training, awareness programs, and safety protocols, we aim to cultivate a culture of safety that benefits everyone who interacts with our Bank.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

8 OPERATING ENVIRONMENT (CONTINUED)

Societal matters in the environment in which we operate (continued)

Our response

- Recognising the importance of employee health and well-being, the Group invests in high-quality, ergonomic office chairs designed to enhance comfort and reduce back strain.
- The Bank strictly adheres to workplace health and safety policies. Our office buildings are equipped with adequate lighting to ensure employees can perform their tasks comfortably and safely without straining their eyes.
- The Group continues to implement various employee wellness programs nationwide, including annual health check-ups for all staff, as well as designated days focused on physical exercise and mental health awareness.
- To further support employee wellbeing, the Bank has established dedicated facilities such as a fully equipped first-aid room and a lactation room for mothers and their infants.

Poverty

The Group is committed to collaborating with society to create a brighter and more prosperous future as the country embarks on its journey towards self-reliance, in alignment with Sustainable Development Goal No. 1: "No Poverty." This goal aims to eradicate extreme poverty for all people by 2030. The bank is dedicated to implementing innovative solutions that enhance small businesses' access to financing and support entrepreneurs in obtaining funds. By doing so, the bank aims to promote growth and job creation while reducing poverty. This approach focuses on uplifting the most vulnerable members of society and fostering inclusive economic development.

Our response

- The Group has been setting aside 1% of its net profit back to the community on corporate social investment.
- The launch of the IMBEJU program is in line with the slogan "Leave No One Behind," which emphasizes the empowerment of marginalized groups and tackling inequality in economic opportunities.
- The bank has entered into agreements with international agencies to obtain funds for issuing affordable loans to women and youth. These funds help the bank to expand access to finance for women and youth borrowers in the education and health sectors, micro, small and medium enterprises (MSMEs), and the informal sector throughout Tanzania.

Population and demographic changes

The Group considers various demographic factors, such as age, education, income, ethnicity, and gender, when developing new products, creating marketing campaigns, or deciding on branch and agency locations. Age is particularly important to monitor, especially considering the transfer of wealth to younger generations.

Our response

By closely observing these demographic factors, the Group ensures that its products and services are tailored to meet the unique needs and preferences of our customers, delivering the best possible experience. For instance, the Bank offers customized accounts for different demographics: Junior Jumbo accounts for children, Scholar accounts for college students, Malkia accounts for women, Imbeju seed capital for women and youth, Tanzanite accounts for the diaspora, and pension accounts specifically designed for pensioners.

Environmental challenges

The Bank faces environmental challenges, primarily driven by climate change and the need for sustainable practices. As a financial service provider, we must manage physical risks, such as damage from extreme weather events to our properties and collateral. For instance, properties used as collateral in flood-prone areas are at risk of devaluation due to increased flooding, while agricultural loans may be affected by prolonged droughts.

We also encounter transition risks associated with moving towards a low-carbon economy. This requires compliance with evolving environmental regulations, integrating Environmental, Social, and Governance (ESG) criteria into our risk management systems, and addressing the impacts of climate change, which can disrupt supply chains and affect economic growth.

Additionally, the lack of standardized data for assessing environmental risks complicates the accurate measurement and reporting of our environmental impact.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

8 OPERATING ENVIRONMENT (CONTINUED)

Environmental challenges (continued)
Our response

- As a responsible bank, we aim to ensure our practices positively impact the environment. We assess credit risks by considering environmental, social, and governance (ESG) factors through our Environmental and Social Management System (ESMS). By adopting sustainable practices, we can manage risks and seize opportunities in the changing economic landscape.
- The bank has implemented an environmental, social, and climate risk management policy to optimize opportunities and manage climate-related risks. This policy integrates climate risks into our governance and risk management practices, thereby enhancing outcomes for the financed activities in our portfolio management and operations.
- We apply international best practices, including the IFC Performance Standards, in our credit review appraisals before approvals.
- We have invested TZS 50 million during the year to combat environmental challenges

Our Group is dedicated to enhancing environmental sustainability, reducing climate change risks, and contributing to a more sustainable future for the communities we serve. Section 26 on Corporate Social Investment provides more details.

Political environment

The Bank operates in countries with stable political environments to safeguard its shareholders' interests and fulfil the needs of its stakeholders. This approach also contributes to the overall stability and growth of both the bank and the economy. A stable political environment has boosted foreign and domestic investments, providing assurance to both local and international stakeholders.

Key stakeholders' legitimate needs and interests and value created

The Bank recognizes that building strong relationships with stakeholders is essential for creating and maintaining value. To stay competitive and successful in the long run, we must meet and exceed their expectations. This approach helps us connect more with the communities we serve, ensuring our relevance. Engaging with stakeholders allows us to understand how our actions impact society and the economy. This interaction enables us to share our solutions and initiatives while gathering valuable feedback. By listening to our stakeholders, we can make informed decisions that directly influence our strategy. Therefore, stakeholder engagement is crucial at every stage of our business.

The following are our key stakeholders, their concerns and expectations, our responses, and how we measure our performance.

Customers	Our feedback, decisions, and interactions with our customers significantly influence the growth and success of our Bank.	
Concerns and expectations	**Our response**	**How we measure our performance**
Security and fraud protection: Account security, transaction safety, and protection from fraud.	**Security measures:** ▪ Our high-level cyber security strategy is centred around the following principles: proactiveness, defence, continuous improvement and comprehensive risk management. ▪ The Bank's cyber security architecture has been meticulously designed and implemented to align with the regulatory landscape and with a highly Tech-enabled Cyber-risk Prevention. ▪ Regular review of the cyber security systems.	All incidents are recorded, and monthly assessments check the number of fraud cases and measures to enhance the security of our systems.
Quality of service: Our customers value responsive and personalized service, which includes assistance with account management, inquiries, and issue resolution.	**Customer service excellence:** ▪ Our primary goal is to provide world-class customer experience. Therefore, we continuously invest in our contact centre and customer experience department. ▪ We have a customer complaint register at each branch and a resolution mechanism.	**Customer satisfaction surveys:** We regularly conduct surveys and gather feedback to assess customer satisfaction and identify areas for improvement. We use the Net Promoter Score (NPS) and the Customer Satisfaction Score (CSAT). **Customer complaint resolution:** We track and monitor customer complaints to ensure timely and satisfactory resolutions in line with established KPIs and industry best practices.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

8 OPERATING ENVIRONMENT (CONTINUED)

Key stakeholders' legitimate needs and interests and value created (continued)

Customers	Our feedback, decisions, and interactions with our customers significantly influence the growth and success of our Bank.	
Concerns and expectations	**Our response**	**How we measure our performance**
Convenience and accessibility: Our customers expect banking services to be convenient and accessible, whether through branches, agencies or digital platforms.	**Alternative Channel Banking:** The Bank offers various banking channels, including physical branches, agencies, online banking, and mobile apps, to ensure customers can access its services conveniently 24/7. **Branch realignment:** Our customer service manager is positioned at the forefront of engaging directly with customers. This initiative aims to improve customer experience in a more convenient manner.	The Bank measures through analysing the performance in terms of the number of customers and transactions in various banking channels.
Transparency and fairness: Our customers want clear and transparent communication about fees, terms and conditions, as well as fair treatment in all interactions with the Bank.	**Transparency and communication:** ▪ Through our digital communications channels and our branch service centre, we strive to provide clear and transparent information about fees, rates and charges. ▪ We are also complying with BOT guidelines in quarterly publications of all our fees and charges.	Through customer feedback in formal and informal channels, including social media.
Value created	**Enhanced customer experience** We create value by fostering long-term customer relationships and loyalty by addressing key customer concerns and delivering exceptional service. This was evidenced by a customer NPS score of 75% from 56% in 2024 and a CSAT score that remained at 90%, the same as last year.	
	Trust and reputation: Our dedication to security, convenience, transparency, and service excellence fosters trust and enhances our reputation, attracting significant customer growth to 7.2 million in 2025, up from 6.4 million in 2024.	
	Financial performance: Positive customer experiences enhance our financial performance by driving increased customer retention, fostering cross-selling opportunities, and generating positive word-of-mouth referrals.	
	Social impact: By addressing customer needs and expectations, the Bank enhances societal well-being by promoting financial inclusion, economic stability, and trust in the banking system.	

Employees	Our employees are our greatest asset, bringing the skills and expertise essential for the Bank's progress. Without them, we cannot effectively implement our strategy. Therefore, we continually engage with our employees to foster stable relationships, boost productivity, and ensure everyone is aligned to achieve our strategic objectives.	
Concerns and expectations	**Our response**	**How we measure our performance**
Career growth and development: Opportunities for career advancement, skills development and learning opportunities to equip them with an evolving technology landscape.	***Training and development programmes:*** ▪ We continue to offer training and development programmes, mentorship opportunities, and career progression pathways to support employees in enhancing their professional skills and advancing their careers. ▪ The Bank offers an online platform to all employees through "linkedin learning", which provides various courses to equip staff for their personal and career development.	▪ Through performance management, the senior management team are being measured by training attended by their team. ▪ The online training through LinkedIn is mandatory; hence, all staff are required to attend the learnings for a minimum of 24 hours annually, and the HR department will track their progress.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

8 OPERATING ENVIRONMENT (CONTINUED)

Key stakeholders' legitimate needs and interests and value created (continued)

Employees	Our employees are our greatest asset, bringing the skills and expertise essential for the Bank's progress. Without them, we cannot effectively implement our strategy. Therefore, we continually engage with our employees to foster stable relationships, boost productivity, and ensure everyone is aligned to achieve our strategic objectives.	
Concerns and expectations	**Our response**	**How we measure our performance**
Compensation and benefits: Competitive salaries, comprehensive benefits packages, and attractive incentives.	***competitive compensation and benefits:*** ▪ The bank reviews the salaries of all employees annually to account for inflation and individual performance. ▪ All employees have access to medical coverage, ensuring competitiveness and attractive value propositions.	***Retention* rates:** We analyze employee turnover rates to evaluate retention and identify factors influencing employee departure.
Work environment: A safe, healthy, inclusive and engaging work environment that promotes a culture of innovation.	***Work environment:*** ▪ We foster open communication channels to voice concerns through the Bank HR help desk platform, which provides centralised support to employees who encounter technical issues, have questions, or need guidance. ▪ We conduct an anonymous annual employee survey, encouraging employees to provide 360-degree feedback. ▪ Each department has designated specific Human Resource Business Partners (HRBPs) to promptly address and resolve employee.	***Performance reviews:*** We conduct regular performance reviews and evaluations to assess both individual and team performance, set goals, and provide constructive feedback for improvement.
		Employee feedback mechanisms: The Bank encourages open communication and employee feedback through channels such as suggestion boxes, town hall meetings, the intranet and anonymous feedback surveys.
Recognition and appreciation based on merit: Recognition of contributions and achievements, along with opportunities for feedback and constructive criticism.	▪ Fundamentally, people want to be recognised and appreciated for their efforts. To emphasize this, in 2020, the Bank formally launched an award named "CEO Awards," which is conducted annually and aims to recognise excellence in the workplace. ▪ Internal recognition for staff outperforming sales, or any campaign launched, such as increasing deposits or selling new products.	***Participation rate:*** ▪ The percentage of employees actively participating in recognition campaigns is a vital metric for assessing the effectiveness of these initiatives. High participation rates indicate that employees are engaged and value the recognition efforts. ***Employee feedback*** ▪ Conduct a survey regularly to gather the employees' opinions on the recognition program. This helps identify areas for improvement and understand how the appreciated employees feel.
Value created	***Employee Satisfaction and Retention***: By addressing key employee concerns and promoting a positive work culture, the Bank creates value by enhancing employee satisfaction, loyalty, and retention.	
	Enhanced productivity and performance: Engaged and satisfied employees are more likely to be productive, motivated, and committed to achieving the Bank's goals, resulting in improved performance and outcomes.	
	Talent attraction and Retention: The Bank promotes a supportive work culture and offers competitive benefits, which help attract top talent and recruit skilled professionals.	
	Innovation and creativity: A diverse and engaged workforce promotes innovation, creativity, and collaboration, fostering continuous improvement and adaptation to changing market dynamics.	

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

8 OPERATING ENVIRONMENT (CONTINUED)

Key stakeholders' legitimate needs and interests and value created (continued)

Investors/shareholders	We strengthen our engagement with shareholders and investors through transparent, consistent communication about our strategy execution and the outcomes that contribute to long-term, sustainable value creation.	
Concerns and expectations	**Our response**	**How we measure our performance**
Financial performance: Our investors and shareholders are concerned about the bank's financial health, including its profitability, revenue growth, and return on investment.	**Financial reporting and transparency:** Throughout the years, we have consistently provided timely and accurate financial reporting, including quarterly and annual reports and investor presentations, to keep investors informed about the Bank's financial performance.	Our financial performance is measured using metrics such as. ✓ growth of revenue, ✓ return on assets, ✓ return on equity, ✓ cost-to-income ratio ✓ Asset quality ✓ Earnings per share
Risk management: To provide assurance, our investors expect the Bank to implement strong risk management practices that effectively mitigate potential risks, including credit, market, operational, cyber, compliance, etc.	**Risk management framework:** We have a robust risk management framework that includes regular risk assessments, stress testing, and internal controls to effectively identify, assess, and mitigate risks.	**Risk management indicators:** Our key risk management indicators include capital adequacy ratios, liquidity ratios, credit risk metrics (such as non-performing loan ratios), and operational risk incidents. These are used to assess the effectiveness of the Bank's risk management practices.
Corporate governance: The Bank's governance structure, which includes transparency, accountability, and ethical standards, is a major concern for investors.	**Corporate governance framework:** We follow best practices, ensuring independent Board oversight, establishing clear conflict-of-interest policies, and committing ourselves to ethical conduct and integrity. Additionally, we take pride in having a highly skilled and experienced leadership team.	We regularly assess our corporate governance practices, including Board evaluations and compliance audits, while adhering to regulatory requirements and industry standards.
Sustainability practices Investors are more concerned about the Bank's sustainability practices.	▪ The Bank has established a dedicated unit to spearhead and monitor sustainability practices. ▪ We have an ESG strategy embedded in the Group's corporate strategy. ▪ Mandatory ESG training is provided to all staff. ▪ It is a standing agenda item in Board discussions.	Performance is evaluated against the metrics defined in the strategy.
Value Created	By addressing investors' concerns and ensuring transparency, accountability, and financial stability, the Bank enhances investor confidence and attracts capital investment.	
	Effective risk management practices reduce financial losses and reputational damage, thereby increasing shareholder value and ensuring the Group's long-term sustainability.	
	Strong corporate governance, ethical conduct, and a commitment to sustainability enhance the Bank's reputation and brand value, which helps attract customers, investors, and other stakeholders.	
	By incorporating ESG and climate-related factors into our business strategy and operations, we adopt a holistic approach to value creation when evaluating risks and opportunities related to sustainable and socially responsible practices.	

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

8 OPERATING ENVIRONMENT (CONTINUED)

Key stakeholders' legitimate needs and interests and value created (continued)

Suppliers and business partners	Suppliers and business partners are fundamental to our brand's success and reputation. We prioritize building strong, collaborative relationships with these stakeholders through regular communication and joint initiatives. By sharing best practices, we enhance efficiency and foster innovation that benefits all parties involved. Our commitment to continuous improvement allows us to gain valuable insights into industry trends and challenges, helping us to amplify our positive impact on the community and the environment. In addition, we place great importance on ethical alignment. We strive to ensure that our business ethics, core values, internal policies, standards, and codes of conduct resonate with those of our partners.	
Concerns and expectations	**Our response**	**How we measure our performance**
Timely payments: Receiving timely payments for goods and services provided to us to maintain their own cash flow and operational stability.	**Prompt payments:** As a bank, we commit to making timely payments to suppliers, within agreed-upon terms, by actively managing our accounts payable process to minimise delays.	**Payment timeliness:** We measure the timeliness of payments to suppliers with key metrics such as days payable outstanding (DPO) and payment cycle times.
Fair treatment: Assurance of fair treatment when bidding for tenders, negotiating terms and during performance management.	**Effective communication:** In enhancing our engagement with our suppliers, we maintain open channels of communication with them, providing clear guidance, feedback and updates on procurement needs and requirements.	**Quality and compliance metrics:** Performance is evaluated based on quality and compliance metrics, such as product/service defects, specification adherence, and compliance with regulatory requirements.
Communication and transparency: Clear communication and transparency regarding expectations, requirements and changes in demand or procurement processes.	**Quality assurance:** We work closely with suppliers to establish quality standards provide necessary support and resources and conduct regular quality checks to ensure products or services meet expectations.	**Supplier satisfaction:** As our business partners, we aim to have regular engagement with our suppliers to assess supplier satisfaction levels, gather feedback on the procurement process and identify areas for improvement.
Quality and standards: Ability to meet our quality standards and compliance requirements.	**Fair and Sustainable procurement practices:** ▪ We ensure fair treatment of suppliers through transparent procurement processes, competitive bidding and adherence to responsible sourcing principles, which include compliance with our code of conduct. ▪ Our procurement decisions consider environmental and social impacts, promoting sustainable and ethical sourcing practices. ▪ We give priority to local businesses when sourcing; during the year, 93% of our suppliers were sourced locally.	**Contract performance:** We monitor supplier performance against contract terms, including delivery schedules, quality standards and cost efficiency, to ensure contractual obligations are met.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

8 OPERATING ENVIRONMENT (CONTINUED)

Key stakeholders' legitimate needs and interests and value created (continued)

Suppliers and business partners	Suppliers and business partners are fundamental to our brand's success and reputation. We prioritize building strong, collaborative relationships with these stakeholders through regular communication and joint initiatives. By sharing best practices, we enhance efficiency and foster innovation that benefits all parties involved. Our commitment to continuous improvement allows us to gain valuable insights into industry trends and challenges, helping us to amplify our positive impact on the community and the environment. In addition, we place great importance on ethical alignment. We strive to ensure that our business ethics, core values, internal policies, standards, and codes of conduct resonate with those of our partners.	
Concerns and expectations	**Our response**	**How we measure our performance**
Value Created	**Supplier relationships:** By addressing suppliers' concerns and maintaining fair, transparent procurement practices, we create value by fostering strong, mutually beneficial relationships.	
	Operational efficiency: Timely payments and effective communication with suppliers contribute to operational efficiency, reducing the risk of supply chain disruptions and improving overall procurement processes.	
	Quality and innovation: Ensuring quality standards and collaboration with suppliers fosters innovation and continuous improvement, creating value through the delivery of high-quality products and services to customers.	
	Reputation and trust: Demonstrating integrity, fairness and transparency in supplier relationships enhances the Bank's reputation for trustworthiness, creating value by attracting reputable suppliers and building confidence among stakeholders.	

Government and regulators	Regulators are integral to ensuring the integrity and stability of the financial sector by implementing controls that mandate the responsible operation of financial institutions. Thus, it is imperative to cultivate strong professional relationships with these regulatory bodies by adhering to applicable laws and regulations. Our regulatory authorities include: ✓ Bank of Tanzania ✓ Capital market and securities authorities ✓ Tax revenue authority ✓ Insurance regulators (TIRA) ✓ Dar es Salaam stock exchange	
Concerns and expectations	**Our response**	**How we measure our performance**
Compliance with regulations: Regulators are concerned about our compliance with banking laws, regulations and industry standards to ensure the safety and soundness of the financial system.	**Risk management framework**: We implement a robust risk management framework that includes risk identification, assessment, mitigation strategies and monitoring processes to effectively manage various types of risks across the Group.	**Regulatory compliance audits:** Regulatory compliance audits, conducted by the Risk team, internal audit teams, or external auditors, assess our compliance with applicable laws, regulations, and regulatory guidelines.
Risk management: Our risk management practices, including credit risk, liquidity risk, operational risk and compliance risk, are scrutinised by regulators to mitigate potential threats to financial stability.	**Compliance programmes:** We have established robust compliance programs, policies, and procedures to actively promote adherence to regulatory requirements. Our dedicated compliance officers play a key role in monitoring and reporting on compliance activities, ensuring that we continually improve our practices. To further enhance our efforts, we provide regular training on essential banking regulations, focusing on Anti-Money Laundering (AML), data protection, cybersecurity, business continuity management (BCM), and environmental, social, and governance (ESG) principles. This proactive approach helps us foster a culture of compliance and accountability.	**Risk management metrics:** Risk management metrics, such as capital adequacy ratios, liquidity ratios, credit risk metrics (e.g., non-performing loan ratios) and operational risk incidents, are used to assess the effectiveness of the Bank's risk management practices.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

8 OPERATING ENVIRONMENT (CONTINUED)

Key stakeholders' legitimate needs and interests and value created (continued)

Government and regulators	Regulators are integral to ensuring the integrity and stability of the financial sector by implementing controls that mandate the responsible operation of financial institutions. Thus, it is imperative to cultivate strong professional relationships with these regulatory bodies by adhering to applicable laws and regulations. Our regulatory authorities include: ✓ Bank of Tanzania ✓ Capital market and securities authorities ✓ Tax revenue authority ✓ Insurance regulators (TIRA) ✓ Dar es Salaam stock exchange	
Concerns and expectations	**Our response**	**How we measure our performance**
Financial health: Our financial health and stability, including capital adequacy, asset quality and liquidity levels, prevent systemic risks and maintain financial stability and resilience.	**Consumer protection measures:** We prioritise consumer protection by providing clear, transparent information to customers, handling complaints promptly and fairly, and adhering to regulations on fair lending and consumer rights.	**Examination reports:** Regulators regularly assess our operations, risk management practices, and compliance with regulatory requirements. These assessment reports offer feedback on both strengths and areas for improvement.
Consumer protection: Measures such as equitable lending practices, comprehensive disclosures, and effective management of customer complaints are essential regulatory priorities that safeguard the interests of bank customers.	**Financial reporting and transparency:** We maintain transparent financial reporting practices and engage in regular communication with regulators to provide updates on financial performance, risk exposures and regulatory compliance efforts.	**Consumer complaints resolution:** We track and monitor the resolution of consumer complaints using metrics such as complaint response times, resolution rates, customer satisfaction scores, and updates posted on the Bank's website, in line with our commitment to the Central Bank of Tanzania to resolve customer complaints.
Value created	**Regulatory Compliance:** By addressing regulators' concerns and maintaining compliance with regulatory requirements, we create value by mitigating regulatory risks, avoiding penalties and preserving the Bank's reputation as a trusted and responsible financial institution.	
	Financial stability: Effective risk management practices and regulatory compliance contribute to our financial stability, creating value by enhancing investor confidence, maintaining access to capital markets, and supporting sustainable growth by future-proofing the Bank.	
	Consumer trust: Prioritising consumer protection measures and transparent communication with regulators builds consumer trust and confidence in the Bank, thus attracting and retaining customers and enhancing our reputation in the marketplace.	
	Systematic stability: By ensuring compliance with regulatory requirements and managing risks effectively, we contribute to systemic stability in the financial system, create value by minimising the risk of financial crises and promote economic stability and growth.	

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

8 OPERATING ENVIRONMENT (CONTINUED)

Key stakeholders' legitimate needs and interests and value created (continued)

Communities	The Bank continues to demonstrate its strong commitment to national development and community well-being through investments under its Corporate Social Investment (CSI) Policy. These interventions are strategically aligned with the Bank's CSI Policy and its 2023–2027 strategy to transform lives and deliver sustainable impact. In 2025, the Bank invested approximately TZS 2.7 billion to deliver meaningful impact across communities. The main pillars supported during the year were Education, Health, Environment and Youth Empowerment.	
Concerns and expectations	**Our response**	**How we measure our performance**
Access to financial services: Advance financial inclusion by making banking products and services available in underserved communities.	**Financial inclusion:** We are dedicated to promoting financial inclusion by providing affordable and convenient financial products and services to our community, regardless of location or background. Our offerings are tailored to meet diverse needs and are supported by significant investments in technology and innovative delivery channels. We aim to create a level playing field for all customers, especially those in underserved areas, so they can achieve their financial goals.	**Financial inclusion metrics**: Performance is measured based on financial inclusion metrics, such as ✓ Number of new accounts. The Bank has seen a significant increase in its customer base, rising from 6.4 million in 2024 to 7.2 million. ✓ Number of agents stood at 38,883 from 35,566 in 2024, highlighting our commitment to delivering services to the unserved population. ✓ loan disbursements to MSMEs and participation in financial literacy programmes. ✓ Increase in online transactions by 40% through our various digital channels.
Environmental footprint: The Bank is committed to promoting environmental conservation through various initiatives, ensuring that most of the activities it supports are environmentally friendly. This commitment is further underscored by our accreditation with the Green Climate Fund.	**Initiatives in managing environmental footprint:** The Bank invested TZS 50 million in environmental sustainability initiatives. ✓ Activities included tree planting and environmental cleaning in Arusha and Kilimanjaro to support ecosystem restoration and community involvement. ✓ Clean cooking efforts supported 100 Mama Lishe with gas cylinders and provided a gas stove to Yombo Vituka Primary School. ✓ These actions reduced dependence on firewood/ charcoal, cut air pollution, and eased deforestation pressure. ✓ The Bank has implemented water filtration and purification solutions at our headquarters to eliminate the use of harmful plastic bottles ✓ Effective systems to ensure responsible waste collection, recycling and disposal. ✓ The bank also encourages customers to use its digital banking platforms to reduce emissions associated with travel and running large branches ✓ Implementation of paperless solutions "OPTIMA" and "IPV supporting documents on a user-friendly digital screen	▪ Reduce paper usage by 20% ▪ Invest in digital tools – roll out BIO tools to all our Branches by 2030 ▪ Source 20% of our electricity from renewable sources by 2030 and 40% by 2050. ▪ Reduce water consumption by 25% by 2030 ▪ Roll out of LED lights and sensor lights to all our outlets by 2030 ▪ Reduce waste generation through prevention, reduction, recycling and reuse.
Value created	**Community empowerment:** By actively listening to community concerns and implementing comprehensive programs aimed at improving access to essential financial services, we promote local development and environmental sustainability. This approach creates significant value for these communities and empowers individuals, ultimately enhancing their quality of life and fostering a brighter, more sustainable future for all. Through our CRDB Bank foundation and Imbeju programs, we have reached many beneficiaries from underserved communities. ✓ Capacity building beneficiaries 879,285 (2024: 196,650) ✓ Financial inclusion 367,813 (2024:134,810) ✓ Digital financial inclusion 287,970 (2024: 127,801)	

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

9 GROUP STRATEGY AND OBJECTIVES

Short, medium, and long-term strategic objectives

To build long-term, sustainable value for the Group, we recognise the importance of a clear strategic direction, focused leadership, strong corporate values, and timely responsiveness to shareholders' expectations. Our long-term ambition remains steadfast: to secure undisputed market leadership.

In 2025, we enter the third year of implementing the Bank's five-year (2023–2027) business strategy, themed "EVOLVE." During this period, the Group continues to strengthen its foundations, enhance its competitive position, and advance its transformation agenda. Our emphasis on efficiency, innovation, competitiveness, and sustainability reinforces our commitment to delivering meaningful progress toward our 2027 ambitions and fulfilling our purpose.

Group strategic pillars

Our strategic pillars reinforce our market position, drive business growth, support long-term sustainability, and provide a strong foundation for future development. These pillars guide our decision-making and execution, and we have defined clear, measurable targets to consistently track and assess our progress.

Strategic Pillars	Ringfence the Business	Strengthen our service offerings and cement our market presence.
	Grow the Business	Tap into our unrealised potential and introduce new offerings to the Bank.
	Futureproof the Business Enhance Sustainability and Governance, explore new horizons to adapt to evolving client demands.	

Our strategic framework

The Group has established a framework that outlines the strategy to achieve its objectives.

Objective	Strategy
Strategic	▪ Provide distinctive customer experience. ▪ Attract new and retain existing customers ▪ Increase the transaction income ▪ Compliance with Regulation ▪ Increase in market share
Economic	▪ Improve the return on equity ▪ Grow quality loan book responsibly ▪ Improve the efficiency ratio
Operational	▪ Digital transformation ▪ Develop automated solutions ▪ Train and develop employees
Social	▪ Help surrounding communities ▪ Financial inclusion ▪ Build a reputation as an employer of choice
Environmental	▪ Ensure environmental sustainability

Our Strategic objectives

+ Elevate customer obsession
+ Enhance operational efficiency and effectiveness
+ Seize growth opportunities in emerging business markets
+ Expand locally and regionally, enhance international presence
+ Build a resilient and responsible organization
+ Accelerate digital disruptive capabilities

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

9 GROUP STRATEGY AND OBJECTIVES (CONTINUED)

Strategies to implement strategic objectives

- The Group aims to achieve digitalization across all our transactions through increasing accessibility of banking services by encouraging virtual money management through providing value-adding internet and mobile banking functionalities.
- The Group will continue to optimize the balance sheet, capitalize on stakeholder engagements for business growth, and build capacity to hasten the execution of the strategy.
- The Group shall also continue to create technological strength to increase our capacity to serve.
- We aspire to enhance the service experience through process simplification and automation. We will therefore prioritize the delivery of critical technology projects as enablers and accelerate process reengineering programs.

Resource allocation plans to implement our strategy

As we move forward with implementing our strategy, one of our most critical responsibilities is to develop comprehensive resource-allocation plans. This requires a thorough assessment of our budget, workforce, and other key assets to determine where they can generate the greatest impact. Our process begins with an analysis of current resource utilisation, allowing us to identify inefficiencies or redundancies and optimise allocation accordingly.

We then align our resources with our strategic priorities, pinpointing the projects and initiatives that are most essential to achieving our long-term goals. Based on this evaluation, we craft detailed allocation plans that direct resources to where they will create the most value. This may involve shifting resources from lower-priority activities to higher-strategic-importance activities or investing in new capabilities needed to support our objectives. Throughout this process, we maintain a careful balance, maximising impact while ensuring financial sustainability and avoiding undue strain on the organisation.

This allocation has been structured with a clear understanding of the current macroeconomic and operational landscape, ensuring the Bank remains agile, resilient, and able to optimise resource utilisation. The capital expenditure plan, which is critical to overall budget preparations to ensure we remain resilient, out of the TZS 168.2 billion capex and project budget planned for 2026, allocates 66% of the total capex to ICT, up from 47% in 2025. This substantial rise reflects a deliberate and strategic commitment to strengthening the Bank's technology ecosystem.

The 2026 capex plan places strong emphasis on strengthening cybersecurity capabilities, stabilising core technology infrastructure, and advancing digital solutions. These investments are critical to safeguarding the Bank against evolving cyber threats, ensuring operational continuity, and enabling secure, scalable digital growth. Collectively, these priorities reinforce the Bank's ability to deliver on its strategic ambitions while maintaining a trusted and resilient technology foundation.

Short- and long-term funding plans to support the strategies to achieve the Bank's objectives

The Group has short- and long-term funding plans to support our strategic initiatives and achieve overarching objectives. These funding plans include a variety of sources, such as capital markets, customer deposits, and interbank loans, ensuring the bank maintains robust liquidity and financial stability. The short-term funding strategy focuses on meeting immediate operational needs and managing cash flow effectively, while the long-term funding strategy is geared towards financing investments that drive sustainable growth and profitability over time. By aligning these funding strategies with our overall goals, the bank is well-positioned to adapt to market changes and seize new opportunities for expansion.

Short- and long-term funding plans to support the strategies to achieve the Bank's objectives (Continued)

Short-term funding plan

- Lines of credit: We have established relationships with various financial institutions to create flexible lines of credit. These lines offer immediate liquidity, allowing the bank to quickly cover unexpected obligations or seize short-term opportunities without the delays associated with normal loan application processing.
- The Bank uses short-term loans, usually with terms of one year or less, to meet immediate financial obligations. This strategy provides quick access to capital during periods of tight cash flow, helping ensure operational continuity or fund specific projects that require prompt financing.
- Internal financial reallocations: We conduct a thorough review of the Bank's current budget to identify excess funds or underperforming areas. By reallocating resources from lower-priority projects to those that are urgent and necessary, the Bank effectively address pressing financial needs while maximising overall efficiency.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

9 GROUP STRATEGY AND OBJECTIVES (CONTINUED)

Long-term Funding Plans

- Debt Financing: The Bank raises capital by issuing bonds or securing long-term loans from financial institutions. This strategy enables sustained growth and investment in key areas such as infrastructure through our Samia Bond, and in sustainable projects through our green bond, branded as Kijani Bond. We emphasize creating a positive impact on the communities we serve while generating returns that exceed the cost of borrowing over time.
- Strategic Partnerships: The Bank prioritizes the development of collaborative relationships with strategic partners who possess the expertise and resources needed to enhance our existing capabilities. These partnerships enable us to achieve our strategic goals more efficiently, leverage shared resources, access new markets, and acquire innovative technologies. By working together, we initiate co-funded projects that improve our competitiveness and financial stability.

Over the years, the Bank has worked with various Institutions, including IFC, AFDB, EIB, PROPARCO, INVESTEC, FMO, DFC, GCF, GCPF, CITI, ResponsAbility Investments AG, DEG, DFIC, TIB, NBC, and TMRC, to support key sectors of the economy. As at 31 December 2025, the Group had an outstanding exposure of TZS 2,255 billion, which includes subordinated debts as disclosed in Notes 50 and 51, respectively.

Group strategic KPI

Key Financial Performance Indicator	Target 2025
Return on Equity	> 27%
Return on Assets	> 5%
Cost-to-income ratio (CIR)	< 55%
Growth in customer deposits	> 12%
Non-performing loans to total loans	< 5%
Growth in loans and advances to customers	> 10%
Growth in total assets	> 15%
Total Capital ratio	> 14.5%

Non-Financial KPIs

Description	2025 Target (YoY growth of number of transactions from 2024)
***Simbanking* (USSD & App)**	
Volume (transactions)	>40%
Number of registered accounts	>30%
Internet banking	
Volume (transactions)	>10%
Number of registered customers	>20%
Agency banking	
Volume (transactions)	>20%
Number of registered agents	>10%
ATMs	
Volume (transactions)	>10%
Number of registered cards	>20%

Monitoring the achievement of the strategic objectives

Those charged with governance play a crucial role in overseeing the Group's operations. They monitor the achievement of KPIs set quarterly through performance reports presented by Management. The reports highlight the achievement of each KPI, any challenges faced due to internal or external factors, and the support required to achieve the set objectives. This helps ensure that the Group is operating effectively and efficiently while staying aligned with its goals and objectives. Those charged with governance manage the Group's operations by monitoring the achievement of KPIs set quarterly through the performance reports which are being presented by Management, highlighting the achievement of each KPI, challenges if any regarding the internal or external environment and the support required to achieve the set objectives.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

10 GROUP BUSINESS OPERATING MODEL

The Bank plays a vital role in connecting capital providers with users. We acknowledge our importance in society, and our success as a business is closely linked to the progress of the individuals, communities, and businesses we serve. Our goal is to grow and create value for all our stakeholders. We believe that value is best reflected in the quality of life of our shareholders, employees, and community. In pursuing value for our stakeholders, we base our actions on a strong foundation of clearly defined values.

The Group's mission is to provide innovative solutions that unlock socio-economic value for our stakeholders, while our purpose is to enhance livelihoods and deliver sustainable impact.

The Bank maintain a robust portfolio supported by a resilient balance sheet and a talented workforce. We invest in our people, technology, and processes to deliver value responsibly and sustainably. We expand our delivery channels through innovation and strategic investments and increase access to financial services.

The Group has a comprehensive plan to promote financial inclusion, specifically targeting underserved communities through our CRDB Bank Foundation and Islamic Banking initiatives and incorporating lower market segments into the economic ecosystem. As a leading commercial bank in Tanzania, our relevance today and in the future depends on our ability to manage and leverage available resources effectively, transforming inputs through our operations into outputs and outcomes that fulfil the Bank's strategic purposes and create value in the short, medium, and long term.

How we differentiate ourselves in the market

We take pride in delivering exceptional customer service and providing tailored financial services, customised account packages, and dedicated relationship managers and customer experience teams to our valued customers. We aim to make our customers feel appreciated and valued. We offer convenient, user-friendly online and mobile banking services, and we have recently integrated the Simbanking platform (Mobile App and USSD) into a more stable, secure enterprise. This has enabled us to enhance the customer experience, improve service performance, and deliver services faster.

We offer competitive rates for various banking services, including Current and Savings Accounts, Loans, Credit Cards, and Online Banking. As a committed member of the local community, we believe our involvement builds customer loyalty. Our bank sponsors events, donates to charities, and provides financial education programs through the CRDB Bank Foundation to improve financial literacy.

Our Group revenue generation after the initial point of sale

Our business operating model involves providing various financial services to our customers, for which we earn fees and commissions. We recognise this income based on the amount that we expect to receive in exchange for our services, which covers the cost of the system, software license, etc. When we service our customers, the consideration is determined by the bank's rates and charges. It is generally due immediately upon satisfaction of a service provided at a point in time, or upon completion of the contract period for a service provided over time. The performance obligations, as well as the timing of their satisfaction, are identified and determined at contract inception.

Non-funded income, including fees and commissions, is a crucial component of bank profitability, particularly during an economic slowdown or when lending conditions are difficult. Non-interest income is derived from sources outside a bank's core activities of taking deposits and managing loans. Banks generate a significant part of their non-interest income from fees imposed over time after the initial point of sale, such as account service charges, annual fees, deposit fees, mobile banking charges, withdrawal charges, etc.

Bank approaches the need for innovation

The Group's innovative solutions are the result of a profound understanding of our business strategy and the specific needs of our customers. As a customer-centric Bank, we actively listen to and understand the unique requirements of our customers at any given moment. By doing so, the Bank can tailor our strategies to effectively fulfil those needs and provide personalized solutions. This customer-focused approach allows us to continuously adapt and innovate to better serve our clientele.

Operating model and response to change

The Group's operating model is designed to be flexible and to allow quick adaptation to changes in the environment in which we operate. Continuous innovation and proactiveness are required for the bank to remain competitive in meeting market demands while improving customer experience. The Group's strategy is to continuously promote and drive an agile culture throughout the organisation to accelerate execution and adapt to changes in our environment.

Our delivery channels

- We have a robust branch network comprising 261 branches and 38,883 Agents spread across the country.
- Robust Mobile Banking Services, Self-Account opening, bill payment, etc.
- Internet Banking, International Money Transfers
- Debit and Credit Cards VISA, Union Pay, Mastercard cards

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

10 GROUP BUSINESS OPERATING MODEL (CONTINUED)

Operating model and response to change (continued)

Type	Inputs	Group activities for value creation	Output	Outcome	Group response
Financial resource	▪ Shareholders' fund ▪ customer deposits ▪ Borrowings	▪ Accepting customers' deposits ▪ Provisions of Loans and advances ▪ Local and International fund transfer ▪ Insurance services	▪ Equity of TZS 2,747.1 billion ▪ Total assets TZS 22,308.9 billion ▪ customer deposits of TZS 14,930.5 billion ▪ Long-term borrowings TZS 2,969.7 billion (including bonds) ▪ Market share of 29% deposits and 29% total assets	▪ Return on average equity 29.5% ▪ Return on average asset 5.3% ▪ Dividend per share TZS 90 ▪ Cost to income ratio 41.6% ▪ A total of TZS 307.0 billion was paid as tax in 2025.	▪ The Group maintained a solid capital base and diversified funding sources that enabled us to provide banking solutions competitively across the markets we operate. ▪ Group access funds at competitive rates to efficiently create and maximise shareholder value.
Human resources	▪ The Group's total workforce stood at 4,528 employees, where 2,401 (53%) were males and 2,127 (47%) females. ▪ Experienced and competent key personnel management team. ▪ Experienced and competent Board of Directors with a mix of skills.	▪ Various Training and development programs. ▪ Competitive salary packages and benefits. ▪ Continuous Employee engagement ▪ Employee well-being initiatives ▪ Occupational health and safety.	▪ Improved staff morale. ▪ Increase in staff Productivity. ▪ Lower staff turnover rate. ▪ Improved staff Skills ▪ Good health and safety records – award from OSHA.	▪ Remarkable performance resulted from staff morale improvement. ▪ Competent and efficient workforce. ▪ Increased customer satisfaction is evidenced by an increase in NPS of 75% from 56% reported in 2024.	▪ Continuous training and development programs. ▪ Focused on embedding a culture of continuous development, which increases competitiveness and investment in the development of skills required by employees to serve the digital customer of the future. ▪ Extra compensation to staff working in rural and risky areas.eg risk allowance, rent subsidy.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

10 GROUP BUSINESS OPERATING MODEL (CONTINUED)

Resources employed to provide service to our Stakeholders

Type	Inputs	Group activities for value creation	Output	Outcome	Group response
Intellectual resources	▪ Focus on technology. ▪ Robust Loan origination and underwriting. ▪ Risk enterprise Management framework. ▪ Collaboration with fintech and start-ups branded as "IMBEJU". ▪ Brand positioning.	▪ Digital Transformation. ▪ Continuous improvement of systems and processes. ▪ Increase awareness of the brand through various marketing activities and CSI.	▪ Innovative products and solutions. ▪ Automated processes. ▪ Collaborative teams through a shared service model.	▪ Strong Brand. ▪ Increase in digital transactions. ▪ Operational efficiency.	▪ Robust technology and infrastructure capabilities that drive seamless customer experiences and support strong resiliency. ▪ Group invested in strong brand and subsidiary businesses, strategic partnerships, and innovative products and solutions that we offer to our customers.
Natural resources	▪ LED lights. ▪ Digital solutions. ▪ Installation of sensor taps in our office buildings.	▪ Reduction of paper usage through; i. Implementation of Digital Banking Mobile and Internet banking, ATM. ii. Automated processes. iii. Implementation of a paperless solution "Optima". ▪ Reduction of energy consumption initiatives.	▪ Innovative and sustainable digital solutions.	▪ Reduced electricity cost ▪ Improvement of TAT.	▪ Continue monitoring resource usage (water, fuel, power, and paper). ▪ Institute clear governance and oversight of environmental matters.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

10 GROUP BUSINESS OPERATING MODEL (CONTINUED)

Resources employed to provide service to our Stakeholders (Continued)

Type	Inputs	Group activities for value creation	Output	Outcome	Group response
Manufactured resources	▪ Banking outlets, including mobile branches. ▪ ATMs cash deposit and withdrawal machines. ▪ Agency Banking. ▪ Merchants.	▪ Investment in digital solutions. ▪ Investment in banking outlets and alternative channels.	▪ Easy access to financial services. ▪ Financial inclusion.	▪ Banking outlets (261), ▪ ATMs (732), including deposit ATMs, ▪ POS machines (6,607), ▪ Registered agents (38,883)	▪ Continuing with awareness and training on digital solutions. ▪ Continuous improvement of our systems and processes. ▪ Continue increase in outreach – increase accessibility of financial services.
Social and relationship resources	▪ 1% of CSR budget on net profit. ▪ Strategic Partnership on the execution of community matters.	▪ CSR programs executed. focused on health, education, and the environment. ▪ Youth and women empowerment programs ▪ Engagement with the community via marathons and sports.	▪ Contribute to the implementation of Goal no 1 “No poverty. ▪ Contribute to the implementation of Goal no 3 “Good health and well-being.” ▪ Contribute to the implementation of Goal no 4 “Quality Education.” ▪ Reduce the unemployment rate.	▪ During the year, TZS 540 million supported the health sector ▪ TZS 850 million in support of the education sector ▪ TZS 50 million was used to implement environmental related initiative ▪ TZS 1.2bn has been invested in Women & Youth programs in 2025 ▪ Net promoter scores of 75% from 56% in 2024.	▪ Continue to increase the annual budget to save a large population. ▪ Continue to increase customer experience that is seamless across all our touchpoints.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

10 GROUP BUSINESS OPERATING MODEL (CONTINUED)

Resources employed to provide service to our Stakeholders (Continued)

Resource	Inputs	Factors affecting the availability of resource	Factors affecting the quality of resource	Factors affecting the affordability of resource	Group's expectations and ability to produce flows from the resources to meet future demand
Financial resource	▪ Shareholder's fund ▪ customer deposits ▪ Borrowings	▪ Competition. ▪ Complicated Terms of Borrowing covenants. ▪ Geopolitical and macro-economic uncertainties	▪ Stable funds	▪ Funding cost	▪ The Group maintained a solid capital base and diversified funding sources. ▪ The resource will enable the Group to invest in various digital solutions to meet future demands.
Human resources	▪ The Group's workforce. ▪ Board of Directors.	▪ Qualifications and experienced workforce	▪ Integrity ▪ Skills required ▪ Good Corporate Governance	▪ Cost	▪ continuous training and development programs. ▪ Invest in employee value propositions such as improvement in staff benefits. ▪ Staff recognition through promotions and awards as a retention strategy.
Intellectual resources	▪ Focus on technology. ▪ Brand	▪ Global shortage of future skills i.e. Artificial intelligence (AI), robotics ▪ Cyber risk ▪ change in technology	▪ Version of Technology ▪ Brand positioning	▪ Investment Cost ▪ Consulting cost on the new technology.	▪ Continue investment in new technology ▪ Improvement in customer experience
Natural resources	▪ LED lights. ▪ Digital solutions. ▪ Installation of sensor taps in our office buildings.	▪ Shortage of sustainable eco-friendly products in the market ▪ Climate change	▪ The source of origin	▪ Cost ▪ Investments in R&D in innovative sustainable digital products.	▪ to ensure we reduce GHG emissions through investment in sustainable projects
Manufactured resources	▪ Banking outlets ▪ ATMs ▪ Agency Banking. ▪ Merchants.	▪ Persistent system offline ▪ Changes in Technology. ▪ Slow pace of digital adoption	▪ System uptime ▪ System capacity	▪ Cost	▪ Continuous improvement of our systems and processes. ▪ Continue increase in outreach – increase accessibility of financial services.
Social and relationship resources	▪ 1% of CSR budget on net profit. ▪ Stakeholders' engagement ▪ Strategic Partnership	▪ Budget Constraints ▪ partners to collaborate	▪ Project to invest in a sustainable outcome	▪ Good customer experience ▪ Group reputation	▪ continue to drive digital adoption and engagement ▪ Enhancing community welfare through CSI, focus on ESG

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

10 GROUP BUSINESS OPERATING MODEL (CONTINUED)

Resources employed to provide service to our Stakeholders (Continued)

Outcomes

We deliver value to our stakeholders and fulfill a vital role in the economies in which we operate.

Stakeholders	Positive Outcome	Negative outcome	Group response/ actions
Employees	- Conducive work environment. - Recognition and reward. - Self-led development and an opportunity for career progression. - Gender and diversity inclusiveness - Equal opportunities in training and development - free of discrimination and harassment	- Branch locations in rural areas, which result in staff turnover.	- Extra motivations, including rent payments
Customers	- Innovative, efficient, cost-effective banking solutions that meet their needs. - Improved access to financial services. - A safe and trustworthy financial services provider - Supporting financial goals for our customers with products and services delivered through a superior offering.	- Lack of education on financial services to underserved communities, which slows down the pace of financial inclusion.	- Continuous training on awareness and advantages of financial services through various campaigns e.g., road shows
Regulators	- Compliance with laws and regulations. - Continuous engagement. - Payment of taxes, 2025 TZS 307.0bn (2024: TZS 218.7bn) was paid to the Government	- Decrease in the amount to be paid as Tax due to a decrease in profitability. - Non-compliance with the regulations results in penalties and fines.	- Increase in profitability in line with strategic objectives. - The Group has a dedicated department that ensures compliance.
Society	- Providing support to our communities and access to social and environmental financing to address societal needs. - Increased access to, and funding for, education, health, and sports-related opportunities.	- Lack of presence in some areas, especially in rural areas.	- Continue to increase a wide network through Agency banking to reach unbanked populations.
Investors/ shareholders	- Delivering attractive and sustainable shareholder returns on their investment on the foundation of a strong balance sheet. - Attractive dividends and growth in share price. The Bank paid TZS 65 per share in dividends in 2025 for 2024 performance and expects to pay TZS 90 per share in 2026 for 2025 performance.	- Decrease in the amount to be paid as a dividend due to a decrease in profitability.	- Continuous engagement through AGM and shareholders' seminar - Investor's awareness day, branded as "Uwekezaji day", which is being done annually.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

11 STAKEHOLDER RELATIONSHIP

Effective relationship through consistent dialogue with key stakeholders is central to business sustainability.

Stakeholder Group	Modes of engagement	Frequency	Key Concerns and Expectations	Response/ Mitigation
Shareholders/ Investors	▪ Annual General Meeting (AGM) ▪ The annual report ▪ Shareholder's seminar ▪ Investor's meeting ▪ Quarterly reports	Continuously.	▪ Return on investment. ▪ Compliance ▪ Governance and ethical practices	▪ Continuous engagement. ▪ Robust risk management and Internal control processes. ▪ Continuous improvements in business performance.
Employees	▪ Annual performance appraisal. ▪ Employee engagement initiatives ▪ Employee annual feedback survey	Continuously/ Annual performance review.	▪ Fair remuneration. ▪ Effective performance management and recognition. ▪ Career development. ▪ A safe and healthy work environment.	▪ Employee engagement. ▪ Health and wellness programs ▪ Continuous training. ▪ Embracing equity, diversity, and inclusiveness.
Customers	▪ Customer visits. ▪ A call Centre is there to ensure constant engagement. ▪ CRDB website and other social media platforms. ▪ Customer satisfaction survey	Continuously.	▪ Innovative financial solutions and services ▪ Convenient access to banking services through digital channels. ▪ Excellence in client service. ▪ Strong cyber risk management	▪ Awareness of data security and privacy ▪ Improvement of products and services to cater to their financial goals. ▪ Work on the feedback obtained from the survey.
Suppliers	▪ Regular meetings with suppliers. ▪ Phone calls and surveys.	Continuously	▪ Fair bidding and timely payments ▪ Governance and ethical practices. ▪ Feedback on delivery of goods and services ▪ Timely settlement of the invoice	▪ Ensure timely payments for services. ▪ Whistleblower policy to ensure good practice. ▪ Continuous engagement through meetings ▪ Monthly reconciliations of supplier's account.
Regulatory authorities	▪ Regular meetings. ▪ Policy updates and directives. ▪ Mandatory fillings with Key Regulators	Continuously.	▪ Compliance	▪ Compliance including formulation of relevant policy framework and enforcement thereof.
Community/ Society	▪ Regular meetings.	Continuously.	▪ Financial literacy. ▪ Inclusive growth.	▪ Providing support to our communities, and access to financing to address societal needs ▪ Partnering with the community to address common social and environmental issues to build a thriving society.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

12 FACTORS IMPACTED OUR ABILITY TO CREATE VALUE

Our current operating environment is marked by increased competition, disruptive technologies, changing consumer behaviour, and regulatory/policy changes. As part of our ongoing strategic, cultural, and digital journey, we prioritize the following material matters:

Material matters	Risk/impact on value creation	Our response
Global Economic Trends (US Dollar shortage)	▪ Increased the exchange rate, which increases the cost to the Bank, i.e., on serving foreign borrowings and procurement in forex. ▪ Increase in non-performing foreign exchange loans due to borrowers' failure to meet payment plans.	▪ Implementation of BOT circular/Guideline on reduction of usage of US Dollar payments ▪ Reduction of the issuance of foreign exchange loans ▪ Limit the cash withdrawal of USD dollar
Increasing Competition	▪ Decrease in deposits ▪ Decrease of the non-funded income	▪ Continuing delivering innovative products and services through an increasingly automated and digitized environment. ▪ Improvements in the simbanking app have enhanced user experience and driven usage. ▪ Implemented various campaigns through our simbanking app (Swahiba tuko mlangoni kwako) to increase deposits and non-funded income.
Disruptive technologies and digital adoption	▪ Increased cost on the investment of new technology ▪ Increase cost in training cost on cyber security	▪ The Bank invest in new technologies to mitigate cyber risk and ensure data protection ▪ Mandatory training to all staff on cyber security ▪ Specific trainings to cybersecurity staff for more updates
Rising stakeholder expectations	▪ Increase in operational and investment cost due to; ✓ Compliance in sustainability and ESG reporting ✓ Stakeholders are pushing for rapid digital transformation to improve customer experience and operational efficiency. ✓ Implementation of robust risk management on cybersecurity and data protection	▪ We have also adopted integrated and sustainable reporting to improve transparency in our value-creation process. ▪ Major investment in the systems upgrade to enhance user experience ▪ To better understand stakeholder expectations and incorporate them into our strategic planning, we have increased stakeholder engagement
Ongoing regulatory and policy changes	▪ Increasing compliance costs, mainly due to new regulations requiring system or operational changes, ultimately impact shareholder returns. ▪ Increase in training cost due to the new regulations	▪ Invested in compliance ▪ Engagement with policymakers and communities to advocate for appropriate regulatory reform. ▪ Training staff in the new regulations
Current and emerging Risks	▪ Disruption of our services due to cyber attacks ▪ Increase the cost of assessment of portfolio and collateral held prone to physical risk ▪ Increasing cost of compliance with new regulations on climate risk.	▪ The Group has a robust data protection and cybersecurity framework in place. ▪ The Group has a dedicated cybersecurity unit and personnel with strong expertise in the field. ▪ The Group has partnered with GCF on climate-related matters.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

13 CURRENT FINANCIAL PERFORMANCE AND FUTURE DEVELOPMENT PLANS

FINANCIAL PERFORMANCE

Those charged with governance are responsible for the Group's vision, mission, and strategic objectives, and for ensuring that the overall objectives are supported by business plans, budgets, and marketing plans. The Board is also responsible for reviewing and approving the Group's operational and financial objectives, amendments to key performance indicators, financial statements before publication, and the succession plan for senior management, including the Chief Executive Officer. Quarterly, management presents the Group's performance to the Board for its review and guidance.

In 2025, the Group focused on the following strategic key areas:

- Protecting the bank's financial strength and market share.
- Build a resilient and responsible organization.
- Enhance operational efficiency and effectiveness through workforce optimisation to increase staff productivity.
- Accelerating automation, innovation, and digital adoption to streamline processes and increase customer experience.
- Prioritising regulatory and compliance
- Expansion - locally and regionally.

Group Performance

During the year, the Group's total assets grew 33.6% to TZS 22,308.9 billion (2024: TZS 16,698.8 billion), whereas customer deposits grew by 36.5% to TZS 14,930.5 billion (2024: TZS 10,934.1 billion). Net Loans and advances to customers grew by 32.5% from TZS 10,360.8 billion in 2024 to TZS 13,723.3 billion in 2025. Innovative products and services that were offered to the public contributed to such a positive trend.

In 2025, the Group recorded a profit before tax of TZS 1,030.5 billion (2024: TZS 778.8 billion), an increase of 32.3% from the previous year, and an after-tax profit of TZS 728.6 billion (2024: TZS 551.5), an increase of 32.1%. During the year, interest income grew from TZS 1,540.8 billion recorded in 2024 to TZS 1,999.3 billion in 2025, an increase of 29.8%. Interest expenses increased from TZS 422.6 billion in the prior year to TZS 591.2 billion, an increase of 39.9%. Combined with commissions and fees, total non-interest income increased from TZS 583.5 billion to TZS 717.0 billion, an increase of 22.9%. Operating costs grew by 15.4% from TZS 739.6 billion in 2024 to TZS 853.3 billion in 2025 due to business growth.

Performance in the Banking industry

CRDB Bank continues to be among the top banks in Tanzania in terms of balance sheet size, with 29% market share in total assets, 29% in deposits, 31% in Loans and advances, and 24% in the capital base.

Key performance indicators of the Group in comparison with the industry in 2025.

KPI	INDUSTRY AVERAGE	CRDB
Non-performing loans	2.8%	2.9%
ROAA	3.8%	5.3%
ROAE	18.8%	29.5%
CIR	40.5%	41.6%

CRDB Bank Burundi S.A.

The Burundi subsidiary recorded a 9.0% increase in profit after tax, from TZS 40.3 billion in 2024 to TZS 43.7 billion in 2025. Total interest income grew by 54.9% to TZS 172.3 billion, mainly due to growth in the Government securities and credit facilities. Total deposits grew by 58.3 % to TZS 1,097.2 billion compared to TZS 693.3 billion recorded in 2024. Total assets grew by 55.7% to TZS 2,311.2 billion from TZS 1,484.4 billion recorded in 2024.

CRDB Bank Congo

In 2025, the Congo subsidiary started its third year of operation and recorded an after-tax loss of TZS 9.0 billion. The gross financial spread increased to TZS 16.1 billion, compared to TZS 7.5 billion in 2024, primarily due to growth in government securities and loans and advances. Total deposits amounted to TZS 118.5 billion, while total assets reached TZS 319.8 billion.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

13 CURRENT FINANCIAL PERFORMANCE AND FUTURE DEVELOPMENT PLANS (CONTINUED)

CRDB Insurance Company Limited

At the end of the year, the insurance company recorded a profit after tax of TZS 4.4 billion. Insurance revenue grew by 96% to TZS 41.4 billion, and insurance investment income grew by 132% to TZS 2.9 billion. The Company's assets reached TZS 44.2 billion, a 130% increase from TZS 19.2 billion in 2024. Mainly from the growth of investment and reinsurance contracts assets.

CRDB Bancassurance

The Group's Bancassurance operations have continued to grow since their launch in March 2021, through partnerships with ten insurance companies. The solution enables customers to conveniently access insurance products, including life and non-life, under one roof, through mobile banking and our wide range of nationwide networks. The solution serves CRDB and non-CRDB customers, starting with customer onboarding, claims, underwritings, commission collections, and payments. As at December 2025, commissions of TZS 28.9 billion (2024: TZS 25.7 billion) were earned from life and non-life insurance products and TZS 23.1 billion (2024: TZS 21.2 billion) as risk management fee. Total operating expenses were TZS 2.8 billion (2024: TZS 2.3 billion).

Al Barakah Banking

Al Barakah Banking serves as CRDB's distinguished Islamic Banking window, designed for clients seeking Shariah-compliant financial services. Operating under the Directorate of Retail Banking, the proposition provides comprehensive solutions for Retail (Consumer and Business Banking) as well as Corporate Banking customers. The Shariah financing portfolio recorded a remarkable 61% growth compared to the same period in 2024. This strong performance demonstrates the effectiveness of strategic initiatives aimed at expanding Shariah-compliant offerings and deepening market penetration. During the period, the Bank invested TZS 45 billion in SUKUK instruments, supported by strengthened partnerships with institutions such as Imani Finance and the successful onboarding of Zanzibar SUKUK. These collaborations broadened the investment landscape and reinforced the bank's leadership within the Islamic capital markets.

Additionally, Al Barakah Banking continued to fortify its funding structure by developing a self-sustaining deposit base capable of fully supporting financing activities. Deposits grew by an impressive 101% year-on-year, driven by a growing customer base and heightened awareness of Islamic banking solutions, which enhanced deposit mobilization and overall customer engagement. Collectively, these achievements underscore strong operational execution and position the bank for continued growth in its Shariah-compliant portfolio.

Financing and deposits

In TZS Millions	2025	2024	YoY Growth
31 December			
Shariah-compliant financing	**240,314**	148,941	61%
Sukuk investments	**44,690**	-	100%
Advance Islamic Financing	**53,786**	15,165	255%
Total assets	**338,790**	164,106	106%
Customer demand deposits CASA (Qardh)	**256,620**	168,300	52%
Customer Investment deposit (Mudharabah)	**99,962**	9,497	953%
Total customer deposits	**356,582**	177,797	101%
Customer Al Barakah Sukuk Bond	**210,569**	-	100%
Total Liabilities	**567,151**	177,797	219%

Income report

In TZS Millions	2025	2024	YoY Growth
31 December			
Total Shariah financing profit income	**18,946**	12,449	52%
Total SUKUK investment profit income	**3,870**	-	100%
Total Shariah financing and investment income	**22,816**	12,449	83%
Profit sharing expense to Term deposit (Mudharabah)	**3,261**	1,031	216%
Profit sharing expense to Al Barakah Sukuk investors	**4,637**	-	100%
Net Shariah Financing income	**14,918**	11,418	31%
Total Al Barakah income	**14,918**	11,418	31%

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

13 CURRENT FINANCIAL PERFORMANCE AND FUTURE DEVELOPMENT PLANS (CONTINUED)

Al Barakah Banking (continued)

- Profit Equalization Reserve (PER) not established: The Bank has not set up a PER because it does not currently offer savings-based investment accounts.
- No amounts held/paid out of PER: No funds were set aside or paid from PER during the year because no PER exists and the Bank has no qualifying investment pools requiring profit smoothing.
- Investment Risk Reserve (IRR) not established: The Bank has not yet established an IRR; consequently, no funds have been maintained to absorb potential unexpected losses related to investment activities, with IRR implementation expected in 2026 as Islamic banking modules are enhanced.

Key performance indicators (KPIs)

Those charged with Governance approve and monitor quarterly the implementation of the Group KPIs in line with the strategic objectives through the performance report presented by management. This report highlights the achievement of key KPIs, any challenges regarding the internal and external environment, and the support required to achieve the set objectives.

In managing the KPI, the Group does the following:

- The Group KPIs are proposed by management and approved by those charged with Governance.
- The CEO and Managing Director of the Group cascade the KPI developed to senior management.
- The Senior management team cascades to Departmental Heads, and a departmental balance scorecard is developed for monitoring the KPI set to contribute to the Group KPIs.
- A monthly review is performed for each department to ensure the Group's strategic objectives are implemented as per the KPI set and monitored. Every quarter is presented to the Board.
- Ensure the availability of resources needed to implement the set KPIs.
- Assess the impact (positive and negative) on our stakeholders of the implementation of the KPIs

Key performance indicators, both financial and non-financial, are used by those charged with Governance to assess the Group's performance against its strategic objectives.

Performance of the financial KPIs as at 31 December.

KPI	Definition and Formula	2025	2024	Purpose
Return on Equity	(Net profit/Total equity) *100%	**29.5%**	**27.7%**	Measure the ability of the Group to generate profit from the shareholders' investment.
Return on Assets	(Profit Before Tax/Total assets) *100%	**5.3%**	**5.2%**	The ratio determines how efficiently a Group uses its assets to generate a profit.
Operating expenses to Operating Income	(Operating expense/Net interest income + non-interest income) *100%	**41.6%**	**45.7%**	Measure the operating cost as compared to the income it generates. The lower the ratio, the better the Group's performance.
Gross loans to customer deposits	(Gross loans to customers/Total deposits from customers) *100%	**93.6%**	**96.1%**	Used to assess a bank's liquidity by comparing a Group's total loans to its total deposits for the same period.
Growth in customer deposits	(Increase in customer deposits/ Opening balance of customer deposits) *100%	**36.5%**	**23.5%**	Measure the growth of customer deposits from the previous year
Non-performing loans to total loans	(Non-performing loans/Gross loans and advances) *100%	**2.9%**	**2.9%**	Measure the quality of the loan portfolio
Growth in loans and advances to customers	(Increase in Loans and advances /Opening balance of loans and advances) *100%	**33.0%**	**22.7%**	Measure the growth of loans and advances to customers from the previous year
Growth in total assets	(Increase in assets for the year/ Total asset opening balance) *100%	**33.6%**	**25.3%**	Measure the growth of total assets from the previous year
Tier 1 Capital ratio	(Core capital/Risk-weighted assets including off-balance sheet items) *100%	**16.1%**	**16.3%**	Measure the Group financial strength.
Total Capital ratio	(Total capital/Risk-weighted assets including off-balance sheet items) *100%	**17.8%**	**17.2%**	This is a supplementary capital used to measure the Group's financial strength
Earnings per share	Profit attributable to equity shareholders/ Number of ordinary shares in issue (TZS)	**280.4**	**212.3**	Indicates how much money a bank earns per share invested.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

13 CURRENT FINANCIAL PERFORMANCE AND FUTURE DEVELOPMENT PLANS (CONTINUED)

Al Barakah Banking (continued)

Key performance indicators (KPIs) (continued)

- The source of the above KPI computed is based on the numbers of the audited financial statements, and no adjustment was made.
- The computation of the KPIs was based on the actual numbers, with no assumptions made.
- During the year, there were no changes to either KPIs or the computation method that needed to be disclosed in the underlying accounting policies adopted in the financial statements compared to previous financial years.
- The group complied with all the regulatory ratios during the year.

The Group KPI targets for 2025 are disclosed in section 9 of this report.

Year-over-Year Performance of Non-Financial Key Performance Indicators

Description	2025	2024	YoY
***Simbanking* (USSD & App)**			
Volume (transactions)	**99,284,796**	69,593,112	43%
Number of registered accounts	**2,926,395**	2,102,714	39%
Internet banking			
Volume (transactions)	**9,796,635**	8,443,236	16%
Number of registered customers	**98,861**	77,374	28%
Agency banking			
Volume (transactions)	**99,343,473**	78,445,905	27%
Number of registered agents	**38,883**	36,566	6%
ATMs			
Volume (transactions)	**21,946,705**	24,037,883	(9%)
Number of registered cards	**8,920,110**	7,335,147	22%

How we delivered the KPIs set

- Strengthened stakeholder relationships through continuous engagement and customer-centric initiatives across all segments.
- Leveraged a highly competent Board, strong leadership, and an experienced management team to drive disciplined execution of our priorities.
- Accelerated digital transformation investments, enhancing operational efficiency and improving customer experience across all digital channels.
- Optimised branch operations under the new operating model, improving service delivery, productivity, and internal controls.
- Enhanced staff capability and culture by promoting self-learning, professional development, and social capacity-building programs.
- Streamlined HQ and branch processes to improve coordination, eliminate redundancies, and maximise resource utilisation.
- Implemented paperless withdrawals using SimBanking, reducing transaction turnaround time and improving service convenience.
- Automated Service Level Agreements (SLA) across the Bank to enhance accountability, improve customer satisfaction, and ensure timely service delivery.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

13 CURRENT FINANCIAL PERFORMANCE AND FUTURE DEVELOPMENT PLANS (CONTINUED)

Budget Process and approval

The Group budget process begins with the preparation of budget guidelines, based on the bank's strategic priorities for the year. Financial policies are designed to ensure that all budgetary decisions support the bank's overarching goals and respond proactively to external market conditions.

All budget estimates undergo thorough review and clearance by the respective reporting chiefs before submission to the Finance Department for review and final consolidation, ensuring that all strategic initiatives are adequately funded. After consolidation, the draft budget is also reviewed by EXCO before being presented to the Board of Directors for consideration and approval.

Achievement against budget

KPI (Amount in TZS' BN)	ACTUAL 2025	TARGET 2025	Variance	Remarks
Profit after Tax	**729**	743	(2%)	Below target by 2% due to lower-than-expected non-funded income, mainly driven by the central bank's digital channel fee caps, which reduced planned fee collections.
Total Assets	**22,309**	20,934	7%	Above target by 7%, supported by strong loan and advance growth across key customer segments, reflecting improved credit uptake and effective portfolio expansion strategies
Total Deposits	**14,931**	14,595	2%	Slightly above target by 2%, driven by sustained deposit mobilisation initiatives and stronger customer engagement, which enhanced overall funding levels.
Net Loan & Advances	**13,723**	12,229	12%	Above target, supported by strong loan and advance growth across key customer segments, reflecting improved credit uptake and effective portfolio expansion strategies.
Return on asset	**5.3%**	6%	(23%)	A decrease was mainly due to a higher asset base growth outpacing the increase in net earnings. ROA closed at 5.3% against a 6% target. Despite the shortfall, the ratio remains strong and reflects the Group's continued ability to generate solid returns from its expanding balance sheet.
Return on equity	**29.5%**	30%	(12%)	The decrease was mainly due to higher equity levels, driven by retained earnings and capital strengthening initiatives, which increased the denominator of the ratio relative to net profit growth.
Cost-to-income ratio	**41.6%**	43.1%	6%	The Bank's cost-to-income ratio closed at 41.6%, below the target of 43.1%, driven by strong revenue growth and effective cost management, with expenses maintained within budget.
NPL	**2.9%**	3.0%	1%	The Group's non-performing loan (NPL) ratio remained at 2.9%, consistent with the target of 3%, driven by ongoing portfolio containment measures.

According to the table above, the majority of the KPIs were achieved within the set budget. This has been a year of strong, broad -based performance. We have strengthened profitability, expanded the balance sheet, maintained asset quality, and preserved strong liquidity and capital positions.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

13 CURRENT FINANCIAL PERFORMANCE AND FUTURE DEVELOPMENT PLANS (CONTINUED)

Current financial performance

The Group has taken measures to enhance our deposit mobilization efforts and optimize the cost of funding to support business growth while navigating external dynamics and addressing internal gaps. These initiatives are designed to ensure that the Group is well-positioned to capitalize on growth opportunities in the future. The Group's diverse range of businesses across the region is a strong commercial differentiator, enabling it to leverage our competitive advantages and deliver exceptional value to our customers over the medium and long term.

The Group has achieved some KPIs, e.g., the NPL ratio of 2.9% against the Regulatory threshold of below 5% due to the successful containment of portfolio migration to higher risk categories, and the cost-to-income ratio of 41.6% below the regulatory threshold of 55% due to the ongoing implementation of the cost management strategy. Despite the setback, the Group remains committed to identifying and addressing the underlying issues while exploring new strategies to improve future performance and achieve our goals.

Future development plans

In 2025, the Bank continued implementing its five-year strategy (2023-2027) themed "EVOLVE," which builds upon the foundation established in the previous strategy. The approach focuses on three main pillars: growing the business, safeguarding the business, and preparing the business for the future. By responding to market dynamics, the Bank has successfully maintained its relevance.

Going forward, the Group will focus on retaining and increasing our market share while driving business growth in the region through strategic partnerships and innovative digital solutions. As our customers' needs and preferences continuously evolve, our success in the market will depend on our ability to respond with strong offerings. The Group will continue to prioritize the delivery of our customers' digital strategies, enabling process optimization, enhancing customer experience, and ensuring ease of use.

The Group is committed to strengthening its ICT infrastructure to support future growth and transform our operations and service offerings. Our goal is to enhance the entire operational value chain through process simplification and automation. Therefore, we will prioritize critical technology projects as key enablers and accelerate our process reengineering initiatives. To achieve this, we will continue to invest in advanced technological capabilities that will streamline our operations and elevate the quality of the services we provide. This investment will enhance our cyber maturity, bolster our data protection measures, and create a robust framework that supports sustainable growth.

Our strategic direction will ensure a harmonious balance between ambitious business growth, sustainability, and adherence to compliance with regulations. This focus will enable us to thrive in a dynamic marketplace while maintaining the highest standards of integrity and security.

Group's Environmental, Social, and Governance (ESG) priorities are essential for our future growth and will shape our investment and capital allocation decisions. As nations develop plans to achieve net-zero emissions, we have the chance to strengthen our partnerships with stakeholders on their sustainability journeys. By aligning with the Sustainable Development Goals (SDGs), we can significantly support our customers' sustainability initiatives.

We are committed to fostering a sustainable future by leveraging our expertise and resources to positively impact the communities we serve.

2026 Group aspirations:

- Expand the Retail Mass Market – extend our reach to underserved retail segments through tailored product offerings, affordable pricing, and strengthened distribution channels that bring services closer to customers.
- Grow the MSME Segment – deepen penetration into underserved MSME markets by introducing relevant financial solutions, accessible pricing models, and distribution approaches that align with their unique business needs.
- Optimise the Core Banking System (CBS) – enhance the robustness, security, and scalability of our core banking infrastructure to ensure seamless operations and support future growth.
- Improve Customer Experience – elevate every customer interaction by streamlining processes, enhancing responsiveness, and delivering service that anticipates needs and consistently exceeds expectations.
- Strengthen Subsidiary Synergies – unlock value through strategic collaboration across group entities, leveraging shared capabilities, cross-selling opportunities, and unified market strategies to maximise collective impact.
- Optimise Channels – redesign and balance our channel mix to integrate digital convenience with strategic physical presence, ensuring accessibility and efficiency for all customer segments.
- Advance Sustainability & Compliance – embed sustainability principles and regulatory compliance into our core business practices to build stakeholder trust and support long-term organizational resilience.
- Boost Operational Efficiency – improve resource utilization by automating repetitive tasks, eliminating inefficiencies, and accelerating service delivery while maintaining quality across the organization.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

13 CURRENT FINANCIAL PERFORMANCE AND FUTURE DEVELOPMENT PLANS (CONTINUED)

Investment in capital expenditure in 2026

- Invest in Digital Solutions – continue prioritising strategic investments in modern digital platforms and technologies that enhance efficiency, innovation, and customer engagement.
- Strengthen Cybersecurity Capabilities – sustain investments in cybersecurity to safeguard against cyber-attacks, enhance data protection, and advance overall cybersecurity maturity across the organization.
- Upgrade Branch Infrastructure – renovate selected branches to improve the physical customer experience and align environments with modern service delivery standards.
- Allocate Capital for Climate Resilience – direct capital expenditure toward mitigating climate-related risks and leveraging emerging sustainability opportunities to support long-term operational resilience.

The Group's expectations from the investment

The Bank expects its investments in digital solutions to enhance operational efficiency, drive innovation, and strengthen customer engagement by modernizing core platforms and service channels. At the same time, continued investment in cybersecurity and the modernization of selected branches is anticipated to improve organizational resilience, protect against cyber threats, and elevate the overall customer experience through upgraded physical environments.

Additionally, the Bank aims to build long-term sustainability and operational stability by allocating capital toward climate-resilience initiatives. These investments are expected to reduce exposure to environmental risks, support sustainable infrastructure, and position the Bank to leverage emerging opportunities in the evolving climate and sustainability landscape.

We will also continue to accelerate the automation, review, and reengineering of our processes to ensure they are simpler, faster, and more efficient. This includes identifying manual pain points, eliminating redundancies, and leveraging technology to optimize workflow performance. Through these efforts, we aim to significantly improve the efficiency of our service delivery and ultimately provide a consistently superior experience for our customers.

14 MAIN TRENDS AND FACTORS LIKELY TO AFFECT FUTURE DEVELOPMENT PLANS

The banking industry is experiencing a fundamental shift, driven by new competition from FinTech, a cultural shift, continuous change in regulations and compliance, and disruptive technologies. The emergence of FinTech/non-bank start-ups is changing the competitive landscape in financial services, driving traditional institutions to rethink how they conduct business.

Increasing Competition

The competition posed by FinTech, which mainly targets some of the most profitable areas in financial services, is substantial. These Fintech and start-ups are expected to divert revenue from traditional banks and financial Institutions. These new industry entrants are forcing many financial institutions to strive for partnerships and acquisition opportunities as a measure to survive. For a traditional bank to maintain a competitive advantage, it must learn from FinTech by providing a simplified, intuitive customer experience.

Cultural Shift

In the digital world, manual processes and procedures are not an option. Banks must consider technology-based resolutions to banking industry challenges. As a result, banks and financial institutions must foster a culture of innovation that leverages technology to optimise existing processes and procedures for maximum efficiency. The cultural shift towards new technologies reflects the acceptance of digital transformation.

Regulatory Compliance

Regulatory compliance has become one of the most significant challenges in the banking industry due to the growing number of regulations that banks must comply with. Banks sometimes incur additional costs to stay up to date on regulatory changes and implement the necessary controls. Overcoming regulatory compliance challenges requires banks to foster a culture of compliance within the organization and implement formal compliance structures and systems.

Rising Expectations

Customers today are more informed than ever, with dynamic needs that demand a high level of personalized service and convenience in their banking experiences. This has led to an increased expectation for digital interactions. Millennials have been at the forefront of this shift towards digitization, showing a strong preference for engaging with brands via social media. They represent a significant portion of mobile and internet banking users. As a result, banks anticipate that future generations will favour mobile banking over visiting physical branches. This trend presents a challenge for banks: they must maintain a hybrid banking model that effectively serves both older and younger generations.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

14 MAIN TRENDS AND FACTORS LIKELY TO AFFECT FUTURE DEVELOPMENT PLANS (CONTINUED)

Continuous Innovation

For banks to sustain themselves in today's world, continuous innovation is required to stay competitive, address market demands, and improve the customer experience. Innovation stems from insight, which tends to be discovered through customer interactions and continuous analysis. Banks need to build advanced analytics capability to maximize the utilization of the data asset in revenue growth, risk/fraud control, and efficiency (financial control and operational cost). The banks should also continuously promote and drive an agile culture throughout the organisation to manage digital transformation's speed, scale, and value.

Emerging risk

Climate-related risks

Climate change is the major emerging risk in the world, with a potential disruptive impact on the economy. As the world transitions to a low-carbon economy, it poses physical and transition risks to our business. The banking industry is currently working on two interconnected objectives. At the same time, in figuring out the impact of climate change on strategy and operations, banks are attempting to help customers and societies navigate these complicated and fast-moving market dynamics.

The Group categorizes climate-related risks into two.

- Physical risks cover risks that impact the premises and operations of the bank, its customers, and the wider economy. These include extreme weather events and long-term shifts in climate that can lead to the closing of branches or facilities, negatively impact clients' creditworthiness, and adversely affect value asset prices.
- Transition risks cover those that impact a bank's products and services because of the move toward a lower carbon economy. These include the extent to which a Group funds or has a stake in entities that emit greenhouse gases (GHGs), evolving stakeholder expectations, and associated legal or regulatory changes.

Cybersecurity risk

As technology advances, it has become increasingly important for our bank to acknowledge and address the potential risk of cyber-attacks. Cyber-attacks can occur through various means, such as hacking, phishing, and other methods. These attacks can lead to a disruption in our services or a leak of the Group's confidential and customer information.

To mitigate these risks, we have implemented a comprehensive data protection and cybersecurity framework. Our framework includes a range of measures, such as firewalls, intrusion detection and prevention systems, encryption technologies, and multi-factor authentication. These technologies protect our systems from unauthorised access, data theft, and other malicious activities.

Macroeconomic and geopolitical uncertainty

During the year, significant commodity price volatility, high inflation, rising interest rates, and increasing energy prices have affected the current economic environment. The bank focused on supporting our stakeholders in navigating the negative impact of global geopolitical and macroeconomic uncertainties and building resilience that will enable them to withstand future shocks.

15 OUR RISK MANAGEMENT

The Group is committed to meeting stakeholders' expectations in mitigating risks through a robust enterprise-wide risk management framework. The framework ensures that risks are identified, quantified, managed, and monitored to achieve an optimal-risk reward profile. Our enterprise risk management framework has well-defined internal structures, adequate processes, systems, and policies, which monitor and help to mitigate existing and prospective risks or threats of damage, injury, liability, loss, and any other negative occurrence that may arise from external or internal vulnerabilities, and which may be avoided through preventive action.

The Group's Risk Management Framework is implemented through a 'three lines of defence' model, which defines clear responsibilities and accountabilities and ensures effective independent oversight and assurance activities cover key decisions. Details of the three lines of defence are disclosed in Note 10.2 of the financial statements.

Risk Management Principles

The Bank considers the value our risk framework creates in managing risk to ensure it contributes to the group's objectives. This is achieved through continuous review of processes and systems. Strategically, we have integrated risk management and governing structures that form part of our planning processes at both operational and strategic levels.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

15 OUR RISK MANAGEMENT (CONTINUED)

Risk Management Principles

The Bank's decision-making relies on proactive risk management to ensure well-informed choices, clear prioritization, and appropriate action. By anticipating uncertainties, identifying potential risks early, and implementing effective controls, we seek to maximize opportunities while minimizing potential losses. Our risk management framework guides how we assess available information while recognizing its limitations and ensures that both internal and external environments are considered in every stage of the risk process.

We also acknowledge that effective risk management depends on people, culture, and continuous engagement. By involving internal and external stakeholders, we strengthen communication and consultation, which are essential for identifying, analysing, and monitoring risks. Recognizing the dynamic nature of our environment, we remain flexible and responsive to emerging risks while adjusting for those that no longer apply. Over time, the Bank is committed to enhancing its risk culture by allocating the necessary resources to manage risks efficiently and sustain strong, consistent performance.

Group's attitude toward risk

We actively take risks, as allowed within our risk appetite and risk tolerance levels. In taking risks, we exhaustively examine the adequacy of the benefits in business terms. Unacceptable risks are risks at a level that exceeds the maximum risk tolerance level, as defined by the Board of Directors, or risks that may impair the growth of the group and perhaps cripple operations. We take a comprehensive perspective, considering regulatory requirements to maximise the group's profitability at a risk level that aligns with our risk appetite.

Risk philosophy and appetite

The Group considers risk management as one of its core functions and a key factor in ensuring business continuity and providing stable returns to its shareholders. Various policies, procedures, and tools have been developed and implemented to outline the risk appetite commensurate with the risk taken and expected return. In this process, the Group strives to match the best practices in risk management and ensure that risks are adequately managed throughout the Group.

Group approach in managing risk

The primary responsibility for managing risk resides with the business and functional areas that take on the risk. The Group Business and Subsidiary function owners ensure that the Group Risk Management Framework has been embedded within the Group and Subsidiary's daily risk management processes. In addition, all employees are responsible for ensuring the effective management of risk and must report any known breakdowns/omissions in control, as well as any potential exposures that may result in financial or reputational loss to the Group.

For every product, process, or system introduced or implemented in the Group, an internal control document is developed and made available to all relevant employees. This document includes the following elements, at a minimum: a statement of accountabilities, risk identification, and controls in place to mitigate the risks; objectives of the proposed internal controls; and a description of the control environment that must be implemented and maintained, including monitoring and reporting.

The Group Management Audit and Risk Committee is established to manage risks and monitor the effectiveness of control implementation. The Group Risk and Compliance function provides an independent oversight and monitoring process for Group risk and controls across the Group and reports to the Group CEO and Managing Director.

Roles and responsibilities of the Group Board of Directors in risk management and internal control systems

The Group Board of Directors is responsible for Risk Management functions across the Group, including setting the tone and influencing the Group's risk management culture. Other responsibilities include:

- Approving the overall business strategies, Group Risk Management Framework, and its associated policies.
- Ensure adequate implementation of the risk management framework by the management
- Defining the nature, role, responsibility, and authority of the risk management function within the Group, including the scope of risk management.
- Monitoring the Group risk profile through reports from Management to determine the level of risk exposure and whether it is within the Board's risk appetite and promptly take remedial actions.

The Board evaluates risks and internal controls through the Board Risk Committee. During the year ended 31 December 2025, the Board reviewed the internal control systems and believes they have met the established principles.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

15 OUR RISK MANAGEMENT (CONTINUED)

Responsibility of Group senior management in managing risk

Setting the tone of risk management and influencing risk management culture within the Group. More specifically, the Group Executive team has the following responsibilities:

- Facilitate the review or development of the Group Risk Management Framework and its related policies and recommend changes to the Group Board for approval.
- Provides oversight to the Bank and subsidiaries' operations, covering Risk Management and Strategy formulation and execution.
- Implementing strategies in a manner that limits risks associated with each strategy and ensures compliance with laws and regulations on both long-term and day-to-day basis.
- Ensure appropriate policies, controls, and risk monitoring systems are in place and that accountability and lines of authority are clearly defined.
- Establishing and communicating strong awareness of the need for effective internal

Uncertainties in the operating environment

The Group operates in an environment where economic conditions are unpredictable, and unforeseen events can arise without warning. Although uncertainty heightens the likelihood of adverse economic outcomes, the Group has established a robust risk management framework supported by proactive tools and controls designed to anticipate and mitigate potential impacts.

By continuously monitoring the economic landscape, the Bank adjusts its processes, systems, and strategic responses to safeguard business performance while continuing to enhance customer value through adaptable and resilient service offerings.

We believe that strong risk prevention directly enhances shareholder value by enabling the Group to manage risks intelligently, preserve stability, and guard against unexpected losses. Our risk management practices focus on protecting solvency by maintaining high asset quality, ensuring operational efficiency, and applying prudent capital management. This disciplined approach supports sustainable earnings, regulatory compliance, and a strong market reputation

The table below shows the principal risk, the description of the risk, opportunities, and mitigations to address the risk, strategies, and capital impacted.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

16 PRINCIPAL RISKS, UNCERTAINTIES, OPPORTUNITIES AND MITIGATIONS

Principal Risk	Context	Cause/ Circumstance	Key risk indicators (KRI)	Likelihood	Magnitude/ impact	Opportunities and Mitigations
Credit Risk	A risk of financial loss arising from non-payment of principal and interest of credit accommodations.	▪ Significant adverse changes in the political, economic, regulatory, and technological environment of the borrowers ▪ Death of a Borrower ▪ Borrower becomes bankrupt.	Significant increases in credit risk and default.	The risk event is likely to occur.	Severe - it increases impairment losses, which affect the Group's profitability and liquidity.	▪ All credit facilities are insured. ▪ Credit risk is assessed and managed from credit origination to recovery management. ▪ Monitoring is done throughout the credit management life circle.
Liquidity Risk	Liquidity Risk is a risk of loss arising from a situation where there will not be enough cash and cash equivalents to meet maturing obligations.	▪ Mismatch between loans and deposits. ▪ Mismatch of maturity between assets and liabilities ▪ Decrease of money supply in the economy.	Decrease in Liquidity ratio below the internal limit.	The risk event is likely to occur.	Severe – will result to the; ▪ fines and penalties due to non-compliance to regulatory liquidity ratio of 20% and above. ▪ Failure to meet the maturing obligation ▪ Failure to meet day-to-day operation.	The liquidity risk management process is monitored by the Asset and Liability Committee (ALCO) which includes. ▪ Day-to-day funding. ▪ Ensure liquidity is managed within the limits set. ▪ Ensure diversification of funding sources to minimise liquidity concentration risk.
Market Risk	The risk of financial loss on earnings or capital arising from adverse movement in market rates or prices such as interest rates, foreign exchange rates and equity prices.	Market risks arise from open positions in interest rate, currency, price, and equity investments, all of which are exposed to general and specific market movements and changes in the volatility of market rates or prices.	▪ Changes in interest rate. ▪ Forex fluctuations. ▪ Changes in equity prices.	The risk event is likely to occur	Severe – will result in adverse movements of interest rates, foreign exchange rates, and equity prices, impacting profitability.	▪ Matching the sensitivity of Group assets and liabilities from changes in market interest rate. ▪ Matching of assets and liability of the same currency. ▪ Close monitoring of equity price movement
Compliance Risk	Refers to the risk to earnings and capital from non-compliance with laws and regulations, or misinterpretation of them.	▪ Incorrect interpretations of laws and regulations ▪ Non-compliance with laws/ regulations and prescribed standards ▪ Changes in regulatory environments. ▪ Contradicting laws in Parent and subsidiary jurisdiction.	Late submission of returns and statutory payments.	The risk event is likely to occur.	Severe – will result to. ▪ fines and penalties due to non-compliance to laws and regulations, which affect Group profitability.	▪ Daily monitoring of regulatory changes. ▪ Awareness to all staff on the new regulations. ▪ Conformance tests across the Group to detect compliance gaps ▪ Engaging policymakers when contradictions arise among jurisdictions.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

17 CAPITAL STRUCTURE AND FUNDING MIX

Capital structure

The Bank's capital structure for the year under review is as follows:

Authorized

4,000,000,000 ordinary shares of TZS 25 each

Issued and fully paid

2,611,838,584 ordinary shares of TZS 25 each

There were no changes in capital structure as compared to the previous financial year. Share capital details are disclosed under Note 54 in the notes to the financial statements.

The Bank remained strong in terms of financial position, was well-capitalised, and closed the year with a core capital ratio of 16.1% and a total capital ratio of 17.8%, both above the regulatory requirements of 12.5% and 14.5%, respectively. During the year, factors that impacted the Bank's financial position included increased competition, disruptive technologies, digital adoption, higher stakeholder expectations, and challenges posed by macroeconomic and geopolitical uncertainties. However, the Group managed to withstand all the mentioned challenges, as evidenced by the remarkable year-on-year growth of 32% Profit after tax.

More details on the factors that impacted our ability to create value are disclosed under section 12.

The Group anticipates the same factors are likely to affect its future financial position. However, the Bank has a bold strategy to overcome the noted challenges.

Bank's utilisation of long-lasting assets

During the year, the Bank effectively utilised its long-term assets, as evidenced by a return on assets ratio of 5.3%. The ratio indicates better utilisation and greater efficiency in generating revenue from assets. The Bank closed the year with long-lasting assets of TZS 555.0bn (2024: TZS 511.9bn), comprising both tangible and intangible assets used to expand and upgrade existing assets to enhance productivity for a sustainable future.

In terms of cash flows, the Bank closed the year with a healthy liquidity ratio of 30.3% above the regulatory requirement of 20%, indicating the Bank's ability to sustain operations without financial strain and positive operating cash flow, which provides insights into the Bank's ability to generate sufficient cash to fund its activities.

Funding mix

The Group's primary funding source during the year was customer deposits (Demand, savings, and time/fixed deposits), which accounted for 72% of total funding. The Current/Savings Accounts (CASAs) represented 82% of total customer deposits as at December 2025 (2024: 84%). Another major funding source was the borrowings of TZS 1,342bn (2024: TZS 978bn), which were used to fund business growth to meet our stakeholders' needs and expectations. Borrowings accounted for 15% of total funding, and equity accounted for 13%.

There was no major change in the funding mix in 2025 compared to 2024.

The balance between debt and equity was as follows.

Debt	**GROUP**		**BANK**	
In TZS' Million	**2025**	2024	**2025**	2024
Customer deposits	**14,930,504**	10,934,131	**13,738,462**	10,214,699
Bonds	**714,388**	175,204	**714,388**	175,204
Borrowings	**1,940,051**	1,659,620	**1,940,051**	1,659,620
Subordinated debt	**315,286**	126,882	**315,286**	126,882
	17,900,229	12,895,837	**16,708,187**	12,176,405
Equity				
Issued capital	**65,296**	65,296	**65,296**	65,296
Share premium	**158,314**	158,314	**158,314**	158,314
Retained earnings	**2,446,220**	1,869,055	**2,374,390**	1,825,984
Other reserves	**77,225**	39,924	**40,234**	26,244
	2,747,055	2,132,589	**2,638,234**	2,075,838

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

17 CAPITAL STRUCTURE AND FUNDING MIX (CONTINUED)

Funding mix (continued)

The balance between equity and debt, the maturity profile of debt, the type of capital instruments used, currency, regulatory capital and interest rate structure are under the Treasury and Capital Market department and are being monitored by the ALCO committee, which meets monthly. The maturity profile of the Group and Bank's financial assets and the undiscounted cash flows of its financial liabilities as of 31 December are disclosed in note 10.4.4 of the financial statement. Treasury and capital market department are also in charge of short and longer-term funding plans to support the strategies of those charged with governance to achieve the Bank's objectives. As per the funding mix, there are short and long-term borrowing; likewise, for deposits, there are time deposits with longer terms to match the maturity profile of the Bank's financial assets

The Group has adopted the above capital structure of deposits (72%), equity (13%) and borrowings (15%) because of the associated cost.

Funding approach

The Group's primary source of funding is customer deposits. The Group maintain a diversified and stable funding base comprising demand, savings, and time deposits. The Group places considerable importance on the stability of these deposits, which is achieved through the Group's retail banking activities and by maintaining depositor confidence in the Group's business strategies and financial strength.

The Group borrows from the interbank market through transactions with other banks for short-term liquidity requirements. As part of the contingency funding plan, the Group has funding lines with local and foreign banks for short-term funding requirements.

Other Group's source of funding is borrowings which are long-term, and the Group has entered covenants in some borrowings in financing contracts, however, none of the borrowings have the effect of restricting the use of financing arrangements or credit facilities, and negotiations with the lenders on the operation of these covenants.

The Group and Bank did not have any defaults of principal, interest, or other breaches regarding borrowings during 2025 or 2024. During the year, the Bank did not enter any covenant in financing contracts that could restrict the use of financing arrangements or credit facilities.

Assets available to meet all the liabilities and cover outstanding loan commitments include cash, balances with the central bank, items in the course of collection and treasury, and other eligible bills due from banks, as well as loans and advances to customers. In the normal course of business, a proportion of customer loans contractually repayable within one year will be extended. The Group would also be able to meet unexpected net cash outflows by selling securities and accessing additional funding sources, such as asset-backed markets

18 TREASURY POLICIES

Treasury conducts its activities within a comprehensive framework provided by the Board-approved Financial Policies and Treasury Policies, which are reviewed and approved by the Board on an annual basis. Treasury is guided by the principles of professionalism, transparency, accountability, and profit maximization within a conservative set of risk parameters.

The Board of Directors, through its Board Risk Committee, had overall responsibility for managing market risks (liquidity risk, interest rate risk). At the management level, the Asset Liability Management Committee (ALCO) and Management Risk Committee are responsible for managing Market Risks.

As the main player in the market risk space, Treasury performs her roles and functions under the oversight of the Assets Liabilities Committee (ALCO), which seats monthly.

Treasury policies are structured in a way to achieve strategic management of Group's statement of financial position with the focus of realizing optimal returns while minimizing risk exposure and related funding costs. Within this framework, Treasury applies the best available market knowledge and techniques to achieve the Group's strategic objectives.

Objectives

The overall objective provides guidance on the management of assets and liabilities as they fall due in the most cost-effective way. The policy aims at providing guidance on:

- Managing liquidity and funding under normal and stressful conditions.
- Establishing internal limits and triggers for liquidity risk management.
- Coordinating decisions made within operating areas that affect the Bank's liquidity position.
- Establishing responsibility and framework for decision-making that may affect the Bank's liquidity position.
- Compliance with regulatory requirements.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

18 TREASURY POLICIES (CONTINUED)

The key treasury policies are:

Market Risk Policy

The policy provides guidance/ framework for managing exchange rate and interest risks and protects the value of bank assets from adverse effects of market rate movements.

Liquidity Policy

The policy provides guidance on managing liquidity risk under normal and crisis situations. It sets out a liquidity management decision-making structure in the Bank, approaches to funding and liquidity operations, limits to liquidity risk exposures, procedures and systems for liquidity planning and management, regulatory compliance, reporting, control, and contingency funding planning.

The Group places a strong emphasis on managing liquidity risk and daily cash flows, which is handled by the Treasury Department through the Asset Liability Committee (ALCO) to ensure the Group holds sufficient liquid assets to enable it to continue with its normal operations. Asset Liability Committee (ALCO) also manages the Bank's exposure to liquidity risk by ensuring that limits are in line with realistic assumptions and tracking compliance monthly. The Group closed the year with a liquidity ratio of 30.3%, which is above the regulatory requirement of 20%.

The Group maintains a portfolio of highly marketable and diverse assets that are assumed to be easily liquidated in the event of an unforeseen interruption in cash flow. The Group also has lines of credit that it can access to meet liquidity needs. Net liquid assets consist of cash, short–term bank deposits and liquid debt securities available for immediate sale, less deposits for banks and other issued securities and borrowings due to mature within the next month.

The Group does not foresee problems on the liquidity in the next 12 months which can affect the business operations.

The ability to transfer funds from a parent or its subsidiary to meet the obligations of another part of the group is not restricted.

Liquidity management process

The Group's liquidity management process is being carried out within the Group and Bank and monitored by the Asset and Liability Committee (ALCO) of the individual banks which includes:

- Day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met. These include replenishment of funds as they mature or are borrowed by customers. The Group and Bank maintain an active presence in money markets to enable this to happen;
- Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- Monitoring liquidity ratios against internal and regulatory requirements; and
- Managing the concentration and profile of debt maturities.

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

Contingency Funding Policy

The policy provides guidance for managing stressed liquidity situation created by a problem or market wider crisis and ensure that the Bank is able all the time to meet its matured obligations as they fall due and remain as good as going concern.

Limit Policy

The policy provides guidance/framework for managing market and liquidity risks for the counterparts at the domestic and international levels. It also provides guidance for investment and credit exposures limits.

Asset Liability Management (ALM) and Investment Policy

The policy highlights a set of actions and procedures designed to manage the Bank's financial risks to ensure competitive return on assets by putting in place specific predefined risk management policies. It covers strategic management of the Bank's statement of financial position and off-balance sheet items intending to achieve sustained growth, profitability, and solvency. It involves a multiplicity of management activities and responsibilities, including the formulation of short and long-term strategic goals and objectives and the management of financial risks.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

18 TREASURY POLICIES (CONTINUED)

Fund Transfer Pricing (FTP) Model

The model highlights the process of charging fund users and crediting fund providers to enable the Bank to evaluate the profitability of deposits and loans in line with the bank's own asset and liability management strategies.

19 MAJOR FINANCING TRANSACTIONS

During the year, the Group received TZS 1,342 billion in bonds, long-term borrowing, and subordinated debt from various strategic partners, as disclosed in Notes 49, 50, and 51, respectively. The borrowings aim to fund business growth to meet our stakeholders' needs and expectations

The major financing from borrowings resulted in a 63.7% YoY increase in interest expenses, accounting for 32.2% of total interest expenses during the year. The Group does not foresee any major changes in interest rates that would impact its profitability.

20 CASH FLOWS

The Group's major source of cash flow was from operating activities, which was attributable to an increase in customer deposits by TZS 3,857.9 billion (2024: increase of TZS 2,132.9 billion). The funds generated in 2025 were mainly utilised on lending to customers by TZS 3,379.8 billion (2024: increase of TZS 2,084.1 billion) and servicing borrowings by TZS 546.5 billion (2024: TZS 359.5 billion). The increase in customer deposits and loans and advances to customers is the key factor driving the Group's cash flow from operations.

Another major source of cash flow was the bonds, long-term borrowing and subordinated debts of TZS 1,342 billion (2024: TZS 978 billion), which were used to fund business growth and meet our stakeholders' needs and expectations. The Group's projections indicate that future cash flows will mostly be generated from customer deposits. The Group implements different strategies to mobilise deposits and maintain sound liquidity to meet its cash flow commitments.

Additional information to supplement the information provided in the financial statement

During the year, the Group's cash flows were affected by a variety of factors, primarily related to macroeconomic conditions. Below are the specific factors that impacted cash flows, as well as those that may affect future cash flows.

Factors impacted the cashflow during the year

- ***Shortage of foreign exchange:*** The year 2025 started with continued interest rate hikes in advanced economies as they battled with inflation. This trend normalised in the second half of the year, with many central banks announcing interest rate cuts as they met inflation targets. Many African economies experienced a severe shortage of foreign exchange arising from an unfavourable balance of payments. However, in Tanzania, the situation started to normalise in the second half of the year on account of increasing Tourism activities and export of major commodities.
- ***Market liquidity constraints:*** To address this, the Group made the strategic decision to increase borrowing to fund business growth to meet our stakeholders' needs and expectations.
- ***Interest Rate Fluctuations:*** Changes in interest rates can affect the cost of borrowing and the returns on investments, influencing banks' cash flows.

Factors likely to affect future cashflow:

- ***Regulatory Changes****:* Ongoing and upcoming regulatory changes may affect banks' operational costs and compliance requirements, which could impact our cash flows. Compliance with Basel III entails higher capital requirements, with mandatory implementation by 2025. This means we will be required to hold additional capital in reserve, reducing the amount available for lending and other revenue-generating activities.
- ***Technological Advancements*****:** The rapid advancement of technology presents both challenges and opportunities for the Bank. To remain competitive in this ever-changing environment, we need to continually update and improve our systems. Our commitment to innovation will require significant investments in state of the art technology to enhance our ICT infrastructure.

While these technological enhancements are vital for ensuring our ongoing relevance in the financial sector, we must also recognize that they will have a substantial impact on our cash flows. Initial outlays for technology adoption may strain our financial resources in the short term; however, the long-term benefits of increased operational efficiency, customer satisfaction, and market competitiveness will ultimately outweigh these upfront costs. In 2025 more than 40% of our capital expenditure has been allocated to ICT projects.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

20 CASH FLOWS (CONTINUED)

The Group future plans on the use of the excess cashflow

In the future, the Group plans to strategically use any surplus cash generated from its operations to expand its presence. This expansion will involve opening new facilities and investing in advanced technologies. Our goal is to significantly enhance our overall operational capacity, ensuring that we meet the growing demand for our products and services while maintaining high standards of quality and efficiency. This approach will position us for sustainable growth and increased competitiveness in the market.

Short-term Plans:

Effectively managing a bank's excess cash flow in the short term is crucial for optimizing returns while maintaining our liquidity position. By strategically allocating these funds into various financial instruments such as money market and short-term securities, we enhance our financial stability and ensure we are well-prepared for future opportunities or unexpected needs. This approach not only maximizes the potential earnings on excess funds but also supports the bank's overall financial health and operational efficiency.

Long-term Plans:

In the long term, a bank's excess cash flow will be strategically allocated to support sustainable growth and enhance financial stability.

- **Capital Expenditure Investments**

✓ Continue investment in cybersecurity measures to mitigate the risks of cyber-attacks and enhance data protection, thereby improving overall cybersecurity maturity.
✓ Renovate select branches to enhance the customer experience.

The Group's future plans for the use of the excess cashflow

+ Investment in government and corporate bonds, which provide steady returns over time.
+ Another key strategy is to strengthen the bank's capital reserves, ensuring compliance with regulatory requirements and enhancing the institution's ability to withstand economic downturns.
+ Cross-border expansion to increase our presence and customer base, which will drive long-term profitability.

By carefully balancing these investments, we can optimise excess cash flow to achieve sustained growth and resilience in an ever-evolving financial landscape.

21 BORROWING

The Bank has been working with various reputable local and international development financial institutions that have shown interest in supporting our economy through our Bank. Over the years, the Bank has worked with various Institutions, including IFC, AFDB, EIB, PROPARCO, INVESTEC, FMO, DFC, GCF, GCPF, CITI, ResponsAbility Investments AG, DEG, DFIC, TIB, NBC, and TMRC, to support key sectors of the economy. As at 31 December 2025, the Group had an outstanding exposure of TZS 2,969.7 billion, which includes Bonds and subordinated debts as disclosed in Notes 49, 50 and 51.

The borrowings are intended to provide financial support to different sectors of the economy, including funding business expansion, promoting knowledge sharing, providing technical assistance, and facilitating job creation. All borrowings are long-term, with a maturity profile extending beyond one year. The increase in borrowings, which amounts to TZS 1,342 billion, was necessary to fund business growth.

As at 31 December 2025, the Group and Bank were compliant with all the lender's covenants and expected to comply in the future.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

22 SHAREHOLDERS OF THE BANK

The Bank's Articles of Association recognise three categories of shareholders: shareholders holding 10% or more of the total paid-up shares; shareholders holding less than 10% of the total paid-up shares; and shareholders holding less than 1%.

At the end of the year, the shareholding of these three groups was as follows:

Group Shareholding	2025		2024	
	No. of shares	**%**	No. of shares	%
10% and more	**894,828,676**	**34.3**	894,828,676	34.3
Less than 10%	**508,125,199**	**19.5**	605,829,559	23.2
Less than 1%	**1,208,884,709**	**46.3**	1,111,180,349	42.5
Total	**2,611,838,584**	**100.0**	2,611,838,584	100.0

Companies Shareholding

Shareholders	2025		2024	
	No. of shares	**%**	No. of shares	%
DANIDA Investment Fund	**548,067,648**	**21.0**	548,067,648	21.0
PSSSF Pension Fund	**346,761,028**	**13.3**	346,761,028	13.3
National Social Security Fund - Uganda	**206,246,402**	**7.9**	206,246,402	7.9
Kimberlite Frontier Master Africa Fund LP RCKM	**12,888,286**	**0.5**	61,641,280	2.4
Patrick Schegg	**50,754,057**	**1.9**	50,754,057	1.9
National Social Security Fund (NSSF)	**43,575,766**	**1.7**	43,575,766	1.7
Wegen Kilimanjaro Frontier Africa Fund	**18,938,472**	**0.7**	41,652,795	1.6
Zanzibar Social Security Fund	**41,373,558**	**1.6**	41,373,558	1.6
Change Global Frontier Market, PL Fund-CGPA	**18,016,559**	**0.7**	34,019,789	1.3
Hans Aingaya Macha	**38,339,248**	**1.5**	32,764,200	1.3
Umoja Unit Trust Scheme (UTT)	**32,430,701**	**1.2**	32,430,701	1.2
Tanvinder Singh Virdi	**32,896,554**	**1.3**	-	-
National Health Insurance Fund	**32,040,040**	**1.2**	32,040,040	1.2
CMG Investment Limited	**30,468,873**	**1.2**	29,330,971	1.1
Total	**1,452,797,192**	**55.7**	1,500,658,235	57.5

Shareholders holding 1% or more of the total paid-up capital as at 31 December are listed below:

The total number of shareholders by the end of 2025 stood at **59,545** (2024: 37,658).

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

22 SHAREHOLDERS OF THE BANK (CONTINUED)

Directors Shareholding

Shareholdings by those charged with governance during the year are listed here under;

Name	Status	Number of shares 2025	Number of shares 2024
Dr. Ally H. Laay *	Chairman	-	201,548
Dr. Abdulmajid M. Nsekela	Group CEO and Managing Director	**386,643**	204,650
Prof. Neema M. Mori	Independent Non-executive Director/ Board Chairperson	-	-
Dr. Donald Eliapenda Mmari	Non-executive Director/ Vice Chairperson	**83,529**	20,529
Mr. Jes Klausby	Non-executive Director	-	-
Mr. Boniface C. Muhegi *	Non-executive Director	-	2,241,352
Mr. Hosea E. Kashimba *	Non-executive Director	-	64,875
Prof. Faustine K. Bee	Non-executive Director	**41,536**	41,536
Dr. Fred M. Msemwa	Non-executive Director	**12,612**	12,612
Mr. Abdul A. Mohamed	Non-executive Director	**2,450**	2,450
Mr. Martin S. Warioba *	Independent Non-executive Director	-	-
Ms. Miranda N. Mpogolo	Independent Non-Executive Director	-	-
Mr. Gerald P. Kasaato	Non-executive Director	-	-
Mr. Royal J. Lyanga *	Non-executive Director	-	-
Mr. Abdulrazak I. Badru*	Non-executive Director	-	-
Dr. Judika Loti King'ori	Independent Non-Executive Director	-	-
Ms.Grace Joachim Philotea	Non-executive Director	**117,339**	-
Mr. Eliud Betri Sanga	Non-executive Director	-	-
Mr. Moses Wilson Dulle	Non-executive Director	-	-

*Board membership has expired

23 CORPORATE GOVERNANCE

The Group Statement on Corporate Governance

The Bank's approach to corporate governance is comprehensive and designed to uphold the highest standards of accountability, transparency, and ethical practices. Our primary objective is to optimise performance, minimise risk, and protect our shareholders' interests. To achieve this, the Bank has established a robust governance framework, policies, and procedures that meet and where appropriate beyond regulatory requirements.

The Board of Directors that comprises highly experienced and knowledgeable individuals who bring diverse perspectives and skills. The Board sets the tone at the top and provides strategic oversight, ensuring that the Bank's activities and actions align with its core values and mission. In discharging its activities and as enshrined under Article 113 of the MEMARTS, the Board is supported by specialised Committees, including an Audit Committee, Board Risk Committee, and Credit Committee, to provide independent oversight and guidance on key areas of our operations.

Furthermore, the Bank has implemented a strong risk management framework that enables us to identify, assess, and mitigate risks effectively. We prioritise transparency and accountability by regularly reporting to our shareholders and stakeholders on our performance, risks, and governance practices. At the heart of our corporate governance approach is a commitment to ethical practices, integrity, and social responsibility. We believe our success is measured not only by financial performance but also by the positive impact we have on our communities and the environment.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

23 CORPORATE GOVERNANCE (CONTINUED)

Our Corporate Governance framework

The Bank has implemented a comprehensive corporate governance framework. This framework enables the Board to efficiently oversee and direct the organisation's strategic direction, financial objectives, resource allocation, and risk tolerance. It also empowers the Board to hold the executive management accountable for their actions and to ensure the successful implementation of the organisation's goals.

Code of Good Corporate Governance practice

- The Board is committed to the principles of good corporate governance to strengthen and maintain the stakeholders' confidence. The Board retains full and effective control over the Group, monitors the executive management and makes sure the decision on material matters are reserved for the Board to fulfil the Group's strategic objectives.
- The Board acknowledged and is committed to strong corporate governance that builds confidence in the Bank and supports long-term value for Shareholders and other Stakeholders. It acknowledges its collective responsibility for the Group's long-term success and ensures compliance with all relevant laws, regulations, and applicable codes and standards. Compliance is reviewed at every Board meeting through the Board Risk Committee.
- Through the Board Risk Committee, the Board is able to identify all regulations applicable to the Group and monitor changes to the rules and new regulations impacting the Group.

Statement of responsibilities for those charged with governance

Those charged with governance are committed to upholding the highest standards of corporate governance. The Board is responsible for providing strategic direction, ensuring effective management oversight, and maintaining accountability to Shareholders and Stakeholders. This includes establishing the Bank's vision, mission, and values and ensuring their integration into its operations and culture.

The Board also oversees the implementation of policies and procedures that promote ethical behaviour, ensure compliance with laws and regulations, and effectively manage risks to safeguard the Bank's assets and reputation. The Board has delegated responsibility for implementing strategy and managing day- to- day operations to the Group Managing Director and Chief Executive Officer, along with the Senior Management Team.

Those charged with governance are committed to fulfilling their fiduciary responsibilities and have established principles to ensure that good governance practices are upheld in their dealings with the Group's shareholders, customers, and other relevant stakeholders in line with the spirit of the Companies Act 2002 and Capital Markets and Securities (CMSA) Act, 1994 and section 4.0 of the guidelines on corporate governance practices by public listed companies in Tanzania, regulations set by the Dar es Salaam Stock Exchange, and the ethical standards outlined in the Group's Code of Conduct. These good corporate governance practices are essential for delivering sustainable value to our stakeholders.

The Board is dedicated to ensuring a strong governance framework operates throughout the Group. It recognizes that good corporate governance is essential to support management in achieving the Group's strategic objectives and operating a sustainable business for the benefit of all stakeholders. The Board understands that identifying, developing, and maintaining high standards of corporate governance suitable for the Group is an ongoing and dynamic process that must adapt to changes within the Group, its business, the composition of the Board, and evolving corporate governance trends.

Those charged with governance are responsible for the overall governance of the Group. The Board applies good governance practices to promote strategic decision-making that aligns the interests of the Group with those of our stakeholders and the communities we serve. To achieve this, principles of accountability, transparency, ethical management, and fairness are embedded throughout the business.

Those charged with governance must act in good faith to enhance the Group's success for the benefit of our stakeholders. They should avoid any conflicts between their personal interests and those of the Group, in accordance with Section 209 of the Companies Act 2002. Directors must always prioritize the Group's best interests. They have a statutory duty to promote the Group's success, carefully considering the consequences of their decisions to uphold a reputation for high standards of business conduct.

Our strong corporate governance and responsible business culture form the foundation for long-term sustainable growth. To support this, sustainability has become a key focus in our Board meeting agendas, ensuring that these important topics receive the attention they deserve and are discussed regularly. Furthermore, we have strengthened our sustainability team to effectively implement our initiatives and meet the expectations of our stakeholders.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

23 CORPORATE GOVERNANCE (CONTINUED)

BOARD STRUCTURE

The Board is structured to ensure a balance of skills, experience, and diversity necessary to provide effective leadership and oversight of the Group. The Board comprises both Executive and Non-Executive Directors, including Independent Non-Executive Directors, to ensure a robust governance framework.

The structure of the Board is as follows;

- **Chairperson**: Leads the Board and ensures its effective functioning. The Chairperson is responsible for setting the agenda, facilitating open and constructive discussions, and ensuring that all Directors contribute to the decision-making process.
- **Executive Directors**: These Directors are involved in the day-to-day management of the Group. They bring in-depth knowledge of the Group's operations and are responsible for implementing the Board's strategic decisions.
- **Non-Executive Directors**: These Directors provide independent oversight and constructive challenge to the Executive Directors. They bring a diverse range of skills and experience from various industries and sectors.
- **Independent Non-Executive Directors**: These Directors are free from any business or other relationships that could materially interfere with their independent judgment. They play a crucial role in ensuring that the interests of all stakeholders are considered in the Board's decision-making process.
- **Board Committees**: The Board has established several committees to assist in the discharge of its responsibilities. These committees include:
  - ✓ **Board Audit Committee**: Oversees financial reporting, internal controls, and risk management.
  - ✓ **Board Risk Committee**: Monitors and reviews the Company's risk management framework.
  - ✓ **Board Governance, Nomination, and Human Resources Committee**: Responsible for Board appointments and setting remuneration policies.
  - ✓ **Board Credit Committee**: Oversee the credit functions, monitors and reviews the loan portfolio quality.
  - ✓ **Board Executive Committee**-To swiftly address urgent issues, provide timely guidance to the CEO, and strengthen engagement between the Board and Management to enhance overall Board effectiveness.
  - ✓ **Sharia Advisory Board**-To ensure CRDB Islamic Banking Operation is complying with Sharia principles and certify that products and services offered or to be offered are Shariah compliant

The Board and Committee meet regularly to review the Group's performance, set strategic objectives, and ensure it operates in accordance with the highest standards of corporate governance.

Board Size

The size and composition of the Board comply with the Company's Articles of Association, the Board Charter, relevant policies, applicable laws, and established best practices. The Board must consist of a minimum of nine and a maximum of twelve members, with two-thirds serving as non-executive directors, and a minimum of two members being Tanzanian nationals. The current Board structure is appropriate for the scale and nature of the Bank's operations and its subsidiaries. It is well-organised and fully aligned with key governance standards and regulatory requirements.

The Board comprised Non-Executive Directors and one Executive Director.

The Board comprises diverse skills and expertise essential for effective management oversight and the Bank's operations. Each Board member possesses the necessary skills and has access to the tools required for effective performance.

The Board is confident that its current size is optimal, allowing it to effectively manage decision-making processes and fulfil its diverse responsibilities. This size facilitates robust discussions, ensuring that a wide range of perspectives is represented while maintaining effective communication and collaboration among members. As a result, the Board is well-equipped to respond to challenges and opportunities in a timely and efficient manner.

Board Charter

The Group has a Board charter outlining the key values and principles of the Board members. It details the Board's responsibilities, governance practices, powers, and the separation of roles between the Board and Management, as well as the Company Secretary's responsibilities.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

23 CORPORATE GOVERNANCE (CONTINUED)

Board Charter (continued)

This Board charter is subject to the requirements contained in the Bank's Memorandum and Articles Association (MEMARTS), the Banking and Financial Institutions Act, 2006 (BFIA), CMSA Act & Guidelines, Company Laws and other applicable laws and regulatory provisions. The charter is reviewed every two years or on a need basis to ensure it remains adequate and consistent with the Board's purpose. Changes are subject to approval by the Board.

During the reporting period, the Board is assured that all individual Non-Executive Directors uphold their objective judgment as per the approved Board charter. This dedication to independence underscores the Board's commitment to upholding transparency, and accountability and maintaining elevated standards of corporate governance.

Appointments of the Members of the Board

Appointments to the Board are made strictly on merit, with candidates evaluated against specific criteria. This process considers the importance of fostering diversity within the Board, as it recognizes the advantages that varied perspectives and experiences bring to effective governance. A comprehensive and rigorous selection process is adhered to when appointing Directors, involving multiple stages such as interviews, assessments, and reference checks to ensure the highest standards of candidate evaluation.

Non-executive Directors are appointed for an initial term of three years, which allows for a thorough integration into the Board's activities and culture. Following this period, their continuation on the Board is contingent upon re-appointment by shareholders at each Annual General Meeting (AGM). This process not only maintains accountability but also ensures the Board remains aligned with its shareholders' interests.

A Board member will serve two 3-year terms, and the last term shall be 4 years. The maximum tenure for Board membership shall not exceed 10 (ten) years unless approval has been granted by the Central Bank of Tanzania.

The term of office for members of the Board is structured so that their terms do not end simultaneously. This approach ensures continuity and institutional memory within the Board, allowing for a seamless transition and sustained governance.
The Group has a formal and transparent procedure for appointing Board members. This ensures the selection process is fair, unbiased, and merit-based. By adhering to these principles, we maintain high standards of governance and accountability, fostering trust among stakeholders and promoting effective decision-making.
In identifying suitable candidates for Board positions, the committee follows these key steps:

- ✓ The Group advertises the vacancy through various platforms, including newspapers and the Bank's website, to attract a diverse pool of candidates. In some cases, it may seek assistance from external consultants to enhance the search process.
- ✓ Candidates are evaluated on several criteria, including academic qualifications, technical expertise, relevant experience, nationality, age, gender, integrity, and ethical standards. This comprehensive assessment ensures a well-rounded selection that reflects diverse perspectives.
- ✓ After the evaluation, the Group Board Governance and Human Resource Committee recommends new nominees for appointment to the Board, ensuring they align with the Group's strategic goals and governance needs. The recommended candidates are then approved by the Board of Directors and recommended for the AGM for election.

A Board member appointed by shareholders is not allowed to attend Board meetings or be assigned any responsibility until he/she obtains approval from the Central Bank of Tanzania.

All Directors are required to disclose outside Directorships' business and conflicts of interest on an annual basis and inform the Company Secretary of any changes to such Directorships and conflicts of interest within 30 days.

Non-Executive Directors do not have service contracts with the Bank; instead, they have letters of appointment that stipulate the terms of their appointment.

Value creation through good corporate governance

The Group practices good corporate governance through well-defined governance structures which are vital to support our ability to create and preserve value. Our approach to good corporate governance enhances the achievement of our strategic objectives over time and brings together the interests of all our stakeholders in creating sustainable value. Furthermore, Our Board is committed to continuing to improve corporate governance principles, policies, and practices by remaining up to date on the changes in regulations and best practices.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

23 CORPORATE GOVERNANCE (CONTINUED)

Value creation through good corporate governance (continued)

Our corporate governance approach ensures the Group;

- Adheres to applicable legal, regulatory and the practice of good corporate governance.
- Deliver sustainable impact to our stakeholders while caring for our community and contributing to our economy and the environment through our business activities.
- Embed in an ethical and risk-awareness culture.
- Promote transparency, accountability and empathy in managing our stakeholders' relationships.

Roles and functions of the Board

The Board is responsible for ensuring adherence to the code of good corporate governance and its Board charter. It is the ultimate decision-making body, and its key role is to provide strategic leadership and guidance to the Bank and its controlled subsidiaries (the Group), and to provide effective oversight of risk management. The Board is accountable to the shareholders for the performance of the Bank's (Group's) businesses.

The specific roles and responsibilities of the Board include but are not limited to the following:

- To prepare financial statements of the Group which show a true and fair view in accordance with applicable standards, rules, regulations, and legal provisions which cover the period from the beginning of the financial year to the end. The Statement of Directors' Responsibilities is found on page 142.

This responsibility covers the period from the beginning of the financial year to the date those charged with governance approve the audited financial statements and it involves all those charged with governance who acted in this capacity during any part of the period covered by financial statements.

- To determine the Bank's vision, mission and values that promote sustainability.
- To appoint the Group Managing Director and GCEO to whom the responsibility of managing the Group is being delegated; reviewing and evaluating his/her performance regularly; and reviewing and defining succession planning for the GCEO and senior management.
- To appoint Company Secretary.
- Approving corporate strategy, monitoring and evaluating the implementation of the strategydesigned to create long-term value for the Group. .
- Determining and amending the KPIs, such as financial ratios, to be applied in relation to the strategy.
- Establishing adequate policies and procedures that ensure the integrity and effective internal controls and adequate risk management practices across the Group.
- Setting the Group's risk appetite, reviewing and understanding the major risks, and overseeing the risk management processes and internal control systems.
- Reviewing the Group's plans for business resiliency. As part of its risk oversight function, the Board periodically reviews management's plans to address business resiliency, including business continuity, physical security, cybersecurity and crisis management.
- Ensuring that the Bank is adequately always capitalised.
- Approving significant capital expenditures and changes in the capital structure of the Bank, acquisitions and dispositions and new subsidiaries investments.
- Ensuring the Group's compliance with laws and regulations and maintenance of ethical conduct.
- Continuously monitoring the performance of the Bank and that of Management.
- Reviewing and defining the succession planning of the Board and Committee Chairperson, Board Vice Chairperson, GCEO, and Senior Management.

All members of the Board were collectively responsible and complied with the code of good corporate governance

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

23 CORPORATE GOVERNANCE (CONTINUED)

Delegation of responsibility for managing impacts

The Board of Directors, as the highest governance body, provides oversight of the Bank's strategy, purpose, and longterm sustainability ambitions. This includes supervision of the Bank's economic, environmental, and social impacts. The Board delegates daytoday responsibility for managing these impacts to the Executive Management Team, led by the Group CEO, who is accountable for implementing the Bank's sustainability initiatives, climate related commitments, Environmental, Social, and Climate Risk Management Policy, and broader impact management processes.

To further strengthen governance over sustainability matters, the Group has established the CRDB Bank Foundation, with clear responsibilities across key impact areas, including financial inclusion and capacity building. In addition, a dedicated sustainability unit has been set up to champion sustainability across the Group.

Management provides quarterly reports to the Board through the Board Credit Committee and the Board Risk Committee. These reports detail progress on sustainability implementation and performance. This governance mechanism ensures the Board maintains robust, consistent oversight of sustainability matters.

Annual Board work plan

The Board has an annual work plan designed to ensure that the bank's Board of Directors operates effectively throughout the year. It is the responsibility of the Chairperson and the Company Secretary, working closely with the Group Managing Director and Chief Executive Officer, to develop the annual Board work plan and the agenda for Board meetings.

The plan outlines the key activities, meetings, and strategic initiatives that the Board will undertake to fulfil its responsibilities. By adhering to this structured approach, the Board can maintain high standards of oversight, accountability, and transparency, thereby fostering trust among stakeholders and supporting the bank's long-term success. The work plan also facilitates proactive decision-making and continuous improvement, ensuring that the Board remains aligned with the bank's goals and regulatory requirements.

Board operations

The Board meets at least once every three months to discuss the affairs of the Group, and the meetings are structured to allow for open discussions. The notice, agenda, and detailed Board papers are circulated seven days before the meetings to allow time for the Directors to undertake an appropriate review of the Board papers to facilitate full and effective discussions at the meetings. Those charged with Governance can request additional information to support their decision-making when necessary.

During the year, the Board had planned to meet six times but ultimately convened eight times, during which it deliberated on various matters concerning the Bank's operations and those of its controlled subsidiaries.

As per Article 124 of the Banks MEMARTs, the Board shall annually elect a Chairperson who is a non-executive Director. The elected chair is not permitted to be a member of any Committee except the Board Executive Committee, in which they do not serve as chair. When deemed fit, the Chairperson may be invited to attend any of the committees' meetings, excluding the Audit Committee and Credit Committee.

The Group is committed to maintaining a high standard of corporate governance. The Directors also recognise the importance of integrity, transparency, and accountability. In 2025, the Board constituted five Committees to improve corporate governance by delegating specific tasks from the main Board to smaller groups and harnessing the contributions of non-executive Directors, whose terms of reference are embedded in the respective Board Committee Charters. Committee members are elected annually from among the Board members.

The Board has also formed the Sharia Advisory Board, which provided advice to the Board and tracked compliance with Sharia (Non-Interest Banking Window); The Sharia Advisory Board consisted of one Board Member from the PLC Board (who chairs the Committee) and five other experts in Sharia.

The Board remains collectively responsible for any committee's decisions and is required to review the effectiveness and performance of committees annually.

The committees are;

- Board Audit Committee
- Board Governance, Nomination and Human Resources Committee
- Board Credit Committee
- Board Risk Committee
- Board Executive committee
- Shariah Advisory Board

All these Board Committees are constituted and chaired by Non-Executive Directors.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

23 CORPORATE GOVERNANCE (CONTINUED)

Board operations (continued)

The below table shows the planned meetings and execution for all Boards

Board	Planned Meetings	Executed
Main Board	6	8
Board Audit Committee	5	5
Board Governance, Nomination and Human Resources Committee	5	7
Board Credit Committee	9	16
Board Risk Committee	4	4
Shariah Advisory Board	4	6

Board activities

During the year, the key areas of focus for the Board's activities and topics discussed were on the following matters:

- The Board reviewed quarterly Group KPI performance and provided guidance on expected outcomes for the Bank, its subsidiaries, and its investments.
- The Board approved the 2026 Group budget and strategy, offering key insights and direction to support effective implementation.
- The Board reviewed reports submitted by all Board committees and deliberated on the matters arising.
- The Board reviewed the Group's financial statements, budgets, and forecasts. The CFO, as a permanent invitee, provided comprehensive financial reports and analysis to support informed decision-making on investments, cost efficiency, and financial planning.
- The Board issued a recommendation to the shareholders regarding the approved final dividend for the Bank's 2025 performance.
- The Board exercised oversight of the performance of the Group and its subsidiaries.
- The Board reviewed various policies and compliance reports, with the Director of Risk and Compliance providing updates on regulatory changes and overall compliance status.
- The Board engaged in an in-depth discussion on Group Capital Management.
- The Board approved the audit fees for the external auditor.
- The Board approved the Board Work Plan
- The Board evaluated progress on strategic initiatives and advised management on areas requiring improvement to meet long-term goals.
- The Board reviewed audit reports, which include audit findings for the respective year, and directed Management to address audit findings and implement corrective actions.
- The Board reviewed the Group's risk profile, including emerging risks, and provided direction on appropriate mitigation measures to ensure continued financial stability and regulatory compliance

Board diversity

Board diversity is a cornerstone of our commitment to good corporate governance. We believe that a diverse Board brings a wealth of perspectives, experiences, and skills essential to effective decision-making. Our Board's diversity enables us to better understand and address the needs of our stakeholders, including employees, customers, and investors. This diversity fosters innovation and enhances our Group's performance, ensuring that we remain competitive in a rapidly changing business environment.

In line with best practices for corporate governance, we have implemented proactive strategies to ensure our Board reflects a mix of gender, age, and professional backgrounds. We have set ambitious diversity targets and established policies that promote inclusivity. Our Board members participate in regular training and development programs to understand the importance of diversity and how to leverage it for better governance. Additionally, we are committed to transparent reporting on board diversity, demonstrating our dedication to these principles and building trust with our stakeholders.

We recognize that Board diversity is not merely about meeting regulatory requirements; it is about creating an environment where different viewpoints are valued and contribute to our success. By prioritizing diversity, we enhance our reputation, attract top talent, and navigate the complexities of today's business landscape more effectively. Our commitment to good corporate governance practices that emphasize diversity ensures that we are resilient and adaptive, ready to thrive in an ever-changing world.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

23 CORPORATE GOVERNANCE (CONTINUED)

Board diversity (continued)

As of 2025, the Board's gender diversity ratio stands at 67% male and 33% female, reflecting a significant improvement from the 2024 ratio of 85% male and 15% female. This positive shift demonstrates the Group's commitment to enhancing gender balance at the leadership level.

To further strengthen female representation, the Board continues to implement targeted strategies, including actively encouraging qualified women to apply for Board positions and engaging in focused headhunting efforts to identify strong female candidates.

The duration of service for those charged with governance

The Group balances continuity and fresh perspectives on our Board by managing the length of tenure for our members. Our policy includes term limits and periodic evaluations to ensure a mix of long-serving Directors, who provide valuable experience, and newer members, who bring fresh insights. This approach fosters a dynamic and responsive Board, promoting continuous improvement and strategic foresight to guide the Group towards sustained success in an ever-changing business landscape. The table below summarises the composition by length of tenure.

Length of tenure - Directors	2025	2024
	Number of Directors	
Less than 1 year	**3**	1
1 - 3 years	**2**	1
4 - 6 years	**1**	1
more than 6 years	**6**	9

Age mix

The age diversity among the Board members at CRDB Bank Plc showcases a harmonious blend of seasoned expertise and innovative viewpoints. This diverse mix not only enriches the decision-making processes but also fosters a dynamic environment where traditional wisdom complements modern strategic strategies. Below is a detailed table that illustrates the age range.

Age	Directors	Composition
< 50	5	42%
> 50	8	58%

This combination fosters a harmonious blend of seasoned leadership and cutting-edge innovative thinking, significantly enhancing the Group's strategic direction and governance framework.

In Tanzania, there is no age limit for Board members.

Board effectiveness

The effectiveness of the Board is emphasised by the diverse and experienced leadership team that plays a crucial role in guiding the Group toward its strategic goals. The Board is composed of both executive and non-executive Directors, including industry experts and independent members. This combination ensures a balanced approach to governance and decision-making.

Such diversity promotes strong oversight, strategic guidance, and accountability, all of which are essential for maintaining the bank's robust market position and financial stability. The Board is also dedicated to continuous improvement and adheres to best practices in corporate governance. This commitment enhances the Group's effectiveness, enabling it to navigate the ever-changing financial landscape and foster sustainable growth.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

23 CORPORATE GOVERNANCE (CONTINUED)

Those charged with governance

The Board is confident in its composition, which includes a well-balanced mix of members possessing the right blend of skills, diverse experiences, and extensive knowledge necessary to rigorously evaluate and enhance strategic proposals. Their collective insight enables them to offer independent judgment on critical issues related to performance and risk management. The Board comprises independent non-executive Directors who bring objective perspectives and valuable opinions on a variety of matters, ensuring that discussions are both comprehensive and insightful.

The table below show the composition of those charged with governance who served during the year

The Board comprised thirteen Directors - Twelve Non- executive Directors and the Managing Director who is an Ex-officio member.

Name	Gender	Position	Qualifications	Age	Nationality	Date of Appointment/ Resignation
Prof. Neema M. Mori	F	Chairperson[1]	-PhD in International Business Corporate Governance & Boards of Financial Institutions -MBA in Finance -Bachelor of Commerce in Finance	47	Tanzanian	Re-appointed May 2023
Dr. Ally H. Laay *	M	Chairman	-PhD in Business Administration in Finance and Accounting -MBA in Finance and Marketing, PGDA, ADA, ---FCPA(T)	69	Tanzanian	Re-appointed May 2022 Retired May 2025
Mr. Abdul A. Mohamed	M	Non-executive Director	-BSc in Accounting & Finance -Associate member of CFA and ACCA (UK)	35	Tanzanian	Re-appointed May 2025
Eng. Boniface C. Muhegi *	M	Non-executive Director	-MSc Engineering (Civil) -BSc Engineering (Civil) -Advanced Post Graduate Diploma in Construction Management	71	Tanzanian	Re-appointed May 2022 Retired May 2025
Mr. Jes Klausby	M	Non-executive Director	-MSc in Mathematics and Economy	70	Danish	Re-appointed June 2023
Mr. Gerald P. Kasaato	M	Non-Executive Director	-MBA (in Finance) -MSc. in International Finance & Investment -Bachelor of Laws degree, LLB (Hons) -BSc. (Hons) in Accounting Chartered Accountant, UK -CFA Charter holder (USA) -Certified Public Accountant (CPA) of Uganda -Chartered Director (C. Dir), IOD, UK -Fellow of the Chartered Management Institute (FCMI, UK)	46	Ugandan	Re-appointed May 2024

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

23 CORPORATE GOVERNANCE (CONTINUED)

Those charged with governance(continued)

The table below shows the composition of those charged with governance served during the year (Continued)

Name	Gender	Position	Qualifications	Age	Nationality	Date of Appointment/ Resignation
Dr. Fred M. Msemwa	M	Non-executive Director	-PhD in Business Administration -MBA in Finance -Advanced Diploma – Accountancy & Finance	53	Tanzanian	Re-appointed May 2025
Ms. Miranda N. Mpogolo	F	Independent Non-Executive Director	-M.A in Theatre & Development Studies -B.A (Hons) in Drama, Applied Theatre & Education -Chartered Director – Institute of Directors UK	42	Tanzanian	Re-appointed May 2023
Mr. Martin S. Warioba **	M	Independent Non-executive Director	-MSc in Information Management -MBA -BSc in Computer Science	48	Tanzanian	Re-appointed May 2022 Retired May 2025
Mr. Abdulrazak I. Badru ***	M	Non-Executive Director	-PhD candidate exploring strategy alignment and execution to create value, and sustainability (in progress) -MBA – International Business Management -Postgraduate Diploma in Leadership -B.A in Sociology – University of Dar es Salaam	57	Tanzanian	Appointed May 2024 Retired August 2025
Mr. Moses W. Dulle	M	Non-Executive Director	-M.A in Development Studies & Economics -B.A in Economics	52	Tanzanian	Appointed January 2025
Dr. Donald E. Mmari *	M	Non-executive Director	-PhD in Development Economics -PG.D in Policy Analysis -MBA in Strategic Management -MA in Economics -BA in Economics	58	Tanzanian	Appointed May 2025
Dr. Judika L. King'ori **	F	Non-executive Director	-PhD in Economics -Master of Accountancy -Master of Business Administration -B. Com in Accounting -CPA	66	Tanzanian	Appointed May 2025

23 CORPORATE GOVERNANCE (CONTINUED)

Those charged with governance(continued)

The table below shows the composition of those charged with governance served during the year (Continued)

Name	Gender	Position	Qualifications	Age	Nationality	Date of Appointment/ Resignation
Prof. Faustine K. Bee	M	Non-executive Director	-PhD in Development Studies -M.A in Development Studies -B.A in economics	66	Tanzanian	Re-appointed May 2024
Ms. Grace P. Joachim *	F	Non-executive Director	-LL.M in International Commercial Law -LL.B	40	Tanzanian	Appointed May 2025
Mr. Eliud B. Sanga ***	M	Non-Executive Director	-Master of Development Administration -Graduate Diploma in Development Administration -BA in Economics	52	Tanzanian	Appointed October 2025
Dr. Abdulmajid M. Nsekela	M	Group CEO & Managing Director, Ex Officio	-MBA-IBF, PGD-Business Administration	54	Tanzanian	Appointed October 2018

M - Male F – Female

[1]Prof. Neema Mori was appointed as chairperson after the retirement of Dr Ally Laay.

*Dr. Ally Laay and Eng. Boniface Muhegi retired in May 2025 during the AGM and was replaced by Dr Donald Mmari and Ms Grace Joachim.

** Mr. Martin Warioba retired in May 2025 during AGM and was replaced by Dr. Judika King'ori

***Mr. Abdulrazak Badru retired in August 2025 and was replaced by Mr. Eliud Sanga

There was no regulatory requirement that influenced the design of the governance above.

The Company Secretary during the year ended 31 December 2025 was Mr. Pascal Thomas Mihayo (Tanzanian), aged 39.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

23 CORPORATE GOVERNANCE (CONTINUED)

Company Secretary

The Company Secretary plays a vital role in supporting the Board by offering qualified, competent, and experienced assistance, although is not a member of the Board. The Board is responsible for appointing the Company Secretary. Throughout the year, the Company Secretary ensures compliance with all applicable laws, regulations, and professional standards to maintain a good professional standing.

The primary responsibilities of the Company Secretary include:

+ Offering guidance to the Board and individual Board members regarding their duties, responsibilities, and powers, particularly concerning compliance with applicable laws and, when relevant, stock exchange requirements, and ensuring that these are exercised in the best interest of the Company.
+ Ensuring that Board procedures are consistently followed and regularly reviewed and that the Board adheres to all applicable laws, rules, regulations, and governmental policies.
+ Assisting the Chairperson and the Group Managing Director and CEO in organizing general meetings and Board activities. This includes:

✓ Organizing General Meetings and Board Activities:

- Providing Information: Ensuring that all necessary information is available to Board members for informed decision-making.
- Preparing Agendas: Creating detailed agendas for meetings to ensure all relevant topics are covered.
- Issuing Notices: Sending out official notices for meetings in a timely manner to ensure all members are informed.
- Overseeing Meetings: Managing the logistics of meetings, ensuring they run smoothly and efficiently.

✓ Board Evaluations and Governance Audits:

- Board Evaluations: Conducting regular assessments of the Board's performance to identify areas for improvement.
- Governance Audits: Reviewing governance practices to ensure compliance with legal and regulatory standards.

✓ Board Induction and Development Programs:

- Induction Programs: Providing new Board members with the necessary orientation and training to understand their roles and responsibilities.
- Development Programs: Offering ongoing education and development opportunities to enhance the skills and knowledge of Board members.

✓ Succession Planning:

- Developing and implementing plans to ensure a smooth transition of leadership within the Board and executive management.

✓ Reviewing Governance Processes:

- Regularly evaluating the effectiveness of governance processes within the Board and Group.
- Making recommendations or developing initiatives to strengthen governance practices.

+ Providing secretarial services to the Board, which includes preparing and adhering to the Board Work Plan, circulating Board papers ahead of meetings, keeping records of attendance, safeguarding the corporate seal and documenting its usage, ensuring timely preparation and distribution of minutes from Board meetings and Committees, updating Board and Committee charters, and promptly filing necessary returns with relevant authorities.
+ Custodian of all Board's official records including Board packs, minutes, and bank's MEMARTS.
+ Ensuring compliance with governance regulations, including filing required returns, updating statutory registers and Articles of Association, and adhering to continuous listing requirements.
+ Facilitating effective communication between the Group and its shareholders, as well as coordinating the publication and distribution of the annual report and financial statements.
+ Organizing and managing the process of conducting the Annual General Meeting (AGM) or extraordinary general meetings and advising on concerns that need to be raised at Board meetings to secure shareholder support and votes.
+ Monitoring share movements on the Register of Shareholders

Both the appointment and removal of the Company Secretary are the responsibility of the Board.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

23 CORPORATE GOVERNANCE (CONTINUED)

Separation of roles and responsibilities

The roles of the Chairperson and the Group Managing Director & Chief Executive Officer have separated to uphold strong corporate governance principles. The Chairperson serves in a nonexecutive capacity and is responsible for leading the Board, ensuring its effectiveness, and overseeing the proper functioning of all Board committees.

The Group confirms that the Chairperson of the Board does not hold any senior executive position within the Bank. Executive responsibilities, including the daytoday management of the Bank's operations, are vested in the Group Managing Director and Chief Executive Officer. This separation of duties ensures an appropriate balance of authority, promotes independent oversight, and strengthens accountability across all levels of governance.

This governance structure supports objective decisionmaking and reinforces the Board's ability to provide strategic direction in line with recognized best practices.

Key roles and responsibilities of the Chairperson of the Board.

- Provides leadership and governance of the Board to create the conditions for the overall effectiveness of the Board and individual Directors and ensures that the Board discusses all key and appropriate issues in a timely manner.
- Promotes effective relationships and open communication and creates an environment that allows constructive debates and challenges, both inside and outside the Boardroom, between Non-executive Directors and the management.
- Ensures that the Board plays a full and constructive part in developing and determining the Group's strategies and policies, that Board decisions are in the Group's best interests, and that they fairly reflect the Board's consensus.

Separation of roles and responsibilities

- Ensures that the strategies and policies agreed by the Board are effectively implemented by the Chief Executive and the management.
- Establishes good corporate governance practices and procedures and promotes the highest standards of integrity, probity, and corporate governance throughout the Group and particularly at the Board level. It is the responsibility of the chairperson to adhere to the code of corporate governance/ Board charter.

Key roles and responsibilities of the Group Managing Director and Chief Executive Officer

- Leads the management in the day-to-day running of the Group's business in accordance with the business plans and within the budgets approved by the Board.
- Leads the management to ensure effective working relationships with the Chairperson and the Board by meeting or communicating on a regular basis to review key developments, issues, opportunities, and concerns.
- Develops and proposes the Group's strategies and policies for the Board's consideration.
- Implements, with the support of the management, the strategies and policies as approved by the Board and its committees in pursuit of the Group's objectives.
- Conducts the affairs of the Group in accordance with the practices and procedures adopted by the Board and promotes the highest standards of integrity, probity, and corporate governance within the Group.

Board independence

A key component of our governance framework is the Board's independence. Our Board comprises a majority of Directors who are not part of the Group's executive team or otherwise closely tied to the Bank. This structure ensures that our Directors can provide unbiased oversight, free from conflicts of interest, and make decisions that are in the best interest of our shareholders. By maintaining an independent Board, we uphold the integrity of our governance practices and foster trust among our stakeholders.

The Group benefits from the presence of three Independent Non-Executive Directors who have no financial ties to it. Their independence allows them to provide unbiased oversight, hold management accountable, and contribute to strategic decision-making that aligns with shareholders' interests. Their independence is crucial in ensuring that the Board's actions are transparent and focused on long-term value creation for the Group.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

23 CORPORATE GOVERNANCE (CONTINUED)

Board independence

Assessing independence

The Board rigorously evaluates the independence of its Director's both at the time of their appointment and continuously throughout their tenure. Each Director is required to provide an annual declaration of their interests, any conflicts, and their independent status, with the opportunity to declare interests at any point during the year.

In assessing a Director's independence, the Board considers all relevant facts and circumstances, focusing on any direct or indirect relationships with the Bank, senior management, or other Directors that could influence their actual or perceived independence. This includes relationships with companies that have significant business ties with the Bank and not-for-profit organizations receiving substantial support from the Group. The Board's independence is assessed annually in accordance with National Board of Accountants and Auditors (NBAA) declaration form. Additionally, all Board members are evaluated through the Regulator, the Central Bank of Tanzania (BOT).

Throughout the year, the Board received no complaints regarding Board Independence from the NBAA, the professional body, or from the Central Bank of Tanzania, the regulator.

BOARD COMMITTEES

An effective committee structure permits the Board to address key areas in more depth than may be possible at the full Board level. Decisions about committee membership and chairperson are made by the full Board based on recommendations from the nominating/corporate governance committee.

The responsibilities of each committee and the qualifications required for committee membership are clearly defined in a written charter that is approved by the Board. Each committee is required to review its charter annually and recommend changes to the Board. All committees are required to update the full Board of their activities on a regular basis. The reports include findings, matters identified for specific recommendations to the Board, action points and any other issues as deemed appropriate.

The table below shows the number of Board and Committee meetings held during the year and the attendance by those charged with governance:

S/N	Name of Director	Main Board	Board Audit Committee	Board Credit Committee	Board Governance, Nomination and Human Resource Committee	Board Risk Committee	Board Executive Committee
1	Dr. Ally H. Laay *	4/8					1/4
2	Prof. Neema M. Mori***	8/8		7/16		2/4	4/4
3	Mr. Boniface C. Muhegi *	4/8		6/16	4/7		
4	Mr. Jes Klausby	8/8			7/7	4/4	
5	Mr. Gerald P. Kasaato	8/8	5/5				
6	Mr. Abdul A. Mohamed	8/8		9/16	7/7	2/4	
7	Prof. Faustine K. Bee[1]	8/8		16/16	4/7	2/4	
8	Dr. Fred M. Msemwa[1]	7/8		7/16	3/7	2/4	
9	Ms. Miranda N. Mpogolo[1]	8/8		7/16	7/7	2/4	
10	Mr. Martin S. Warioba *	4/8	3/5				
11	Mr. Abdulrazak I. Badru *	6/8	4/5				
12	Mr. Moses W. Dulle	8/8			7/7	4/4	
13	Dr. Donald E. Mmari **	4/8		9/16	3/7		3/4
14	Dr. Judika L. King'ori **	4/8	2/5				
15	Ms. Grace P. Joachim **	4/8		9/16		2/4	
16	Mr. Eliud Betri Sanga **	1/8	1/5				

[1] These are the Board members who moved between committees during the year
* These are the Board Members who retired during the year.
**These are the Board Members who were appointed during the year.
***She was appointed as chairperson in July 2025 but did not attend committee meetings.

During the year, the Group has complied with the principles and codes of best practice.
There was no regulatory requirement that influenced the design of the governance above.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

23 CORPORATE GOVERNANCE (CONTINUED)

Permanent invitee to Board meetings

The Board ensures that key executives are permanent invitees to its meetings. This includes the Chief Financial Officer (CFO), Chief Commercial Officer (CCO), Chief Operating Officer (COO), Director of Internal Audit, Director of Business Transformation, Director of Risk and Compliance, Director of Information Technology, Company Secretary, and Director of Legal Services. Their presence is crucial for providing expert insights and facilitating informed decision-making. By involving these senior officers, the Board can leverage their specialised knowledge and experience, ensuring that discussions are comprehensive and decisions are well-grounded in the operational realities of the Group.

Board Audit Committee

The committee oversees the Group's internal audit function and ensures that the internal audit staff has adequate resources and support to carry out its role. The committee reviews the scope of the internal/ external audit plan, significant findings by the internal/ external audit and management's response, and the appointment and replacement of the senior internal auditing executive and assesses the performance and effectiveness of the internal audit function annually.

Role of the committee

- Overseeing the financial reporting process, ensuring that internal control systems are adequate and effective; and acting as a bridge between the external auditors and the management.
- Reviewing the quarterly Group performance and give assurance on the integrity of the numbers to the main Board before publication and submission to the Central bank.
- Reviewing the integrity of the Group's Consolidated financial statements for the period ended 31 December.
- Reviewing the appointment of the External auditors their terms of engagement and the audit fees and recommend to the Board for approval.
- Monitoring and reviewing the performance of the Group's external auditors.
- Reviewing periodic audit reports of the Group operations and internal controls presented by the internal auditors.
- Reviewing and recommend to the Board the internal and external audit plans.
- Approving committee annual work plan

This committee planned and met six (5) times during the year.

The committee comprised of the following members:

S/N	Name	Position	Nationality	Qualification
1.	Mr. Gerald P. Kasaato	Chairman	Ugandan	MBA(Finance) MSc. in International Finance & Investment Bachelor of Laws degree, LLB (Hons) BSc. Hons) in accounting CFA Charter holder, a Chartered Accountant (UK), a Fellow of the Chartered Management Institute (FCMI, UK), and a member of the Institute of Certified Public Accountants of Uganda (ICPAU)
2.	Mr. Martin S. Warioba*	Member	Tanzanian	MSc in Information Management, MBA BSc in Computer Science
3.	Mr. Abdulrazak I. Badru*	Member	Tanzanian	PhD candidate exploring strategy alignment and execution to create value, and sustainability (in progress), MBA – International Business Management Postgraduate Diploma in Leadership, B.A in Sociology – University of Dar es Salaam
4.	Dr. Judika L. King'ori *	Member	Tanzania	PhD in Economics Master of Accountancy Master of Business Administration B. Com in Accounting, CPA (T)
5.	Mr. Eliud B. Sanga *	Member	Tanzania	Master of Development Administration BA in Economics

** During the year, Dr. Judika King'ori and Mr. Eliud Sanga joined the Audit Committee in July and October 2025 respectively, replacing Mr. Martin Warioba, and Mr. Abdulrazak I. Badru*

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

23 CORPORATE GOVERNANCE (CONTINUED)

Board Audit Committee (continued)

To ensure full separation of membership, members serving in the Board Audit Committee are not allowed be elected to serve in any other committee. The committee like other committees, has a charter that describes its oversight function. All members served in this committee during the year are non-executives and independent with no financial interest in the entity or significant relationships with major shareholders, management, suppliers, or customers.
Two members of the Audit Committee are accountants who hold professional certifications from recognized accounting bodies.

Activities of the Committee

The committee held five meetings this year and performed the below activities;

- Reviewed the external auditor appointment, considering their effectiveness, independence, and relevant guidelines, and made a recommendation to the Board before the approval at AGM.
- Reviewed and approved the quarterly financial reports for publication presented by the management which was audited by the internal auditors to be published as required by the regulations 7 and 8 of the Banking and Financial Institutions (Disclosures) Regulations, 2014.
- Discussed quarterly internal audit reports done in various departments and general branch operations on selected branches which were presented by the Department of Internal Audit. The reports were discussed by the members of the Board, and the Board directed the internal Audit department to increase the coverage of the areas to be audited to reduce risks of fraud, and over/understatement of the numbers. Emphasis was pressed on internal controls, to make sure that strong internal controls are in place and were being reviewed regularly.
- Discussed the External Auditors' Audit report and audited financial statements for the year ended 31st December 2025 presented by the External Auditors (PwC) and directed management to ensure issues raised are closed timely.
- Discussed the performance of the internal audit department, especially on the closure of issues raised by the Central bank and directed that they must validate all issues closed by management before they are shared with the Central bank as closed.
- Reviewed and recommended to the Board the internal and external audit plans.
- Approved committee annual work plan for FY 2025.

Board Governance, Nomination and Human Resources Committee

The Committee is responsible for ensuring that the Board maintains an appropriate balance of skills, experience, and composition, including a clear distinction between Executive and NonExecutive Directors. It oversees the process for Board appointments and submits recommendations to the Board following a formal, rigorous, and transparent procedure. In addition, the Committee makes decisions on seniorlevel recruitment, taking into account the responsibilities and remuneration of management staff and Directors.

The Board periodically evaluates the collective skills, knowledge, and experience of its members against those required to deliver the organization's strategic objectives. Continuous efforts are made to broaden the Board's diversity, particularly in relation to skills, professional backgrounds, and gender representation. The Committee is specifically tasked with considering these factors when identifying and recommending candidates for appointment.

- Establishing and recommending to the Board for approval criteria for Board membership and periodically reviews and recommends changes to the criteria.
- Reviewing of the composition of the Board, along with its succession planning including an assessment of the mix of the Directors' skills, experience and an identification of qualifications and attributes that may be valuable in the future and anticipated Directors' exits.
- Reviewing the appointment of Directors to be recommended to the Board before they are recommended to shareholders at the AGM for election and re-election for director who had reached the statutory retirement.
- Monitoring evaluation of whether the Board has the necessary tools to effectively perform its oversight function.
- Reviewing and recommending for Board approval the remuneration proposals for Executive, non-executive Directors, as well as Senior Management.
- Reviewing key policies such as human resources policy which guides the operations, remunerations and management of Reviewing and recommending the annual staff bonus to the Board.
- Reviewing and recommending the renewal of terms and conditions of employment for Board approval.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

23 CORPORATE GOVERNANCE (CONTINUED)

Board Governance, Nomination and Human Resources Committee (continued)

This Committee planned 5 meetings and met seven (7) times during the year.

The Committee comprised of the following members:

	Name	Position	Nationality	Qualification
1	Mr. Abdul A. Mohamed	Chairman[1]	Tanzanian	BSc in Accounting & Finance Associate member of CFA and ACCA (UK)
2	Eng. Boniface C. Muhegi*	Chairman	Tanzanian	MSc Engineering (Civil), BSc Engineering (Civil) Advanced Post Graduate Diploma in Construction Management
3	Mr. Jes Klausby	Member	Danish	MSc Mathematics - Economics
4	Ms. Miranda N. Mpogolo	Member	Tanzanian	M.A in Theatre & Development Studies B.A (Hons) in Drama, Applied Theatre & Education
5	Prof. Faustine K. Bee*	Member	Tanzanian	PhD in Development Studies M.A in Development Studies, B.A in economics
6	Mr. Moses W. Dulle	Member	Tanzanian	M.A in Development Studies & Economics, B.A in Economics
7	Dr. Donald E. Mmari*	Member	Tanzanian	PhD in Development Economics, MBA in Strategic Management, MA & BA in Economics
8	Dr. Fred M. Msemwa*	Member	Tanzanian	PhD in Business Administration, MBA in Finance

**During the year, Dr. Donald Mmari and Dr. Fred Msemwa joined the Governance, Nomination and Human Resources Committee in July and October respectively, replacing Eng. Boniface Muhegi, and Prof. Faustine Bee.*
[1]Mr. Abdul A. Mohamed was appointed as Chairman of this Committee

The Committee held seven meetings this year and performed the below activities;

- Discussed matters relating to both the Board and management, including initiatives aimed at enhancing diversity at all levels.
- Reviewed the progress of women empowerment programs, including training initiatives designed to prepare women for higher leadership roles.
- Discussed staff productivity and directed management to implement measures that enhance productivity to support increased revenue generation and profitability for the Group.
- Reviewed and recommended staff salary increments for Board approval.
- Reviewed and recommended to the Board the bonuses payable to staff for the 2025 performance year, based on achievement against set targets.
- Discussed and recommended to the Board the appointment of a new Company Secretary, whose tenure commences in January 2025.
- Reviewed and recommended the Directors' training and development plan for Board approval.
- Reviewed and made recommendations to the Board on the appointment of Board members ahead of their approval at the AGM.
- Reviewed employee welfare initiatives and advised management on measures to strengthen staff engagement and retention.
- Assessed succession planning and recommended actions to ensure a strong leadership pipeline across the Group.
- Reviewed the Group's human resources policies and proposed updates to align with evolving best practices and regulatory requirements.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

23 CORPORATE GOVERNANCE (CONTINUED)

Board Credit Committee

Recognising that lending is the Group's core business and primary source of income, the Committee supports the Board by providing effective oversight of credit risk management. It continuously reviews and analyses the Group's credit risk profile and advises the Board on appropriate direction and, where necessary, timely corrective actions.

The Board Credit Committee is committed to ensuring that the quality of the Bank's asset portfolio remains within acceptable risk parameters. It further ensures that the business operates under a robust and compliant credit policy aligned with regulatory requirements and sound risk management practices.

Role of the Committee

- Supporting the Board in understanding the Bank's credit portfolio and related activities, including developing credit management strategies and recommending them for Board approval.
- Monitoring the implementation of the approved credit management strategy to ensure effective execution across the Bank.
- Providing strategic leadership and oversight of the Bank's credit risk management framework, including reviewing and recommending Credit Policies and the Bank's credit risk appetite to the Board.
- Reviewing the quality and performance of the Bank's credit portfolio on a quarterly basis and advising management on appropriate measures to maintain or improve portfolio quality.
- Ensuring full compliance with the Bank's Credit Policy and adherence to prudential regulations governing credit risk management.
- Reviewing and recommending to the Board, for approval, the loans and advances to be charged off in line with Central Bank regulations.
- Evaluating portfolio concentration risks and recommending diversification strategies to maintain a balanced and resilient credit portfolio.
- Reviewing stress-testing results on the credit portfolio and advising on mitigation plans to strengthen the Bank's risk position.

This Committee planned 9 meetings and met sixteen times (16) during the year.

The Committee comprised the following members:

	Name	Position	Nationality	Qualification
1	Dr. Donald E. Mmari*	Chairman[1]	Tanzanian	PhD in Development Economics, MBA in Strategic Management, MA & BA in Economics
2	Prof. Neema M. Mori*	Chairperson	Tanzanian	PhD in International Business Corporate Governance & Boards of Financial Institutions MBA in Finance, BCom Finance
3	Eng. Boniface C. Muhegi*	Member	Tanzanian	MSc Engineering (Civil), BSc Engineering (Civil) Advanced Post Graduate Diploma in Construction Management
4	Dr. Fred M. Msemwa	Member	Tanzanian	PhD in Business Administration, MBA Finance
5	Prof. Faustine K. Bee	Member	Tanzanian	PhD in Development Studies M.A in Development Studies, B.A in economics
6	Ms. Miranda N. Mpogolo*	Member	Tanzanian	M.A in Theatre & Development Studies B.A (Hons) in Drama, Applied Theatre & Education
7	Mr. Abdul A. Mohamed*	Member	Tanzanian	BSc in Accounting & Finance Associate member of CFA and ACCA (UK)
8	Ms. Grace P. Joachim*	Member	Tanzanian	LL.M in International Commercial Law, LL.B

**During the year, Dr. Donald Mmari, Mr. Abdul Mohamed, and Ms. Grace Joachim joined the Credit Committee in July, replacing Eng. Boniface Muhegi, Ms. Miranda Mpogolo, and Prof. Neema Mori.*

[1]Dr. Donald E. Mmari was appointed as chairman of this Committee.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

23 CORPORATE GOVERNANCE (CONTINUED)

Board Credit Committee (continued)

Activities of the Committee

The Committee held sixteen (16) meetings this year and performed the below activities;

- Reviewed the quality of the loan portfolio to ensure compliance with the Group's internal NPL ratio limits and the regulatory requirement of maintaining NPLs below 5%.
- Reviewed and recommended the annual Credit Policy review to the Board for approval.
- Reviewed and approved several loans and advances requiring Board-level authorisation and recommended them to the main Board for final approval.
- Discussed the Single Borrower Limit and directed management to ensure continuous compliance with regulatory thresholds.
- Reviewed and restructured loans and provided recommendations to the Board on remedial actions and measures to enhance overall portfolio quality.
- Assessed the adequacy and effectiveness of the credit monitoring and reporting processes to ensure timely identification of emerging risks.
- Reviewed sectoral exposures and advised management on opportunities and risks related to portfolio diversification.
- Considered updates on recoveries and legal cases related to non-performing loans and provided strategic guidance on improving recovery performance.

Board Risk Committee

The primary responsibility of the Board Risk Committee is to provide comprehensive oversight of risk across the Group. The Committee ensures that the Board receives regular and meaningful information on all major risks, their alignment with the Group's strategic objectives, and the measures in place to mitigate them.

The Committee oversees and advises on the Bank's current and emerging risk exposures, evaluates the effectiveness of the Risk Management Framework, and reviews the Bank's future risk strategy, including capital and liquidity management. It also plays a key role in fostering a strong riskawareness culture throughout the Bank and ensuring adherence to established risk policies, procedures, and regulatory requirements.

Role of the committee

- Providing comprehensive oversight of risk across the Group to ensure an effective risk governance framework.
- Reviewing annual risk assessment reports to evaluate the Group's overall risk exposure and emerging risk trends.
- Reviewing all business operations policies and recommend them to the main Board for approval.
- Overseeing the adequacy and effectiveness of internal control systems and the overall risk management framework.
- Overseeing and monitoring the Group's compliance with all applicable legal and regulatory compliance
- Reviewing and assessing the Group's risk appetite and tolerance levels, recommending adjustments to the Board in line with changing business conditions.
- Evaluating the effectiveness of risk mitigation strategies and providing guidance on enhancements to strengthen the Group's risk culture

This Committee planned and met four (4) times during the year.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

23 CORPORATE GOVERNANCE (CONTINUED)

Board Risk Committee (continued)

The Committee comprised of the following members:

S/N	Name	Position	Nationality	Qualification
1	Mr. Jes Klausby	Chairman	Danish	MSc Mathematics – Economics
2	Dr. Fred M. Msemwa*	Member	Tanzanian	PhD in Business Administration MBA in Finance
3	Prof. Neema M. Mori*	Member	Tanzanian	PhD in International Business Corporate Governance & Boards of Financial Institutions MBA in Finance Bachelor of Commerce in Finance
4	Mr. Abdul A. Mohamed*	Member	Tanzanian	BSc in Accounting & Finance Associate member of CFA and ACCA (UK)
5	Mr. Moses W. Dulle	Member	Tanzanian	M.A in Development Studies & Economics, B.A in Economics
6	Prof. Faustine K. Bee*	Member	Tanzanian	PhD in Development Studies M.A in Development Studies, B.A in economics
7	Ms. Miranda N. Mpogolo*	Member	Tanzanian	M.A in Theatre & Development Studies B.A (Hons) in Drama, Applied Theatre & Education
8	Ms. Grace P. Joachim*	Member	Tanzanian	LL.M in International Commercial Law, LL.B

**During the year, Prof. Faustine Bee, Ms. Miranda Mpogolo, and Ms. Grace Joachim joined the Risk Committee in July, replacing Dr. Fred Msemwa, Mr. Abdul Mohamed, and Prof. Neema Mori.*

Activities of the Committee

The Committee held four (4) meetings this year and performed the below activities;

- Discussed risk assessment, risk management, and compliance matters, emphasizing the importance of preventing penalties that may arise from non-compliance with internal controls or regulatory obligations.
- Reviewed and deliberated on the risk assessment report presented by management, and subsequently recommended the report to the main Board for consideration and approval.
- Discussed Group compliance issues, including adherence to the Group's Code of Conduct, regulatory reporting obligations, and compliance with all internal ratios set by the Board.
- Reviewed and discussed legal and regulatory updates relevant to the Group's operations and their potential impact on business activities.
- Reviewed the Committee's Terms of Reference to ensure alignment with evolving governance best practices.
- Approved the Committee's Annual Work Plan for FY 2025 to guide risk oversight activities for the year.
- Assessed cyber and information security risks, including management's controls to safeguard systems, data, and digital infrastructure.
- Reviewed the development of stress test methodology.

In addition to the above Committees, there are management-level committees composed of senior management that meet weekly, monthly, and quarterly.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

23 CORPORATE GOVERNANCE (CONTINUED)

Board Executive Committee

The Board Executive Committee was established to support the Board in fulfilling its governance and strategic oversight responsibilities. The Committee serves as a responsive body that provides timely guidance on critical matters, acts on behalf of the Board in urgent situations, and facilitates effective communication across the governance structure. In performing its duties, the Committee ensures that emerging issues are addressed promptly while maintaining accountability through regular reporting to the full Board.

The Committee shall meet as often as required and may align meetings with Board sessions.

Role of the committee

- Strategic oversight: participate in strategic planning and advise the Board on key matters.
- Emergency decision-making: act on behalf of the Board in urgent situations where convening the full Board is impractical.
- Workplace issues: review serious workplace matters requiring Board attention before escalation.
- Communication: facilitate effective communication between the Board, its committees, and senior Management.

Activities of the Committee

- Act on behalf of the Board in urgent matters where convening the full Board is impractical.
- Provide strategic guidance and conduct a preliminary review of critical issues before escalation to the full Board.
- Recommend actions to the Board, while recognizing that the Committee cannot override decisions of the full Board.
- Ensure accountability by reporting all decisions taken under emergency authority to the Board for ratification at its next scheduled meeting.

Shariah Advisory Board

The Shariah Advisory Board for CRDB Bank plays a vital role in the bank's operations by ensuring that all financial products and services offered through the Al Barakah Islamic window comply with Islamic principles. This board comprises respected scholars and experts in Islamic finance who carefully review and approve the bank's offerings. Their guidance ensures that CRDB Bank's Islamic banking window, Al Barakah, operates within the framework of Shariah law, providing ethical and interest-free financial solutions to its customers.

The Shariah Advisory Board is comprised of the following members, planned to meet 4 times and met 6 times

Name	Position	Nationality	Age	Qualification	Meetings attended
Mr. Abdul A. Mohamed	Chairman	Tanzanian	35	BSc in Accounting and Finance	6/6
Mr. Sheikh Issa Othman Issa	Member	Tanzanian	61	Advance Diploma in Social Science (Counselling)	5/6
Mr. Khalfan A. Salim	Member	Tanzanian	42	Master's degree in management and leadership	5/6
Mr. Juma A. Mohammed	Member	Tanzanian	58	MSc. in Finance	4/6
Mr. Xavery M. Makwi	Member	Tanzanian	57	Master of Business Administration (Finance), LL.B, B.Com Finance, CPA, Advocate	5/6
Prof. Aishath Muneeza	Member	Maldivian	40	PhD. Islamic Banking	6/6

Directors' remunerations

Remuneration of those charged with governance, (Directors) considers the demands, complexities, and performance of the Group. Management periodically prepares a proposal for fees and other emoluments to be paid to Directors. Proposals include benchmarking against similar companies or the industry, market realities, and the need to attract and retain skilled, experienced Directors to drive the business. The same is forwarded to the Annual General Meeting (AGM) for final approval.

The remunerations are reviewed annually to ensure that they are appropriate and adequate in comparison with the industry benchmark. The Directors are not eligible for pension scheme membership and are not part of the Bank's staff remuneration scheme.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

23 CORPORATE GOVERNANCE (CONTINUED)

Directors' remunerations (continued)

The table below shows remunerations of the Directors of the parent company, subsidiaries and that of the Shariah Advisory Board within the parent company.

Information on aggregate amounts of the emoluments and fees paid during the year to Directors in comparison to the previous year is disclosed below: -

Name	2025 TZS Million	2024 TZS' Million
Dr. Ally H. Laay*	**49**	89
Prof. Neema M. Mori	**103**	86
Eng. Boniface C. Muhegi*	**43**	84
Mr. Jes Klausby	**88**	80
Mr. Gerald P. Kasaato	**88**	76
Mr. Abdul A. Mohamed	**86**	76
Prof. Faustine K. Bee	**86**	80
Dr. Fred M. Msemwa	**86**	80
Mr. Martin S. Warioba*	**46**	76
Ms. Miranda N. Mpogolo	**80**	80
Mr. Abdulrazak I. Badru**	**62**	38
Mr. Moses W. Dulle	**78**	-
Dr. Donald E. Mmari***	**50**	-
Dr. Judika L. King'ori***	**43**	-
Ms. Grace P. Joachim***	**44**	-
Mr. Eliud B. Sanga****	**22**	-
Dr. Abdulmajid M. Nsekela*****	**-**	-
TOTAL	**1,054**	965

* During the year 2025, Dr Ally Laay, Eng. Boniface Muhegi and Mr. Martin Warioba were paid for two quarters that they served in the Board (Q1 and Q2).

** During the year 2025 Mr. Abdulrazak Badru was paid for three quarters that he served in the Board (Q1, Q2 and Q3).

*** During the year 2025 Dr. Donald Mmari, Dr. Judika King'ori, and Ms. Grace Joachim were paid for two quarters that they served on the Board (Q3 and Q4).

**** During the year 2025 Mr. Eliud Sanga was paid for one quarter that he served in the Board (Q4).

***** Dr. Abdulmajid Nsekela (Managing Director) is an ex-officio member who is paid a monthly salary by the Bank; this is part of key management remuneration.

The table below shows Directors who also served the Group's subsidiaries during the year with the respective fees paid

Name	2025 TZS Million	2024 TZS' Million
Mr. Hosea E. Kashimba	**-**	92
Prof. Faustine K. Bee	**50**	46
Dr. Fred M. Msemwa	**17**	44
Mr. Martin S. Warioba	**20**	26
Mr. Gerald P. Kasaato	**22**	19
TOTAL	**109**	227

Details of the meetings attended has been disclosed to the respective subsidiary's separate financial statements for the year ended 31 December 2025.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

23 CORPORATE GOVERNANCE (CONTINUED)

Shariah Advisory Board

The table below shows Directors who served the Shariah Advisory Board during the year with the respective fees paid

Name	2025 TZS Million	2024 TZS Million
Mr. Abdul A. Mohamed	**32**	32
Mr. Sheikh Issa Othman Issa	**21**	21
Mr. Khalfan A. Salim	**21**	21
Mr. Juma A. Mohammed	**21**	21
Mr. Xavery Makwi	**21**	21
Prof. Aishath Muneeza	**21**	-
Prof. Monzer Kahf	**-**	5
TOTAL	**137**	121

Evaluation of the performance of those charged with governance

The Board conducts a structured annual evaluation designed to assess its effectiveness in overseeing the Bank's economic, environmental, and social impacts. This process follows a formal governance evaluation framework that assesses key areas, including strategic guidance, risk oversight, sustainability integration, ethical conduct, and stakeholder engagement. The assessment covers both collective Board performance and individual Directors' contributions, ensuring alignment with regulatory expectations and leading corporate governance practices. As part of the evaluation, the Board also reviews the adequacy of its oversight mechanisms including Board Committees, reporting structures, and internal control systems to ensure they remain effective in managing the organization's impacts across all areas of responsibility.

The evaluation is conducted annually and may be undertaken through internal reviews or independent facilitation, depending on the scope of review required in a given year. After every three years, Board evaluation and assessment are conducted by an external party or Consultant, providing enhanced objectivity, benchmarking, and insights into the Board's performance relative to global governance best practices. The annual evaluation typically incorporates Director self-assessments, Peer reviews, Committee assessments, and structured questionnaires administered by the Corporate Governance Unit or the appointed external Consultant. The final evaluation report is reviewed by the Board Chairperson and subsequently presented to the full Board for deliberation and action planning.

Actions arising from the evaluation are implemented to strengthen governance effectiveness and Group performance. These actions may include targeted governance training, adjustments to board and committee composition, enhancements to board reporting processes, refinements to strategic oversight practices, and improvements in risk and sustainability monitoring. Where relevant, changes may be made to committee mandates, director succession plans, or board competency profiles to address identified gaps. The evaluation outcomes also inform ongoing governance development initiatives, ensuring the Board continues to operate with the highest standards of accountability, transparency, and effectiveness in fulfilling its stewardship responsibilities.

Code of conduct and Ethical behaviour

The Board has adopted a code of conduct for all Directors and employees, including the chief executive officer, that addresses conflict of interest, among other things. The code is reviewed and updated regularly. It is shared annually with all employees and Directors, who are required to confirm in writing that they have complied with it.

Board members are expected to observe the highest standard of ethical behaviour, which supports and encourages policies requiring Directors and all employees to maintain a high standard of integrity and to display honesty in their dealings.

We are committed to high standards of ethical behaviour and operate a zero-tolerance approach to bribery and corruption, which we consider unethical and contrary to good corporate governance. It is the utmost responsibility of all staff within the Bank to comply with the Group's code of conduct. In addition, the code of conduct emphasises the responsibility of the Board and internal and external auditors to ensure the confidentiality of the Group information.

Managing conflicts of interests

Processes to prevent and mitigate conflicts of interest

The Group has established structured governance mechanisms to ensure conflicts of interest are identified, prevented, and effectively mitigated, in line with the Banking and Financial Institutions (Corporate Governance) Regulations, 2021. These regulations define conflict of interest and require Boards of financial institutions to implement robust controls and disclosures.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

23 CORPORATE GOVERNANCE (CONTINUED)

Key Processes at the Bank.

- *Board conflict of interest policy*
  The Bank follows a formal conflictofinterest policy aligned with national regulatory requirements. Board members must act impartially and avoid situations where personal, professional, or financial interests could interfere with their responsibilities.

- *Mandatory conflict of interest disclosure*
  Upon appointment and annually thereafter, Board members and Senior Executives complete declarations of interest, including relationships, shareholdings, and external directorships.

  Ongoing monitoring through Board Committees
  The Board Risk Committee oversee compliance and reviews any potential insider dealings or relatedparty risks, as required under the regulatory framework governing insider transactions and sound governance practices.

  Recusal and mitigation measures
  Where a conflict is identified, affected individuals must recuse themselves from discussions or decisions. This aligns with the regulatory duty of care and loyalty required from Board members.

- *Internal control and assurance function*
  The Bank's risk management, compliance, and internal audit functions independently evaluate conflictofinterest risks as part of control functions defined in the Corporate Governance Regulations.

Disclosure of Conflicts of Interest to Stakeholders

The Bank is committed to transparent disclosure of material conflicts of interest to stakeholders and complies with regulatory disclosure requirements. This includes disclosures related to:

- *Existence of Controlling Shareholders*

The Bank discloses the structure of its significant and controlling shareholders as part of governance transparency, in compliance with Part IX of the Corporate Governance Regulations, which covers shareholding and management disclosures.

- *Related Parties, Transactions, and Outstanding Balances*

The Bank reports:
✓ Nature of transactions
✓ Outstanding balances for loans and deposits.

This aligns with the regulatory provisions governing insider transactions, credit accommodations, and the disclosure of such dealings.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

23 CORPORATE GOVERNANCE (CONTINUED)

Board Policies

The Board has developed comprehensive policies and procedure documents to serve as essential guides for the Directors and Management in effectively executing their roles and responsibilities. These documents provide a framework that ensures clarity and accountability throughout the Group. Below, is a detailed summary of the governance documents along with their key provisions.

Conflict of interest policy

The Board has established a policy and a set of procedures relating to Directors' conflicts of interest and related party transactions. In all Board meetings, there is an agenda for declaring conflicts of interest, and a conflict-of-interest register is reviewed regularly.

- Those charged with governance are expected to avoid any action, position, or interest that conflicts with the interest of the Bank or gives the appearance of a potential conflict. In this regard, all Directors are required to:
- Declare any interests that may give rise to potential or perceived conflict e.g., multiple Directorships, business relationships or other circumstances that could interfere with the exercise of objective judgment;
- Declare as soon as they become aware that a subject to be discussed at a Board or committee meeting may give rise to a conflict of interest at the outset of the applicable meeting. The conflicted Director is not allowed to participate further in the discussion of that subject, nor vote on it.
- Director(s) with a continuing material conflict of interest is required to consider resigning from the Board.

Board members are required to inform the Company Secretary of any changes regarding Directorships and conflicts of interest within 30 days. The Board is required to evaluate all potential or perceived conflicts of interest as declared and approve such transactions with the bank as may be appropriate.

A register of declared conflicts of interest is being maintained by the Company Secretary.

During the year, none of the Directors had a material interest, directly or indirectly, in any significant contract with the Group.

Insider trading and disclosure policy

It is the Group policy that Directors and employees considered to have privileged knowledge, from time to time, of material facts or changes in the affairs of the Group, which have not been disclosed to the public, including any information likely to affect the market price of the Bank's securities, cannot buy or sell ("trade") Group securities, except in accordance with the requirements of the Group policy.

CRDB Insiders are prohibited from trading Group securities either on their own behalf or on behalf of someone else when the trading window is closed. They are also required to keep any unpublished and non-public sensitive information received by them, whether in the ordinary course of their employment or office or otherwise, confidential and with sufficient protection from unauthorized disclosure or access.

The Bank regularly communicates through corporate communication with all staff to remind them of the restrictions on insider trading.

Whistle-blowing policy

The Group has strong whistle-blowing policies and procedures with the main objective of promoting a framework within the Bank where staff are encouraged and feel confident to reveal and report any fraudulent, immoral, unethical, or malicious activity or conduct of fellow employees, management, those charged with governance, clients, consultants, vendors, contractors, and/or any other parties with business relationship with the Bank which in their opinion may cause financial or reputational loss to the Bank.

The policy is crucial for fostering a compliance culture where employees follow internal policies and respect laws. The Bank is dedicated to upholding high ethical and legal standards. This policy allows concerns about fraud, corruption, or misconduct to be raised while protecting whistle-blowers from retaliation.

The whistle-blower and Witness Protection Act of 2015 make it illegal for employers to retaliate against whistle-blowers. Staff receive periodic training as part of their induction and ongoing development. This training encourages employees and other stakeholders to share information that supports good corporate governance practices. The bank's website features a whistle-blower section where customers and other stakeholders are encouraged to report misconduct through various channels, either internally or externally via an independent third party. Whistle-blowers have the option to disclose their identity or remain anonymous.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

23 CORPORATE GOVERNANCE (CONTINUED)

Board Policies(continued)

Anti-Corruption and fraud risk policy

Our commitment to good corporate governance is reflected in our stringent anti - corruption and fraud risk policy which has been developed to provide a coordinated approach towards managing fraud and corruption risk as one of the key elements in our overall business risk management practices. We maintain a zero-tolerance stance towards any form of bribery or corruption, ensuring that all business activities are conducted with the highest level of integrity and transparency. This policy applies to all employees, directors, and third-party associates, requiring them to adhere to ethical standards and legal requirements. Regular training and awareness programs are conducted to ensure that everyone within the Group understands their responsibilities and the importance of compliance.

To safeguard against corruption and fraud, we have implemented robust internal controls and reporting mechanisms. These measures include thorough due diligence processes, regular audits, and a secure whistleblowing system that allows employees to report any suspicious activities without fear of retaliation. By fostering a culture of accountability and ethical behaviour, we aim to protect the interests of our stakeholders and uphold our reputation as a responsible and trustworthy organization.

Anti-money laundering policy

The Board of Directors plays a vital role in ensuring effective corporate governance and compliance with anti-money laundering (AML) measures. Their responsibilities include establishing a clear governance framework, defining roles for AML compliance, and holding senior management accountable. The Group has implemented a strong governance process for AML measures to protect the bank's reputation and financial stability. Adhering to this policy is mandatory at the Group level, as it ensures compliance with AML, counter-financing of terrorism (CFT), and counter-proliferation financing (CPF) legislation in all the countries where we operate.

Group Communication/ Public Relations Policy

The policy aims to ensure that the information originating from the Bank is accurate and complete, reflects the official position of the Bank and is released to the media and targeted public in a consistent and timely manner. The ultimate objective is to build a mutually beneficial relationship between the Bank and the public. The Board has established effective communication with the Bank's stakeholders including the media and other channels found appropriate.

- The primary objective of this policy is to ensure the Public Relations process is conducted in a structured, systematic and consistent manner,
- Define the roles of the Board and senior management in the management of Public Relations process in the Bank.
- Ensure the Bank is presented with consistent messages and with one clear voice to the media and public.
- Provide guidance and direction to all Bank staff regarding public and media for the benefit of the Bank.
- To develop positive public perceptions, manage and maintain internal and external public and media relations for the Bank's benefit.
- Guide the Bank's activities related to management of risks arising from local, regional, national and international publicity.
- Safeguard and enhance the Bank's reputation across the wider community.
- To promote the Bank's mission, vision and value

Remuneration policy

The policy outlines the guidelines and criteria for the compensation of those charged with governance. It aims to ensure transparency and fairness in the compensation process while aligning with the Groups' goals and values

Group operational policies

Comprehensive operational policies serve as essential guidelines for the Management team, enabling them to effectively navigate and execute the various functions within the Group's operations. These policies clearly define roles, responsibilities, and standard procedures, ensuring that every process is streamlined, consistent, and aligned with the Group's overall strategic vision. By establishing a uniform framework for decision-making and performance execution, the policies not only enhance operational efficiency but also foster transparency and a strong culture of accountability across all levels of the Group. Ultimately, they support better governance, reduce risks, and empower teams to deliver results with confidence and clarity

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

23 CORPORATE GOVERNANCE (CONTINUED)

Nomination Process

The nomination and selection of members of the highest governance body follow a structured process overseen by the Board and its relevant committees. In line with the governance framework potential candidates are identified through a combination of internal assessments, recommendations from the Board, and engagement with external search firms where necessary. The Governance and Human Resource Committee evaluates all prospective members based on predefined criteria, including professional expertise, leadership experience, integrity, and alignment with the organization's strategic direction.

The Committee conducts a rigorous vetting process that includes background checks, interviews, evaluation of qualifications, and assessment of the candidate's ability to contribute to the Board's effectiveness. Recommendations from the Committee are subsequently presented to the full Board for approval. This structured approach ensures that appointments are transparent, meritbased, and consistent with the organization's governance standards.

Criteria for Nomination and Selection

The Group applies clear and comprehensive criteria when nominating and selecting members of the highest governance body. These criteria reflect both regulatory requirements and best practices in corporate governance. Stakeholder views including those of shareholders are taken into consideration through formal mechanisms such as the Annual General Meeting, shareholder engagement sessions, and ongoing feedback channels. Insights gathered through these processes guide the Board's assessment of the skills and perspectives needed to support longterm value creation.

Diversity is a central consideration in the nomination process. The Board seeks to ensure a balanced composition in terms of gender, age, professional background, and cultural perspectives, recognizing that diverse representation strengthens oversight and decisionmaking. Independence is also a key criterion, with the organization assessing each candidate's ability to provide objective judgment free from conflicts of interest. In addition, nominees are evaluated for competencies relevant to the Group's material impacts, including expertise in financial oversight, risk management, sustainability, regulatory compliance, and sectorspecific knowledge. This ensures that the Board possesses the collective capability to oversee the organization's strategic, environmental, and social responsibilities effectively.

Induction program of the new members of the Board

Each new Board member is required to participate in an induction program that is tailored to effectively orient the member to the Bank's business and organization structure including subsidiaries, roles/responsibilities of the Board and its various committees, strategy, objectives, policies, procedures, operations, senior management, and the business environment. The induction package also includes all the necessary information that is required by a member for effective performance in the Board including Board charters, recent financial reports and governing laws and regulations. They receive comprehensive guidance from the Company Secretary on the Group's corporate governance framework.

Training and development of the members of the Board

The Board members are also being introduced to their fiduciary duties and responsibilities, and any other aspects unique to the business. Therefore, the main purpose of the training is to ensure that Board members have a clear understanding of their role in corporate governance and can exercise sound, objective judgment in the bank's affairs.

The Board is required to ensure adequate training and development for members through ongoing training to keep them well informed about critical information pertinent to the business and the corporate governance environment. It is the responsibility of the Board to conduct an annual review to identify each member's training needs and to facilitate upskilling and continuous development.

Non-executive Directors also develop and refresh their skills and knowledge through periodic interactions and briefings with senior management of the Group's business functions, as well as through updates on changes in laws and regulations, policies, and practices.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

23 CORPORATE GOVERNANCE (CONTINUED)

Training and development of the members of the Board (continued)

During the year, the Board completed the planned training and development sessions as per the table below.

Course Theme	Dates	Participants	Trainer/ Institution	Outcome of the Training
Governance Training – Accelerated Certificate in Company Direction (IoD, UK)	15–20 June 2025	Mr. Abdulrazaq I. Badru	Institute of Directors (UK)	Strengthened understanding of board duties, leadership responsibilities, director liabilities, and strategic oversight; enhanced capabilities in risk governance, stakeholder engagement, and decision-making.
Board Committee Training – Casablanca, Morocco	23–27 June 2025	▪ Prof. Neema M. Mori ▪ Ms. Miranda N. Mpogolo ▪ Mr. Moses W. Dulle ▪ Mr. Abdul A. Mohamed ▪ Prof. Faustine K. Bee	Common Purpose Asia Pacific	Improved strategic foresight and boardroom judgment; strengthened cross-border governance awareness, committee effectiveness, governance innovation, and collaborative leadership.
Board Committee Training – IIA Global Conference, Toronto, Canada	14–16 July 2025	▪ Eng. Boniphace C. Muhegi ▪ Dr. Ally H. Laay ▪ Mr. Martin S. Warioba ▪ Mr. Abdulrazak I. Badru	International Institute of Internal Auditors (IIA Global)	Enhanced competencies in audit and risk governance, sustainability oversight, fraud risk mitigation, and emerging technology impacts on governance; strengthened alignment of internal audit and board roles.
Board Induction Course	23–24 July 2025	▪ Dr. Donald E. Mmari ▪ Ms. Grace P. Joachim ▪ Dr. Judika L. King'ori	Group Corporate Governance Unit CRDB Bank Plc	Provided orientation on governance frameworks, regulatory obligations, board roles, policies, and strategic priorities; increased readiness for effective board participation.

Access to independent advice

The Board may, from time to time, require independent legal, financial, governance or other expert advice. To facilitate this, the Board shall ensure members obtain external advice, as may be required, at the bank's expense and shall invite senior management to provide technical advice as needed.

All non-executive Directors have access to independent professional advice or external specialists to support them in carrying out their responsibilities when the required expertise is lacking among the current Directors or staff within the Group.

Succession planning

The Group has in place a succession plan for those charged with governance of all critical skills, which is being reviewed regularly. The governing body bears ultimate responsibility for the succession plan. This is through the Board governance and Human resources committee. The committee plays a key role in devising criteria for governing body membership and governing body positions and possibly, with the assistance of external advisors, to identify specific individuals for nomination.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

23 CORPORATE GOVERNANCE (CONTINUED)

Succession planning (continued)

The succession discussion features on the Board governance and Human resources committee agenda as often as necessary for the committee to fulfil its duties. This allows the succession plan to take account of the changing dynamics of the business, making the Bank more agile and enhancing its ability to satisfactorily react to any sudden changes that may occur. The committee maintains a profile of desired skills, competencies, and skills gaps that need to be filled by potential candidates. In some cases, the committee may consult external resources (for example external search firms) to identify appropriate individuals to fill vacant positions. The Group also rotates Board members between committees to ensure continuity of experience and knowledge and to introduce people to new ideas and expertise.

Access to information

Those charged with governance have unrestricted access to information, and they are provided with timely information and comprehensive reports on material operational, risk management and financial matters of the Group to facilitate informed discussions during meetings. Those charged with governance have access to the advice of the Company Secretary, who provides support to the Board and is responsible for advising the Board on governance matters. Those charged with the governance also have access to independent professional advice at the Group's expense where they deem necessary to discharge their roles.

Board relationships/ engagement with shareholders/ stakeholders

The Group is committed to maintaining clear communication with our shareholders and other stakeholders by providing regular updates on our performance and addressing any relevant concerns. This commitment is evident through our quarterly financial performance summaries published in leading newspapers, the annual release of audited accounts, and our comprehensive annual integrated report, which complies with regulatory requirements. We also hold an Annual General Meeting to engage directly with our stakeholders.

Additionally, the Board maintains regular communication with analysts and investors, as we believe it is essential to keep them informed about the Bank's financial performance. The Bank strives to publish all relevant information to the market in a timely, effective, and non-discriminatory manner. Financial reports and stock exchange announcements are made available on the Bank's website as well as the Dar es Salaam Stock Exchange website.

Board relationships/ engagement with shareholders/ stakeholders (Continued)

The Board recognizes, respects, and protects shareholders' rights and ensures equitable treatment of all shareholders in the same class of issued shares, whether minority, institutional, or foreign. It also provides shareholders with information as required under applicable law and has established mechanisms to ensure effective communication with shareholders, including the media, if appropriate.

The Board have a stakeholder-inclusive approach and is responsible for giving due consideration to the legitimate interests and expectations of the bank's stakeholders in its deliberations, decisions, and actions. Shareholders are not a uniform group, and their interests may be diverse. Although the Board considers the shareholders' views, the Board's duty is to act in what it believes to be the long-term best interests of the bank and all its shareholders.

The views of certain shareholders are one important factor that the Board evaluates in making decisions.
However, the Board is required to exercise its own independent judgment. Once the Board reaches a decision, the Group consider how best to communicate the Board's decision to shareholders.

The Group engages with long-term shareholders in a manner consistent with the respective roles of the Board and maintains effective protocols for shareholder communications with Directors and for Directors to respond in a timely manner to issues and concerns that are of widespread interest to long term shareholders. The Board has delegated the responsibility of managing stakeholders' relationships to management.

Group culture, ethics, and organisational values

CRDB Bank places great importance on its organizational culture, ethics, and values as it shapes its relationships with various stakeholders, including customers, employees, shareholders, and the wider community. The Bank's culture of excellence and customer-centric approach is evident in everything we do. Furthermore, the Bank realizes that its success is closely linked to the well-being and prosperity of the communities it serves. The Bank is committed to transparency, integrity, and accountability, which ensures that it operates in a responsible and sustainable manner while promoting trust and confidence among its stakeholders.

Additionally, the Bank's emphasis on innovation, customer-centricity, and social responsibility enables it to create long-term value for all stakeholders while driving economic growth and development in Tanzania and beyond. The Bank's culture, ethics, and values also significantly impact its decision-making processes and resource allocation.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

23 CORPORATE GOVERNANCE (CONTINUED)

Group culture, ethics, and organisational values (continued)

The Group's code of conduct embodies its culture and values and reflects its commitment to operating responsibly and ethically with high standards of integrity. It provides a comprehensive description of the employees' responsibilities towards customers, other employees, businesses, and society. The code of conduct is designed to empower employees and enable effective decision making at all levels of our business according to defined ethical principles.

The Group have in place mechanisms for employees to seek guidance and to alert management and the Board about potential or actual misconduct without fear of retribution. As part of fostering a culture of compliance, the Group encourage employees to report compliance issues promptly and emphasize their policy of prohibiting retaliation against employees who report compliance issues in good faith.

Risk management and internal control

The Board ensures that the Bank has sound risk management and an internal control system that is appropriate to its activities. The risk management and internal control systems are based on the Bank's corporate values, ethics guidelines and principles for sustainability and corporate social responsibility ("CSR").

It is the responsibility of the Management to ensure that adequate internal control systems are developed and maintained on an ongoing basis to provide reasonable assurance regarding:

- Operational effectiveness and efficiency;
- Safeguarding of the Group's assets;
- Reliability of accounting records;
- Responsible behaviours towards all stakeholders
- Compliance with applicable laws and regulations; and
- Business continuity.

To ensure the internal controls remain adequate, the Bank has a fully-fledged Risk and Compliance function that coordinates and oversees the implementation of an enterprise-wide risk management framework within the Group. The audit committee, on behalf of the Board, assess issues related to financial review and internal control and the external audit of the Group's accounts. The Board ensures that the Bank can produce reliable annual reports and that the external auditor's recommendations are given thorough consideration. During the year, internal control systems were assessed by the Board and were found to be at an acceptable level.

IT Governance

IT governance is part of the overall corporate governance of the Group, which is aimed at improving the overall management and implementation of IT structure to derive value from investment in information technology. The Group has in place an IT charter and policies which govern the structure and operations of ICT and is being reviewed annually. The charter enables the Group to manage IT risks effectively. It is the responsibility of the Board to ensure the activities associated with information and technology are aligned with the overall Group strategies/business objectives.

Financial reporting and auditing

The Bank publishes its quarterly financial statements within thirty days after the end of the quarter and publishes the annual audited financial statements within fifteen days after approval of the Board but not later than one hundred and five days after the end of the financial year as required by the "Banking and Financial Institutions (Disclosures) Regulations, 2014". Copies of the Bank's last audited financial statements are exhibited in the Bank's branches and website, and the annual report is made available to the public two weeks prior to the AGM.

Those charged with governance are responsible for preparing the Annual Report, including the Consolidated and Bank Financial Statements, in accordance with IFRS Accounting Standards to comply with the Companies Act 2002. In preparing these financial statements, the Directors are required to:

- Adopt the going concern basis unless it is inappropriate to do so;
- Select suitable accounting policies and then apply them consistently; and
- Make judgements and accounting estimates that are reasonable and prudent

The external auditor presented the audit results to the audit committee and the Board at the meeting on the annual financial statements, including any material changes in the Bank's accounting principles and significant accounting estimates. The auditor also reported on whether the financial statements give a true and fair view of the Group's state of affairs.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

23 CORPORATE GOVERNANCE (CONTINUED)

Going concern assessment

Those charged with Governance have made an annual assessment about whether there exists any material uncertainty which may cast significant doubt upon the Bank's ability to continue as a going concern. This assessment involves making appropriate inquiries including review of budget and future outcome of inherent uncertainties in existence. The Directors are convinced from the following indications, which give reasonable assurance as to Bank's continuance as a going concern for the foreseeable future.

- **Financial Performance**

The Bank remains the largest commercial Bank in Tanzania with a leading share of total deposits (29%) and total assets (29%) in the market. The Group closed the year with a strong Balance Sheet, total assets grew by 33.6% to TZS 22,308.9 billion (2024: TZS 16,698.8 billion). Customer deposits increased by 36.5% to TZS 14,930.5 billion (2024: TZS 10,934.1 billion). Net Loans and advances to customers increased by 32.5% from TZS 10,360.8 billion in 2024 to TZS 13,723.3 billion in 2025. After-tax profit of TZS 728.6 (2024: TZS 551.5), growth of 32.1%.

- **Ensuring Sufficient Capital Maintenance**

The Group has demonstrated robust financial health, with the Core capital ratio standing at 16.1% and the Total capital ratio at 17.8%. These figures significantly exceed the minimum regulatory requirements of 12.5% for Tier I capital and 14.5% for Tier II capital, showcasing the Bank's strong capital position and commitment to maintaining financial stability. This solid foundation not only ensures compliance with regulatory standards but also enhances the Bank's ability to support growth and manage risks effectively.

- **Credibility in payment obligations**

The Group has established a strong reputation for credibility in meeting its payment obligations. We have a consistent track record of timely and accurate payments, which reflects our commitment to financial integrity and reliability. This credibility is further reinforced by the Group's robust capital ratios, which exceed regulatory requirements, ensuring a solid foundation for fulfilling its obligations.

- **Positive Operating Cashflow**

Group cash flow represents its strengths in its ability to repay its obligations, ability to adapt in changing circumstances and generate sufficient cash and cash equivalents, which will lead the organization to sustainable future growth. Bank cash flow from operating activities in 2025 was positive TZS 63,685 million (2024:932,148 million).

- **Consistent payment of dividends**

Over the past five years, the Bank has demonstrated strong financial performance and a clear commitment to shareholder value. Dividends per share have risen from TZS 22 per share in 2020 to TZS 90 per share in 2025. This consistent upward trend reflects resilient earnings, effective capital management, and confidence in our long-term strategy. The notable 38% increase in dividends in 2025 highlights our focus on sustainable value creation. We remain committed to delivering strong returns while ensuring sound governance and financial stability.

Year	2020	2021	2022	2023	2024	2025
Dividend Per Share (TZS shilling)	22	36	45	50	65	**90**

- **Cross border/ Business/ expansion**

The Bank has expanded its geographic outreach by opening two subsidiaries in Burundi and the Democratic Republic of Congo and branches in various locations, considering their economic significance. As of December 31, 2025, the Bank operated 261 (2024:259) branches across the region. The Bank places great importance on product diversification, which is a key strategy for achieving customer satisfaction by tailoring services to meet customer needs.
The Bank's management is committed to sustaining this growth in the coming years, demonstrating the Bank's intention for long-term success.

- **Satisfactory credit rating**

CRDB Bank Plc maintains a B1 long-term deposit rating, which is consistent with its B1 Baseline Credit Assessment (BCA) published by Moody's on 4th July 2025. This rating reflects the Bank's strong financial fundamentals. The Bank's robust capitalisation further strengthens its risk-absorbing capacity, enabling it to support balance-sheet expansion while maintaining healthy capital buffers. In addition, the Bank benefits from high liquidity levels, supported by a stable deposit base and prudent liquidity management practices. These strengths are underpinned by a well-established market position, which together reinforce its resilience.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

23 CORPORATE GOVERNANCE (CONTINUED)

Going concern assessment(continued)

- **Workplace satisfaction**

A positive work environment and high employee satisfaction are vital for the Group's long-term success and sustainability. The Group promotes excellent communication among employees and strives to be honest and to treat everyone fairly. Our team is the backbone of our operations, and their engagement, well-being, and productivity directly affect service quality, operational resilience, and strategic execution. Ongoing efforts in employee development and workplace satisfaction are essential for retaining top talent, fostering innovation, and enhancing our overall performance.

The Bank conducted an employee satisfaction survey through an external consultant, with the latest results indicating an overall satisfaction level of 94%. The survey highlighted particularly strong scores in areas such as job satisfaction and internal customer service, demonstrating employees' positive perception of their work environment and the support they receive across the organisation. Further details of the survey outcomes are provided in Section 6: Entity Operation, under the Employee Engagement subsection. The high satisfaction levels underscore the commitment and confidence of our employees, serving as a strong indicator of the Group's continued stability and its ability to operate as a going concern for the foreseeable future.

From the assessment, Those charged with Governance concluded that the Bank and its subsidiaries have the ability to continue as a going concern and satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, those charged with governance are not aware of any material uncertainties that may cast significant doubt on the Bank and its subsidiary's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

In addition, there are no events or conditions that create uncertainty about the Bank's ability to continue as a going concern in the next 12 months.

Executive and Management Team

The Bank's executive office consists of the Managing Director, who is the Chief Executive Officer. He is assisted by the Chief Commercial Officer, Chief Operations Officer, and Chief Finance Officer, who report directly to him. They oversee various functions via the Directors of departments within the Bank.

The Bank is organized in the following functions/ departments:

▪ Finance	▪ Procurement	▪ Corporate Affairs
▪ Credit	▪ ICT	▪ Corporate Banking
▪ Risk and Compliance	▪ Banking Operations	▪ Business Transformation
▪ Treasury and Capital Markets	▪ Retail Banking	▪ Internal Audit
▪ Human Resources	▪ Legal & Company Secretary	▪ Marketing
▪ Customer Experience	▪ Real Estate & facilities management	▪ BCM and Security

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

23 CORPORATE GOVERNANCE (CONTINUED)

Executive and Management Team (continued)

The key management personnel who served during the year were:

Name	Position	Qualification	Age
Dr. Abdulmajid Nsekela	Managing Director & Chief Executive Officer	MBA-IBF, PGD-Business Administration,	54
Mr. Boma Raballa	Chief Commercial Officer	MBA, BA (Accounting)	42
Mr. Bruce Mwile	Chief Operations Officer	MBA (Finance), B.com (Finance)	55
Mr. Frederick Nshekanabo	Chief Financial Officer	MSc. Finance, CPA (T), Advanced Diploma in Accountancy	54
Mr. Alex Ngusaru	Director of Treasury and Capital Markets	MBA (Finance)	57
Mr. Pendason Philemon	Director of Procurement	MBA, CSP (T), CIPP	51
Mr. Godfrey Sigalla	Director of Internal Audit	CPA (T), PGD (Tax management), B, Com (Accounting) and MBA (Finance)	52
Mr. Bonaventure Paul	Director of Retail Banking	MSc. Accounting & Finance, ADA, CPA(T)	43
Mr. Admin Mwansansu	Director of Banking Operations	Bachelor of Commerce in Accounting	42
Mr. Godfrey Rutasingwa	Director of Human Resources	Master's degree in public administration, bachelor's degree in education.	45
Mr. James Mabula	Director of Risk and Compliance	MSc. Finance, MBA, PG Dip. Financial Mgt. Advanced Diploma in Accounting.	51
Ms. Tully-Esther Mwambapa	Director of Corporate Affairs and MD CRDB Bank Foundation	MBA, BA Public Administration & International Relations.	58
Mr. Xavery Makwi	Director of Credit	CPA (T), PGD (Legal Practice), LST, LLB, MBA, B.com (Finance)	57
Mr. Deusdedit Massuka	Director of ICT	MSc. Computer Numerical Control (CNC)	59
Mr. Mussa Kitambi	Director of Corporate Banking	Master's degree in Banking and Finance	50
Mr. Leo Ndimbo	Director of Business Transformation	PGD- BA, Int'l Adv. Dip in Computer Engineering (IADCE)	41
Mr. Pascal Mihayo	Director of Legal Services and Company Secretary	LLB Mzumbe University, LLM Taxation Law, UDSM, Post Graduate Diploma, Law School of Tanzania	39
Mr. Fredrick Siwale	Managing Director – CRDB Bank Burundi (subsidiary)	MBA, PGD in Business Administration	49
Ms. Jessica Nyachiro	Managing Director – CRDB Bank Congo (subsidiary)	MBA International Business, B. Ed & Diploma in Accounting	47
Mr. Wilson Mnzava	Managing Director – CRDB Bank Insurance Company Ltd. (subsidiary)	MSc in Insurance & Actuarial Science, PGD in Cooperative.	50

Key roles and responsibilities of the Management team

The management team, spearheaded by the Group Managing Director and Chief Executive Officer, plays a crucial role in the daily operations of the Group, which oversees a diverse portfolio of financial services. This dynamic team, comprising experienced professionals from various sectors of the banking industry, is tasked with managing day-to-day activities and ensuring the effective execution of the comprehensive strategies and policies established by the Board of Directors.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

23 CORPORATE GOVERNANCE (CONTINUED)

Key roles and responsibilities of the Management team (continued)

Through regular performance monitoring using key performance indicators (KPIs) and data analytics, the Executive Team aligns departmental objectives with the organisation's overarching vision, driving efficiency and excellence. By fostering a culture of accountability and innovation, the management team encourages employees at all levels to contribute ideas and solutions, effectively nurturing talent and promoting professional growth within the Bank. This collaborative approach enhances service delivery and strengthens the Bank's competitive position in the market, ensuring sustainable growth and customer satisfaction

Management team is charged with the following duties:

- **Business operations –** The CEO and management run the Group's business under the Board's oversight, with a view toward building long-term value.
- **Strategic planning -**The CEO and senior management generally take the lead in articulating a vision for the Group's future and in developing strategic plans designed to create long-term value for the Group, with meaningful input from the Board. Management implements the plans following Board approval, regularly reviews progress against strategic plans with the Board, and recommends and carries out changes to the plans as necessary.
- **Identifying, evaluating, and managing risks -** Management identifies, evaluates, and manages the risks that the Group undertakes in implementing its strategic plans and conducting its business. Management also evaluates whether these risks and related risk management efforts are consistent with the Group's risk appetite. Senior management keeps the Board and relevant committees informed about the Group's significant risks and its risk management processes.
- **Accurate and transparent financial reporting and disclosures -** Management is responsible for the integrity of the Group's financial reporting system and the accurate and timely preparation of the Group's financial statements and related disclosures. It is management's responsibility, under the direction of the CEO and the Group's Chief Financial Officer, to establish, maintain and periodically evaluate the Group's internal controls over financial reporting and the Group's disclosure controls and procedures, including the ability of such controls and procedures to detect and deter fraudulent activity.
- **Annual operating plans and budgets -** Senior management develops and presents the group's annual operating plans and budgets to the Board. The management team implements and monitors the operating plans and budgets, adjusting them to reflect changing conditions, assumptions, and expectations**.** The team also keeps the Board apprised of significant developments and changes.
- **Business resiliency -** Management develops, implements, and periodically reviews plans for business resiliency that provide the most critical protection considering the Group's operations. It is the responsibility of Management to identify the Group's major business and operational risks, including those relating to natural disasters, leadership gaps, physical security, cybersecurity, regulatory changes, and other matters. Management develops and implements crisis preparedness and response plans and works with the Board to identify situations (such as a crisis involving senior management) in which the Board may need to assume a more active response role.

A key factor in the ongoing success of the Group is the quality of its management team. This team is composed of individuals with a strong mix of leadership skills and diverse experiences. To effectively leverage this extensive expertise, the Group Managing Director has established Management Committees. These committees consist of departmental Directors and other senior managers as needed.

As of 2025, the Management Committees that support the Group's operations are structured as follows.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

23 CORPORATE GOVERNANCE (CONTINUED)

Executive Committee (EXCO)

Key Focus	Objectives
Strategy development & strategic updates	▪ Oversee strategy development and receive updates on strategic initiatives implementation, including corporate BSC.
Policy development & Governance oversight	▪ Institute policies and recommend to Board for approval ▪ Provide overall Governance oversight.
Leadership & resource deployment	▪ Provide direction for the implementation of key strategic issues. ▪ Provide oversight and direct on optimal resource allocation.
People and culture	▪ Discuss the implementation of culture transformation
Escalation points from other committees	▪ Resolve any escalations from various committees. ▪ Challenge & re-organise underperforming committees of the Bank.
Decision making on key disruptions	▪ Based on various strategic issues (internal & external), decide how to address disruptions and delegate execution to other committees.
Expected Outcome	
▪ Enhanced collaboration between business functions. ▪ Improved productivity as senior management will be able to advise and take the lead on key business.	

Management Committee (MCM)

Key Focus area	Key objective
Business Performance	Key Business strategies implementation updates from Business, including Treasury. Also, discuss the challenges and support needed.
Operational Updates	Key Operational strategies implementation updates, challenges and support needed.
Monitoring of deployed resources	Discuss how human, business, and operational resources have been optimized and give directives to correct deviations.
Escalation points from other committees	Resolve any escalations from various committees working under MCM.
Decision Making	Based on various deliberations, make decisions (within the Mandate) and give directives. Should escalate strategic issues to EXCO.
Expected Outcome ▪ Focused discussions based on key business and operational results. ▪ Increased productivity. ▪ Creates a culture of ownership where some decisions shall be made at a Business unit level instead of being brought to the Meetings.	

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

23 CORPORATE GOVERNANCE (CONTINUED)

The Asset Liability Committee (ALCO)

Key Focus area	Key objective
Manage structure and composition of Assets and Liabilities	▪ Continuously review and decide on strategy and direction of all aspects of balance sheet management ▪ Oversee financial risk management and ensure compliance with all regulatory requirements
Manage Market Risk and Funding Optimization	▪ Ensure the Bank achieve its strategic goal while balancing both risk & return.
Monitor Regulatory Requirements	▪ Review adherence to regulatory limits and requirements
Monitoring of deployed resources	▪ Discuss how business and operational resources have been ▪ optimized and give directives to correct deviations.
Decision Making	▪ Based on various deliberations, make decisions (within Mandate) and give directives

Expected Outcome

+ Focused discussions based on key ALCO targets, deviation, lags & exposure results,
+ Increased productivity, and increased efficiency on resolving deviation from internal limit
+ Creates a culture of ownership where some decisions shall be made at a Business unit level, instead of being brought to the Meetings.
+ Enhance collaboration while decreasing silos among functional units

Management Audit and Risk Committee (MARC)

Key Focus area	Key objective
Risk Appetite	▪ Set the tone and discuss the risk appetite of the Bank, any exceptions and significant deviations reported to Board.
ERM Practices across the Group	▪ Oversight on Risk Management practices across CRDB Bank group
Regulatory Compliance	▪ Oversight on Regulatory Compliance across the Group.
State of Internal Audit	▪ Oversight on where audit matters are being properly managed by the management of both the parent and subsidiaries.
Decision Making	▪ Based on various deliberations, make decisions (within the Mandate) and give directives

Expected Outcome

+ Focused discussions based on key RisksAudit & Controls exposure results,
+ Increased productivity, increase efficiency on resolving audit and risk deviations
+ Creates a culture of ownership where some decisions shall be made at a Business unit level, instead of being brought to the Meetings.
+ Enhance accountability and collaboration while decreasing control issues to functional unit.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

23 CORPORATE GOVERNANCE (CONTINUED)

Productivity and Cost Committee (CPC)

Key Focus	Objectives
Oversight on the Bank's Performance	▪ Continuously review and discuss on strategy execution and all aspects of the Bank's productivity ▪ Oversee cost management and ensure compliance with all regulatory requirements
Monitor Culture & Management Actions	▪ Monitor culture initiatives implementation progress, ▪ Monitor implementation of management directives from various management meetings
Manage BSC Optimization	▪ Ensure Bank achieve its strategic goal while balancing both risk & return through adequate KPIs and targets on day-to-day operations.
Decision Making	▪ Based on various deliberations, make decisions (within Mandate) and give directives. Should escalate strategic issues to EXCO.

Expected Outcome

+ Focused discussions based on key targets, deviation, lags & exposure results,
+ Creates a culture of ownership where some decisions shall be made at a Business unit level, instead of being brought to the Meetings.

Customer Experience Forum (CEF)

Key Focus area	Key objective
Oversight on Customer Experience	▪ Oversight on the issues around customer experience and associated risks.
CX Strategy updates	▪ Key customer experience strategies implementation updates, challenges and support needed from the management.
Performance management	▪ Recommending the establishment of customer service standards and monitoring the performance of management to such standards
Escalation points	▪ Resolve any escalations from branches and customer experience team, act as a centre for guidance and support
Decision Making	▪ Based on various deliberations, make decisions (within Mandate) and give directives. Should escalate strategic issues to EXCO.

Expected Outcome

+ Focused discussions based on key business results, to drive experience to customers.
+ Increased productivity and ownership of deployed resources to create better customer experience culture.
+ Creates a culture of ownership by business units to drive accountability around custome experience.
+ Enhance accountability and collaboration while decreasing control issues around the customer experience process.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

23 CORPORATE GOVERNANCE (CONTINUED)

Compensation of Key Management Personnel

The Board reviews and approves the compensation of key management personnel on an annual basis. The remuneration of key management personnel during the year was TZS 23,390 million (2024: TZS 12,588 million). Details are in note 63 of the financial statement.

Group Performance evaluation and reward

The Group's performance and reward approach ensures remuneration structures are balanced and are designed to drive sustainable performance by ensuring that reward programmes support our business strategy and are both supportive of and aligned with sound remuneration practices. Individual rewards and incentives are linked directly to the performance and behaviour of the employee, the performance of their respective business units and the interests of shareholders. Details on the remuneration of the key management personnel are disclosed in Note 63 to the financial statements

24 QUALITY MANAGEMENT

Information security management system

The Bank is certified with ISO 27001: 2013 (Information security management system) international standard by the British Standard International (BSI). The certificate indicates the secure management of financial products and services, information processing and store facilities, databases, clients' data, and the Bank's financial information in core banking operations in the Bank.

The Bank has been certified as compliant with the Payment Card Industry Data Security Standard (PCI-DSS), which applies to any company that accepts, stores, processes, or transmits cardholder data. The certification was presented to the Bank following an in-depth assessment by Qualified Security Assessor (QSA) - Advantio Limited and after the Bank was found to have met all the standards' requirements. This compliance helps the Bank protect its payment systems from breaches and theft of cardholder data.

Business Continuity

Being the leading Bank in Tanzania, we found it imperative to be at the forefront of improving our business resilience by benchmarking our practices against the best management system/standards in the market. In this regard, we have been certified by the British Standards Institute (BSI) as ISO22301:2019 BCMS certified. ISO 22301 is the international standard for Business Continuity Management (BCM), and it provides a practical framework for setting and managing a business continuity management system, aiming to prevent, prepare for, respond to, and recover from unexpected and disruptive incidents.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT

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THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.1 BASIS OF PREPARATION

Statement of compliance

The sustainability report of CRDB Bank Plc and its subsidiaries (the 'Group') has been prepared in accordance with IFRS Sustainability Disclosure Standards as issued by the International Sustainability Standards Board (ISSB). Additionally, when preparing this report, the disclosure topics outlined in the Sustainability Accounting Standards Board (SASB) standards have been referenced and considered and selected GRI disclosures have been provided.

Connectivity with financial statements

This report contains the sustainability-related financial information of the Group for the financial year ended 31 December 2025. It aligns with the reporting period of the Group's consolidated financial statements. This report makes connections with other reports, including the financial statements, to present a cohesive view of how relevant sustainability-related risks and opportunities could impact the Group's financial position, performance and cash flows over the short, medium and long term. Where applicable, quantitative sustainability-related metrics are directly connected and cross-referenced to relevant financial statement line items, such as energy costs, provisions and capital expenditure on decarbonisation initiatives.

The Group defines the time horizons based on when sustainability-related risks and opportunities are reasonably expected to occur. As of the end of the reporting period, the following time horizons were identified, and these align with the timelines used for strategic decision-making:

- Short Term (2025 to 2027);
- Medium Term (2028 to 2032); and
- Long Term (2033 to 2040 onwards).

In preparing its sustainability-related financial disclosures, the group has assessed its own operations and its value chain, which includes, amongst others, our customers and suppliers. Refer to note 25.2 for information on the value chain.

Functional and presentation currency

Sustainability-related financial information is presented in Tanzania shillings (TZS), which is the functional currency, and the amounts have been rounded to the nearest million, unless otherwise stated.

Sources of guidance

In preparing its sustainability-related financial disclosures, the Group has drawn upon the Sustainability Accounting Standards Board (SASB) Standards to identify relevant topics and metrics. These standards provide a structured framework tailored to industry-specific sustainability issues, helping the Group ensure that its reporting aligns with investor expectations and regulatory trends. By referencing SASB, the Group demonstrates a commitment to transparency and comparability in its sustainability performance, particularly in areas that materially impact financial outcomes.

Additionally, the Group has supplemented its approach by incorporating guidance from the Global Reporting Initiative (GRI) Standards, especially where SASB may not fully capture the breadth of its sustainability impacts. GRI offers a broader stakeholder-focused perspective, enabling the Group to address environmental, social, and governance (ESG) concerns more comprehensively. This blended methodology reflects the Group's intention to provide robust, credible, and stakeholder-relevant sustainability disclosures that support both accountability and strategic decision-making.

First-time adoption of IFRS Sustainability Disclosure Standards and transition reliefs

The Group is reporting under IFRS Sustainability Disclosure Standards for the first time for its annual reporting period ending 31 December 2025. It has applied the following standards for its annual reporting period commencing 1 January 2025:

- IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information'.
- IFRS S2 'Climate-related Disclosures'.
- In preparing this report, the Group has applied the following transition reliefs for the first annual reporting period:
- Not to disclose comparative information on climate risk and opportunities; and
- Not to disclose Scope 3 emissions of the following categories: one, two and four.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.2 OVERVIEW OF THE GROUP AND VALUE CHAIN

Overview of the Group

Our key business activities

The Group operates through its Retail, Corporate, Treasury, and Insurance divisions to offer a diverse range of financial products tailored to various market segments. The Group continues to strengthen its digital capabilities to provide seamless customer experiences via platforms such as SimBanking, Internet Banking, POS machines, and Fahari-Huduma agency banking, while maintaining strong customer outreach through an extensive branch network. The Group has positioned itself as among leading and innovative financial partner in East Africa, operating in Burundi and DRC Congo (DRC), delivering services in corporate, small business, institutional, and consumer banking, as well as capital markets and insurance, supported by a wide infrastructure of branches (261), ATMs (732), POS terminals (6,607), and registered agents (38,883).

Our value chain

To successfully deliver banking services, the Group operates within a network of relationships and dependencies. These include both upstream and downstream entities, as well as internal resources, each playing a vital role in ensuring operational efficiency, regulatory compliance, and customer satisfaction. Understanding these relationships clarifies how various stakeholders contribute to the banking services value chain.

The table below categorises these stakeholders based on their position in the service delivery flow:

Category	Entities / Resources	Role in Banking Services
Upstream	Suppliers, Investors, Shareholders, Regulators, External Consultants, Logistics Companies	Provide essential resources, capital, governance, expertise, and infrastructure to support banking operations.
Internal	Employees	Execute daily operations, ensure compliance, and deliver customer service.
Downstream	Customers Broader Community	Receive banking services; their needs and feedback shape service offerings and improvements.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.3 REPORTING BOUNDARY

Reporting boundary (excluding GHG emissions)

Reporting entity

The entities and assets (referred to as the 'reporting entity') included in the Group's sustainability report are the same as those included in the Group's 31 December 2025 financial statements. During the reporting period, there were no changes to the Group structure.

The Group's reporting entity and the extent of sustainability-related information considered and included in the Group's consolidated sustainability report are summarised below:

Entities and assets in the reporting entity	Additional information	Note in financial statements	Information considered and included
Parent and subsidiaries	The Group comprises the parent company and its fully and partially owned subsidiaries.	Note No 37	100% of the sustainability information, including consolidated subsidiaries not fully owned
Leased assets (group is lessor)	The Group has investment properties that it leases to tenants under operating leases. The investment property continues to be recognised in the Group's statement of financial position.	Note No 62.3	**"**Downstream Leased Assets" were assessed as relevant but immaterial. This means that while these categories are part of our value chain, their contribution to overall emissions is minimal and does not significantly impact our carbon footprint.
Leased assets (group is lessee)	The Group leases various branch/ outlets. The Group has the right to control the use of the asset as well as the right to substantially all of the related economic benefits during the term of the lease	Note No 47	100% of the sustainability information related to the use of the leased assets during the lease term

Greenhouse gas (GHG) emissions measurement and reporting boundary

The Group measures and reports its GHG emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) (commonly referred to as the GHG Protocol), unless otherwise specified by the requirements of IFRS S2 – Climate-related Disclosures.

To ensure comprehensive and consistent reporting of indirect emissions, the Group also applies the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. This standard provides a structured framework for identifying and categorizing emissions across the fifteen Scope 3 categories, which include upstream and downstream activities.

The Group's GHG reporting boundary is defined by two key components:

- Organizational Boundary: Established using the operational control approach, whereby the Group accounts for 100% of emissions from operations over which it has the authority to implement operating policies and procedures.
- Operational Boundary: This describes the classification of emissions into Scope 1 (direct emissions from owned or controlled sources), Scope 2 (indirect emissions from the generation of purchased electricity, steam, heating, and cooling consumed by the Group), and Scope 3 (indirect emissions that occur in the value chain).

By applying these standards and boundary definitions, the Group ensures that its GHG emissions reporting is accurate, transparent, and aligned with internationally recognized best practices.

a. Organizational Boundary Determination

In accordance with the GHG Protocol, the Group has adopted the operational control approach to define its organizational boundary for greenhouse gas (GHG) emissions reporting. This approach entails accounting for 100% of the GHG emissions from operations over which the Group has full authority to introduce and implement operating policies, regardless of ownership interest.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.3 REPORTING BOUNDARY (CONTINUED)

Greenhouse gas (GHG) emissions measurement and reporting boundary (continued)

The Group considers the operational control method to be the most suitable and effective for accurately capturing its emissions profile. This is because it aligns with the Group's governance structure and reflects the extent of its influence over day-to-day operational decisions that directly impact emissions. By applying this approach, the Group ensures consistency, transparency, and accountability in its GHG reporting, thereby supporting its broader sustainability and compliance objectives.

The group has operational control over the following entities, assets, and operations:

	Additional information	Note in financial statements
Parent and consolidated subsidiaries	The Group has operational control across its subsidiaries because it has full authority to introduce and implement operational policies.	Note No. 37

b. Operational boundary

Direct GHG emissions from sources that are owned or controlled by businesses and operations within the Group's organisational boundary are reported as scope 1 GHG emissions of the Group. GHG emissions from the generation of purchased electricity consumed by these businesses and operations are reported as scope 2 GHG emissions of the Group. The Group's relevant portion of other indirect emissions arising from its activities is reported as the Group's scope 3 emissions.

25.4 JUDGEMENTS AND MEASUREMENT UNCERTAINTIES

In preparing this sustainability report, management has applied judgement in several key areas. These include identifying sustainability-related risks and opportunities, as well as determining which information is material and should be disclosed. The report also relies on estimates for certain data points that cannot be directly measured. Such estimates are necessary when the sustainability information pertains to entities within the value chain, involves forward-looking projections, or is affected by data limitations.

This section highlights the most significant judgements made by management and the areas where measurement uncertainty is highest. Further details on these judgements and the sources of estimation uncertainty are provided in the referenced note disclosures.

Significant Judgments

Topic	Description
Materiality process	Management applied significant judgement to identify the sustainability-related risks and opportunities that could reasonably be expected to affect the Group's prospects, as well as the material information related to those risks and opportunities. The process that the Group followed in assessing what information could reasonably impact the Group's prospects and influence decisions of primary users is detailed in note 25.Judgement was also applied in considering which metrics included within the disclosure topics in the SASB standards applied to the Group.
GHG emissions	The Group applied judgment in the following areas: ▪ Selection of appropriate emission factors; and ▪ Use of proxy activity data for Scope 3 emissions where actual data was unavailable.
Organisational boundary for GHG emissions	The Group has utilised the operational control approach to establish its organisational boundary for reporting greenhouse gas (GHG) emissions. This method involves identifying all operations where the Group has the authority to implement and enforce operational policies. Selecting the appropriate boundary-setting methodology and determining which operations fall under the Group's operational control requires careful consideration and involves significant judgment.
Calculation methods for GHG emissions	The Group has applied a combination of different calculation methods to determine its scope 3 GHG emissions. Management has applied judgment in determining the most appropriate calculation methods for each category, based on data availability and quality.
Scenario selection	Selecting scenarios for climate-related scenario analysis required judgment to reflect a range of temperature outcomes and transition pathways that capture the uncertainties most likely to affect the Group's strategy, business model, financial position and performance.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.4 JUDGEMENTS AND MEASUREMENT UNCERTAINTIES (CONTINUED)

Measurement uncertainty

Topic	Description
GHG-related metrics	The Group measures its greenhouse gas (GHG) emissions in accordance with the GHG Protocol, unless otherwise specified, in compliance with IFRS S2 requirements. The disclosed metrics are subject to significant inherent uncertainties due to reliance on activity data and emission factors provided by third parties. In cases where such data is unavailable or incomplete in a timely manner, estimates are applied.
Climate transition risk – Policy changes	In assessing transition risks, we applied climate-related scenario analysis using the Network for Greening the Financial System (NGFS) pathways, which involve significant judgment given the inherent uncertainty in future policy, technological, and market developments. We selected the NGFS scenarios: Nationally Determined Contributions (NDCs), Delayed transition, Net Zero 2050, and Current Policies. The Current Policies scenario is used as a baseline for Risk Factor Pathways (RFPs). The choice of scenario, underlying assumptions and time horizons were based on relevance to our operations and exposure. These scenarios carry material uncertainties, particularly regarding the timing and stringency of climate policies and their economic effects.

25.5 SUSTAINABILITY GOVERNANCE

Board oversight of sustainability matters

Those charged with governance oversee sustainability-related risks and opportunities, as outlined in the Environmental, Social, and Climate Risk Management Policy. However, the implementation of the sustainability initiatives has been delegated to management through a dedicated unit, the 'Sustainability Unit'. This unit plays a crucial role in advancing the Bank's sustainability agenda, ensuring that environmental and social considerations are integrated into all aspects of Bank operations.

The Sustainability unit comprises experts who manage environmental, social, and climate-related financial risks. To fulfil this role, the unit has developed a checklist for the routine evaluation, assessment, and monitoring of environmental and social risks, as well as for managing climate-related financial risks within the credit portfolio.

The governance body possesses knowledge and skills gained from various sustainability training programs, equipping it to oversee strategies that address these risks and opportunities.

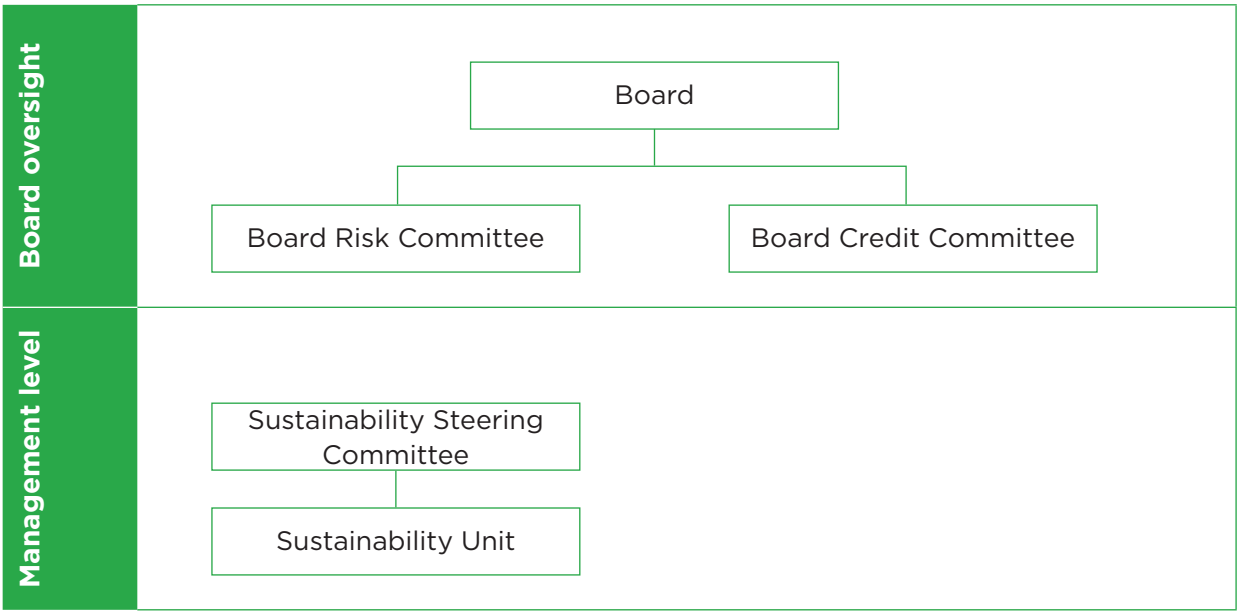
Those charged with governance oversee the execution of sustainability initiatives by reviewing detailed quarterly reports submitted by management. These reports not only present progress towards established sustainability targets but also analyse the challenges encountered and the strategies adopted to overcome them. Sustainability remains a vital focus at all quarterly board meetings, where it is consistently highlighted as a core component of creating a sustainable future. The Board actively engages in discussions about ongoing initiatives, evaluates performance metrics, and sets new objectives to enhance our environmental and social impact, demonstrating our unwavering commitment to fostering a sustainable future.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.5 SUSTAINABILITY GOVERNANCE (CONTINUED)

An overview of the Group's sustainability governance structure based on internal practice is set out below:



Our Environmental, Social, and Climate risk management policy statement

he Bank is committed to promoting environmentally sound and sustainable development in the full range of its credit products. We believe that environmental, social, and climate sustainability is fundamental to achieving outcomes consistent with our credit policy. We recognise that projects that foster environmental, social, and climate resilience rank among the highest priorities of our activities.

The responsibilities and activities of the Board and its Committees are outlined below.

The Board of Directors provides overall stewardship of climate-related risks and opportunities, with specific responsibilities that include

- Approve the Environmental, Social, and Climate Risk Management Policy as recommended by senior management and ensure that the management complies at all times with the requirements of this policy.
- Approve the implementation of green and climate finance-related projects or programs under international funds.
- Provide an oversight role to ensure compliance with all applicable legal and regulatory requirements of environmental, social, and climate risk management.
- Ensure an appropriate collective understanding of climate-related financial risks at both the board and senior management levels.

Board Capacity Building for Effective Sustainability Oversight

To ensure robust and informed oversight of sustainability matters, Those charged with Governance actively engage in specialized training programs designed to enhance their understanding and governance capabilities in key areas of sustainability and climate-related risk.
These training sessions are tailored to address the evolving landscape of sustainability and include comprehensive modules on:

- Governance and Impact Management: Equipping board members with the tools to evaluate and guide the Bank's sustainability strategy, assess social and environmental impact, and ensure alignment with stakeholder expectations.
- Climate Strategy and Risk Management: Providing insights into climate-related risks and opportunities, including physical and transition risks, and how these affect the Bank's portfolio, operations, and long-term resilience.
- Disclosure and Reporting Practices: Ensuring familiarity with global and local disclosure frameworks, particularly the SASB standards, Task Force on Climate-related Financial Disclosures (TCFD) and the Bank of Tanzania (BOT) 2025 Guidelines, to promote transparency, accountability, and regulatory compliance.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.5 SUSTAINABILITY GOVERNANCE (CONTINUED)

Board Capacity Building for Effective Sustainability Oversight (continued)

Recognising the dynamic nature of climate finance and ESG regulations, CRDB Bank has committed to ongoing and progressive training for its Board. These sessions are designed to deepen fluency in:

- Emerging climate risk assessment methodologies
- Regulatory developments and supervisory expectations
- Opportunities in climate finance, including green bonds, sustainable lending, and blended finance instruments

This continuous learning approach ensures that the Board remains well-informed, proactive, and capable of steering the Bank toward sustainable growth and resilience in a rapidly changing global environment.

Trade-offs to comply with sustainability initiatives

The Bank is committed to integrating sustainability into its operations, but this commitment involves navigating several trade-offs. One significant trade-off is the allocation of financial resources. Investing in sustainable technologies and practices often requires substantial upfront costs, which can impact short-term profitability. However, these investments are essential for long-term environmental benefits and regulatory compliance.

Additionally, the bank must balance the need to meet immediate financial targets with the imperative to support social and community initiatives that may not yield immediate returns but are crucial for long-term social impact.

Another trade-off involves operational adjustments, such as adopting energy-efficient systems or reducing waste, which may initially disrupt established processes but ultimately lead to greater efficiency and sustainability. By carefully managing these trade-offs, Bank aims to achieve a sustainable balance that supports both its financial goals and its commitment to environmental and social responsibility.

Remuneration for sustainability initiatives

There is no direct link between executive compensation and the achievement of sustainability initiatives. While we recognise the importance of sustainability in our overall business strategy, our remuneration policies have traditionally focused on financial performance metrics such as revenue growth, profitability, and shareholders' return.

However, we understand that integrating sustainability into our remuneration structure is crucial for aligning our long-term business goals with environmental and social responsibilities. As we move forward, we are committed to exploring ways to incorporate sustainability metrics into our executive compensation plans. This will ensure our leadership is motivated to achieve both financial success and significant advancements in our sustainability efforts.

By linking compensation to sustainability performance, we believe it will foster a culture of accountability and commitment to sustainable practices. This approach will motivate our team to achieve financial targets and contribute positively to the environment and society.

Management's Role in Assessing and Managing Climate-Related Risks and Opportunities

Senior Management Accountability

The Bank's senior Management shall have the following responsibilities

- The overall responsibility of implementing the environmental, social, and climate risk Environmental, Social, and Climate Risk Management Policy.
- The Bank's internal management strategies and policies by ensuring this policy is translated into working procedures and that processes are put in place to manage and control the Environmental, Social, and Climate risks of the credit portfolio in accordance with this policy.
- Monitor the bank's environmental, social, and climate risk profile and take timely remedial actions in case there is a deterioration of the credit portfolio in terms of environmental, social, and climate-related issues.
- Ensure enforcement that the bank's lending staff possess adequate skills and competences to manage the bank's loan portfolio and its inherent environmental, social, and climate-related risk exposures.
- Ensure that the risk and compliance functions and internal and external audit functions review the extent of adherence to this policy and the adequacy of its controls.
- Ensure approval of the environmental, social, and climate-related budget for effective implementation and realization of policy objectives.
- Develop and implement environmental, social, and climate-related financial risk management strategies, policies, and frameworks.
- Regularly review the effectiveness of the strategies, policies, frameworks, tools, and controls.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.5 SUSTAINABILITY GOVERNANCE (CONTINUED)

Management's Role in Assessing and Managing Climate-Related Risks and Opportunities

- Ensure that the internal structures responsible for managing environmental, social, and climate-related financial risks are clearly defined and have adequate resources, skills, and expertise.
- Ensure that staff have sufficient awareness and understanding of the sustainability business practice and are able to identify potential environmental, social, and climate-related financial risks through periodic training and capacity development; and
- Ensure that material environmental, social, and climate-related financial risk issues are addressed in a timely manner.

Sustainability Committee

The Committee, chaired by the Chief Financial Officer and comprising the Chief Commercial Officer, Company Secretary, and other senior leaders, meets at least once every two months to provide strategic guidance and oversight on sustainability with a clear emphasis on climate change. Its mandate includes:

- Integrate climate considerations into enterprise decision-making and operations.
- Align initiatives with the Bank's strategy, regulatory requirements, and leading international standards.
- Promote innovation and technology deployment that strengthens climate resilience and performance.
- Oversee sustainability projects and evaluate effectiveness against strategic goals.
- Ensure timely compliance with evolving regulatory requirements and market changes.
- Foster a culture of sustainability and continuous improvement.
- Ensure climate-related risks are identified, assessed, mitigated, and embedded within the enterprise risk management (ERM) framework.

Business and Functional Integration

Credit Department

- Ensure that all projects/business activities loan packs have dully filled environmental and social Risk Assessment (ESRA) checklist and incorporate the climate-related financial risk issues and field visit reports are in place.
- Ensure the ESRA checklist has been completed by the responsible lending officer (RO/RM) during customer recruitment and/or during regular customer meetings with key personnel, monitoring, or when customers request project expansion or additional financing enhancement.
- Ensure the availability of the Environmental and Social Risk Assessment (ESRA) section to all credit appraisal templates in order for the credit analyst to input his or her environmental and social as well as climate-related analysis observations.
- Involve the Sustainable Finance Unit (SFU) in the review of various credit documents, including appraisal templates, policies, procedures, training guidelines, curriculums, and manuals, to ensure the inclusion of ESRA and climate risk assessment in the credit flow from end to end.
- Ensure that climate-related financial risks are assessed, for instance, during client onboarding, credit application, and credit review processes.
- The credit management team and other authorities in the loan appraisal, approval, and disbursement processes should be aware and consider that E&S risks are as critical as other risks during the credit appraisal process. The commitment of management will motivate other technical staff to consider ESRA during day-to-day project financing.
- Ensure understanding of environmental, social, and climate issues and involve the Sustainable Finance Unit (SFU) in all credit-related training for all levels, including entry-level, periodic, and internal training curriculum, in order to build internal capacity and awareness for sustainability, environmental, and social management systems (ESMS) and climate-related financial risk exposures and mitigation tools of the bank.
- Ensuring that Environmental, Social and Climate-related risk covenants in loan agreements executed between the bank and borrowers are adhered to.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.5 SUSTAINABILITY GOVERNANCE (CONTINUED)

Sustainable Finance Unit (SFU)

The Bank has a dedicated Sustainable Finance Unit (SFU) that oversees the implementation of climate action projects based on our social and environmental policies and procedures. The SFU ensures that our projects adhere to international best practices and environmental and social management systems (ESMS).This unit is guided by our comprehensive social and environmental policies and procedures, ensuring that all initiatives align with our commitment to sustainability. The SFU not only monitors compliance with these internal policies but also ensures that our projects adhere to international best practices. In doing so, it rigorously applies environmental and social management systems (ESMS) to assess and mitigate potential impacts, fostering responsible and effective project execution that supports our broader environmental goals.

The bank has established a governance framework designed to ensure that both the Board of Directors and senior management play an active role in overseeing sustainability and climate-related risks and opportunities. This framework facilitates an integrated approach to governance, where climate risks and opportunities considerations are not only recognized but also prioritized within the organization's overall strategy.

The Board receives quarterly updates on sustainability initiatives, allowing for informed discussions and decision-making. These updates encompass various aspects, including progress on current sustainability projects, challenges faced, and potential opportunities for enhancement. By incorporating sustainability into the strategic decision-making process, the bank aligns its business objectives with the broader goals of the environment, where the Climate is the central focus and social responsibility, ensuring that sustainability is a fundamental element of its long-term strategy. This proactive approach helps the bank effectively manage climate risks and opportunities while positioning it as a leader in sustainable banking practices.

This unit leads the Bank's sustainability agenda through a structured Environmental and Social Management System (ESMS) and drives the development of climate finance proposals. This function is organised into three dedicated sub-units to ensure focused execution and impact.

- *Policy Advisory & Climate Finance*

Develop and oversee Group climate policies and strategies, including monitoring, evaluation, and impact reporting, to address the intersection of social, economic, and environmental/climate risks and opportunities, while ensuring regulatory compliance.

- *Sustainable Projects & Programs (SPP)*

Implementation of sustainable programs and projects; supervises, manages, and monitors approved projects and programs; manages environmental and social impacts as well as gender action plans for bank-financed and climate-window projects. Provides annual policy review recommendations to the Board; manages end-to-end E&S and climate-risk processes; proposes process improvements; delivers training across lending functions; and prepares timely E&S reports to internal stakeholders.

In addition to making recommendations to the Board for review of this policy annually, the Sustainable Finance unit has the following specific responsibilities:

+ Overall, in charge of end-to end environmental, social, and climate-related financial risk management. In fulfilling this role, the unit shall develop guidelines and controls that govern routine evaluation, assessment, and monitoring of E&S risks, as well as managing climate-related financial risk in the credit portfolio.
+ Propose to the management new processes or improve the existing ones that must be implemented by lending officers to address the identified environmental, social, and climate risks.
+ Build awareness and provide relevant training on sustainability practices, including the
+ Environmental, Social, and Climate Risk Management Policy, to management and all staff responsible for lending functions within the bank and its subsidiaries.
+ Prepare and provide timely reports on E&S issues to all relevant internal and external stakeholders, including investors (where applicable).

Finance

+ Align sustainability initiatives/ projects with financial planning and budgeting
+ Provide insights into sustainability's impact on financial performance and risks
+ Ensure financial disclosures on the sustainability and climate risks and opportunities comply with various regulatory requirements.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.5 SUSTAINABILITY GOVERNANCE (CONTINUED)

Risk & Compliance

- The risk function shall conduct independent climate-related financial risks assessment and monitoring and advise on measures to mitigate risks.
- Perform stress testing on climate-related financial risks and advise on risk mitigation measures.

Internal Audit

- The internal audit function shall provide assurance to the board and senior management with respect to the effectiveness of controls put in place to mitigate risks inherent in environmental, social, and climate-related financial risks.

More details on Governance including Those charged with governance are in section 23

25.6 STRATEGY

The Bank's sustainability strategy is deliberately designed to align our business priorities with strong ethical values, ensuring that our growth creates meaningful and lasting impact. Our approach focuses on generating positive outcomes for all stakeholders, employees, customers, shareholders, and the communities we serve while protecting the environment for future generations.

Sustainability is integrated into the Bank's overarching Group Strategy, guiding how we operate and create value. We place strong emphasis on inclusive economic growth, social well-being, and responsible environmental stewardship. We recognise that robust sustainability practices not only mitigate operational and strategic risks but also unlock opportunities for innovation, resilience, and sustainable financial performance.

Our ambition is to remain a purpose-driven institution that leaves a meaningful, enduring, positive footprint across all regions where we operate.

We are committed to supporting a transition toward a low-carbon, climate-resilient economy while advancing equitable socio-economic development. We deliver on this commitment by embedding sustainability considerations across our governance structures, operational processes, product innovation, risk management practices, and stakeholder engagement efforts.

Pillars of our sustainability strategy

Our sustainability ambition	**To leave a positive footprint in every aspect of life**		
Sustainability pillars	**Lead a positive social impact**	**Drive transition to a sustainable economy**	**Foster collaborations for greater impact**
	Contribute towards an inclusive and financially healthier society.	Deliver financial solutions and advisory to individuals and companies in vulnerable sectors	Work with others to create more impact and achieve long-term value.

The Bank is committed to building a resilient and sustainable business model that effectively addresses climate-related risks and leverages emerging opportunities. Climate change presents both challenges and prospects that can influence our operations, value chain, and long-term growth. This section outlines how sustainability considerations are integrated into our strategic planning and decision-making processes, ensuring that our approach supports sustainable economic development and aligns with national and global climate priorities.

We focus on:

- Identifying climate-related risks and opportunities that could reasonably impact the Bank's prospects
- Assessing the current and anticipated effects of these factors on our business model and value chain
- Embedding climate considerations into strategic decisions, which includes our initiatives towards a low-carbon economy.
- Evaluating the implications for our financial position, performance, and cash flows across short, medium, and long-term horizons and,
- Strengthening the resilience of our strategy and business model under different climate scenarios. Through these measures, the Bank demonstrates its commitment to supporting a sustainable financial ecosystem and fostering inclusive growth in Tanzania and the region.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.6 STRATEGY (CONTINUED)

Materiality assessment

The Group recognizes that assessing materiality requires careful consideration of applicable materiality standards and our purpose in communicating material topics to our stakeholders. Our public disclosures, including our sustainability and climate-related reports, focus on topics relevant to our business and of interest to investors and other stakeholders.

In our environmental, social, and governance (ESG) and climate-related disclosures, we adapt our approach to materiality based on the topic and intended purpose. While we adhere to the definition of materiality established by the International Sustainability Standards Board (ISSB), the Bank also considers additional factors, including the materiality standards of external frameworks and reporting guidelines related to climate and sustainability. We incorporate the views of our key stakeholders and our ambition to lead within our industry.

When discussing climate risks and opportunities, the Bank employs a materiality approach consistent with both ISSB standards and the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. We generally assess ESG matters using the same method applied to our required disclosures. We also include information of interest to investors and clients, beyond what is included in mandatory reports.

A two-step materiality process

The Group conducts materiality assessments to identify sustainability-related opportunities and risks (SROs) that could significantly impact its strategy, business model, and long-term outlook. Following an initial assessment in 2023, a comprehensive update was undertaken in 2025 to ensure alignment with the IFRS Sustainability Disclosure Standards and to support a thorough evaluation of relevant sustainability matters.
A two-step materiality process was followed:

- **Step 1:** identify sustainability-related risks and opportunities that could be reasonably expected to affect the Group's prospects over the short-, medium-, and long term.
- **Step 2:** identify material information – determination of the disclosures which are needed in relation to the sustainability-related risks and opportunities identified.

This process aimed to identify information about the sustainability-related risks and opportunities that could reasonably be expected to affect the Group's prospects and influence decisions made by primary users of financial statements. Management focused specifically on our stakeholders (more details on section 8 and 11 in the report of Those charged with governance).

The Group finalised its materiality assessment, including the identification of risks and opportunities at the end of the 2025 reporting period. Any events or changes that occurred during the period had already been considered as part of the materiality determination process. The Group followed a systematic approach and referred to several different sources to identify the sustainability-related risks and opportunities of the Group. The Group considered its own activities and activities in the upstream and downstream value chain (see note 2.2) in the assessment.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.6 STRATEGY (CONTINUED)

A two-step materiality process (continued)

The process followed is summarised below:

Understand the Group's operations, resources, and relationships	Understanding the context in which the Group operates was the first step of the process. The Group considered its business activities, including products and services provided, as well as the geographical, legal, and regulatory landscape of the operations. The Group also considered the resources that it depends on and the relationships that it has along its value chain. A high-level overview of the context considered as part of this assessment is summarised below: ▪ **Key locations**: The Group operates in Tanzania, Burundi, and the Democratic Republic of Congo, each with distinct economic, regulatory, and social landscapes that influence its operations and sustainability priorities. ▪ **Regulations:** The Bank is subject to a range of financial, environmental, and social regulations, including those set by central banks, financial supervisory authorities, and regional and international compliance frameworks. ▪ **Key resources**: The Bank relies on a diverse set of strategic resources that support its operations, growth, and sustainability objectives. These include suppliers, investors, shareholders, regulators, external consultants, logistic companies, employees, customers, and the community we serve.
Identify risks and opportunities	The primary source to identify the Group's risks and opportunities was the understanding of the Group's operations and value chain (described in the section above). The Group considered whether it's critical resource inputs, relationships, and interdependencies with the value chain are subject to sustainability-related risks or whether they create opportunities that would affect the Group's ability to generate cash flows. The Group also considered other internal and external sources of information to identify any additional risks and opportunities. The sources include the following: + Existing risk management + Educational materials issued by the IFRS Foundation related to IFRS S1 and IFRS S2. + Disclosure topics in the SASB standards for the commercial Banks and Insurance. + Engagement with the following stakeholders: employees, investors, customers, suppliers, lenders, and consultants.
Assess whether the risks and opportunities could reasonably be expected to affect the Group's prospects	The Group evaluates the potential impact of sustainability-related risks and opportunities on its prospects over the short, medium, and long term. This assessment considers factors such as: + Cash flows – including the magnitude, timing, and uncertainty of the Group's incoming and outgoing cash flows. + Access to finance – the Group's ability to secure funding when needed. + Cost of capital – the expenses incurred in obtaining financing for operational and investment activities. The assessment considered a range of qualitative and quantitative factors – including the nature, magnitude and likelihood of impacts – from both management and user perspectives.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.6 STRATEGY (CONTINUED)

A two-step materiality process (continued)

Step 2: Identification of material information

Once the sustainability-related risks and opportunities have been identified, the second step is to identify the material information to be disclosed for each risk or opportunity. The Group considered whether information is material in the context of the Group's sustainability reporting, and it took into account both qualitative and quantitative characteristics. The judgements applied around the identification of material information for the sustainability-related risks and opportunities will be reassessed at each reporting date.

The Bank's climate-related risks and opportunities across time horizons

As climate change accelerates, the Bank recognizes the imperative to proactively identify, assess, and respond to climate-related risks and opportunities that could influence its operations, financial performance, and strategic direction. These risks and opportunities vary across short, medium, and long-term horizons, necessitating a dynamic and forward-looking approach to risk management and sustainable growth.

Short-Term (1–3 Years): Operational and Regulatory Shifts

- **Physical Risks:** Increased frequency of extreme weather events (e.g., floods, droughts) may disrupt branch operations, data centers, and customer access to banking services.
- **Transition Risks:** Rapid changes in regulatory frameworks, such as new climate disclosure requirements and other guidelines from the Regulators, may require swift compliance adjustments.
- Opportunities: Expansion of green financial products (e.g., climate-resilient loans, green bonds) and partnerships with development institutions to support climate adaptation projects.

Medium-Term (3–7 Years): Market Dynamics and Stakeholder Expectations

- **Physical Risks:** Gradual changes in climate patterns may affect agricultural productivity, impacting loan portfolios tied to agribusiness and rural development.
- **Transition Risks:** Shifting investor and customer preferences toward sustainable banking practices may influence brand reputation and capital access.
- **Opportunities:** Investment in digital banking and fintech solutions to reduce carbon footprint, and development of ESG-aligned lending frameworks to attract climate-conscious investors.

Long-Term (7+ Years): Systemic Shifts and Strategic Transformation

- **Physical Risks:** Long-term climate variability could reshape economic sectors, particularly agriculture, energy, and infrastructure, core areas of the Bank's lending.
- Transition Risks: Global movement toward a low-carbon economy may require strategic realignment of the Bank's portfolio to reduce exposure to carbon-intensive industries.
- Opportunities: Leadership in sustainable finance across East Africa, including financing renewable energy projects, supporting carbon markets, and aligning with international climate goals such as the Paris Agreement and Tanzania's Nationally Determined Contributions (NDCs).

The Bank is committed to enhancing its climate resilience, unlocking sustainable growth opportunities, and contributing meaningfully to national and global climate objectives. By integrating climate considerations into its risk management and strategic planning, the Bank aims to safeguard long-term value for its stakeholders and communities.

The table below lists the sustainability-related risks and opportunities identified during the materiality processes described.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.6 STRATEGY (CONTINUED)

A two-step materiality process (continued)

Risk Type	Timeframe	Description by Timeframe	Affected Component of the Reporting Boundary
Climate - Physical Risks			
Drought	Short-term (2025–2027)	▪ An increased default rate in the agricultural sector due to drought conditions, resulting in higher impairment losses on loans and advances.	Own Operations and Downstream Activities
	Medium-term (2028–2032)	▪ Significant production cuts across the agricultural value chain may reduce borrower cash flows, increase credit risk, and affect loan portfolio quality.	Downstream Activities
	Long-term (2033–2040+)	▪ Strategic shifts may be necessary to move toward less water-intensive sectors. ▪ Capital investment may be required in water-efficient technologies and infrastructure.	Own Operations, Upstream and Downstream Activities
Flood	Short-term (2025–2027)	▪ The probabilities of default (PDs) and loss given default (LGD) of exposures within sectors or geographies vulnerable to floods may be impacted, for example, through lower collateral valuations in real estate portfolios. ▪ Liquidity risk may be affected in the event of clients withdrawing money from their accounts to finance damage repairs. ▪ Flood events can cause immediate operational disruptions, including temporary shutdowns of branches. ▪ Power outages and supply chain delays due to inaccessible transportation routes. ▪ Lost service can lead to decreased revenue.	Own Operations and Downstream Activities
Flood	Medium-term (2028–2032)	▪ Significant flooding can cause major damage to collaterals, ▪ Destroyed office equipment or infrastructure, leading to costly repairs and prolonged downtime. ▪ Extensive flood events can disrupt regional supply chains, affecting multiple stakeholders. ▪ Insurance premiums are likely to rise substantially.	Downstream Activities
	Long-term (2033–2040+)	▪ Frequent and severe flooding may make current office locations economically unsustainable or unsafe, requiring costly relocations or shutdowns. This can result in the disruption of service which might impact business. ▪ The closure or movement of major branch facilities may also cause significant social and economic disruption in local communities. ▪ The real estate portfolio is expected to experience an increase in default rates, potentially leading to asset write-offs.	Own Operations, Upstream and Downstream Activities

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.6 STRATEGY (CONTINUED)

A two-step materiality process (continued)

Risk Type	Timeframe	Description by Timeframe	Affected Component of the Reporting Boundary
Climate - Physical Risks			
Wildfire	Short-term (2025–2027)	▪ Increased frequency and intensity of wildfires may damage borrower assets, particularly in forestry, agriculture, real estate, and mining, leading to higher default rates and elevated impairment losses on loans and advances.	Own Operations
	Medium-term (2028–2032)	▪ Disruptions to supply chains and production activities caused by wildfire outbreaks may reduce borrower cash flows and heighten credit risk, negatively affecting loan portfolio quality.	Own Operations and Downstream Activities
	Long-term (2033–2040+)	▪ Strategic adjustments may be required to reduce exposure to highly fire-prone sectors. ▪ Additional capital investment may be necessary to strengthen resilience measures, such as fire-resistant infrastructure, enhanced monitoring systems, and risk-aware land-use planning.	Own Operations, Upstream and Downstream Activities
Climate - Transition Risks			
Changes in Policy	Short-term (2025–2027)	▪ The introduction of stricter regulatory requirements may increase compliance costs and necessitate rapid operational adjustments. ▪ New climate disclosure mandates may also affect reporting systems & governance structures.	Own Operations
	Medium-term (2028–2032)	▪ Implementation of carbon pricing mechanisms and emissions caps may impact profitability and require strategic shifts in lending portfolios. ▪ Regulatory pressure may drive divestment from high-emission sectors.	Own Operations and Downstream Activities
	Long-term (2033–2040+)	▪ Comprehensive climate legislation is expected to reshape financial sector practices, requiring the achievement of Net Zero. Failure to comply may expose the bank to reputational damage, regulatory penalties, and legal liabilities.	Own Operations, Upstream and Downstream Activities

Following the materiality assessment, the Group identified several key areas of focus beyond climate-related risks and opportunities. These include data security, financial inclusion and capacity building, integration of environmental, social, and governance (ESG) factors into credit analysis, financed emissions, business ethics, and systematic risk management.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.6 STRATEGY (CONTINUED)

A two-step materiality process (continued)

Topic	Risks/opportunities identified	Summary of management approach	Affected component of the reporting boundary
Data Security	▪ Risk of cyber threats and data breaches in own operations.	▪ Strengthening cybersecurity infrastructure. ▪ Conducting regular IT audits and penetration testing. ▪ Mandatory Training for all staff on data protection and cybersecurity.	Own operations, upstream, and downstream activities
Financial inclusion and capacity Building	▪ Opportunity to expand access to underserved populations. ▪ Potential to empower MSMEs and rural communities	▪ Designing inclusive financial products and services. ▪ Implementing financial literacy programs. ▪ Supporting MSMEs' development through tailored credit solutions. ▪ Partnering with the community and international organisations.	Own operations, upstream, and downstream activities

Topic	Risks/opportunities identified	Summary of management approach	Affected component of the reporting boundary
Integration of ESG factors into credit analysis	▪ Opportunity to improve credit risk assessment ▪ Risk of exposure to unsustainable investments	▪ Embedding ESG criteria into credit evaluation models. ▪ Training credit officers on ESG integration. ▪ Aligning lending practices with sustainability goals.	Own operations
Financed Emissions	▪ Risk of high carbon exposure in lending portfolio. ▪ Opportunity to support low-carbon transition.	▪ Measuring emissions linked to financed activities. ▪ Setting targets to reduce financed emissions. ▪ Engaging clients on climate strategies.	Downstream activities
Business ethics	▪ Risk of reputational damage from unethical practices. ▪ Opportunity to build trust and transparency	▪ Enforcing a robust Code of Ethics. ▪ Providing regular awareness of ethics and professional conduct. ▪ Operating whistleblower channels and grievance mechanisms.	Own operations

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.6 STRATEGY (CONTINUED)

CLIMATE-RELATED RISKS AND OPPORTUNITIES

The Bank is fully committed to upholding a high level of transparency regarding its environmental, social, and governance practices. In alignment with the IFRS S2, we precisely provide comprehensive disclosures that highlight the various climate-related risks and opportunities that may influence our operations, strategic initiatives, and overall financial performance.

These disclosures aim to provide stakeholders with comprehensive insights into how the Bank identifies, assesses, and manages climate-related risks, including both physical and transition risks, as well as the opportunities arising from the transition to a lower-carbon economy. This commitment enables us to proactively address potential challenges while also capitalising on emerging opportunities related to climate change, demonstrating our dedication to sustainable business practices and responsible bank.

By adhering to IFRS S2, The Bank ensures that its stakeholders are well-informed about the bank's climate governance, strategy, risk management, metrics and targets, and performance, enabling them to make decisions regarding their engagement with the Bank.

Climate-related risks to which the bank is exposed

Physical Risks

These risks arise from the physical effects of climate change, including acute risks such as extreme weather events (e.g., floods and droughts) and chronic risks like rising sea levels and changes in temperature. Such events can disrupt our operations, impair asset values, and affect the financial health of our clients.

Transition Risks

Transitioning to a lower-carbon economy presents a range of risks, including regulatory changes, market shifts, technological advancements, and reputational impacts. Regulatory changes may require compliance with new laws and regulations, while market shifts could affect the demand for our products and services. Technological advancements could render our existing systems obsolete, and reputational impacts could arise from stakeholders' expectations of our environmental performance.

Based on materiality assessments the Group has identifies the below risks that could significantly impact its strategy, business model, and long-term outlook.

Climate change poses financial and physical risks stemming from the transition, which may affect our business's financial performance as climate risks materialise into financial risks. We evaluate climate-related risks as part of our comprehensive risk management strategy. We identify potential risks in the current risk structure and take proactive measures to mitigate or manage these risks through our ESMS.

The below table show the assessment of Climate risk, which may materialise in the different financial risk categories as a reaction to physical and transition risks.

Climate risk	Credit Risk	Market Risk	Operational Risk	Liquidity and funding Risks	Our response
Physical risks	▪ Impairment of collateral, which may increase credit risk	▪ Fluctuation of foreign exchange ▪ Increase in interest rate	▪ Increase in impairment losses resulting in decreased profitability ▪ Unavailability of banking Services.	Decreased bank liquidity due to reduced cash flow makes it more challenging to meet our short-term obligations and funding business growth.	The Group has established a policy on environmental, social and climate to manage this risk effectively.
Transition risks	▪ Stranded assets ▪ Increase in default from the sectors impacted by the transition to a low-carbon economy	▪ Price fluctuations due to policy changes	▪ Fines and penalties due to noncompliance with the new policies ▪ Increase in cost	Decrease in cashflow	

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.6 STRATEGY (CONTINUED)

CLIMATE-RELATED RISKS AND OPPORTUNITIES (CONTINUED)

Climate-related physical risks

The Bank's exposure to physical climate risks mostly lies in the agriculture, trade and transport, and manufacturing sectors. This concentration amplifies the Bank's sensitivity to climate-related disruptions, particularly droughts and floods. Given that these sectors underpin national economic activity and account for a substantial share of the Bank's lending, any climate stress, especially prolonged dry periods, can significantly impair portfolio performance and undermine the Bank's overall financial resilience.

Sector-Level Risk Distribution

Agriculture represents the largest share of the Bank's portfolio at 22% and faces the highest level of climate-related risk. The most critical hazards affecting the sector are drought, extreme precipitation, and flooding. These events directly impact crop productivity, livestock health, and supporting infrastructure. Agriculture's sensitivity is heightened by its combination of high exposure and a high climate-risk rating relative to other sectors.

Trade and Transport collectively account for 19% of the Bank's exposure. Flooding is identified as the most severe climate hazard for this sector, with a very high-risk rating, while drought poses a moderate risk. Given the sector's reliance on transportation networks, logistics systems, and storage facilities, climate disruptions can disrupt supply chain operations, damage goods, and interrupt business activities, resulting in significant financial and operational impacts.

Manufacturing accounts for 4% of the Bank's total exposure and shows a relatively small yet consistent level of physical climate risk across scenarios. The primary hazard is extreme precipitation, followed by flooding. Manufacturing is vulnerable due to its dependence on stable infrastructure, reliable electricity, and resilient supply chains. Industries such as food processing and chemicals require continuous access to water and energy. Climate-related interruptions to these inputs can cause production stoppages, logistical challenges, and increased operational costs.

Effect on business model and value chain

- An increased default rate in the agricultural sector due to drought conditions, resulting in higher impairment losses on loans and advances.
- Significant production cuts across the agricultural value chain may reduce borrower cash flows, increase credit risk, and affect loan portfolio quality.
- Strategic shifts may be necessary to move toward less water-intensive sectors.
- Capital investment may be required in water-efficient technologies and infrastructure.

Effects on strategy and decision-making

To address climate-related risks, management has established a strategic climate plan that includes various mitigation and adaptation actions. The identified actions to mitigate and adapt to the risk of drought are as follows:

- Continuing with the Implementation of the Tanzania Agriculture Climate Adaptation Technology Deployment Programme (TACATDP) programme, the programme is supporting farmers in Tanzania in accessing loans that enable them to acquire climate adaptation technologies to increase resilience in farming activities and combat the effects of climate change in agriculture, such as drought.
- Climate finance mobilization with strategic partners
- Drought resilience agriculture financing, through developing loan products specifically for farmers investing in drought mitigation technologies, for instance, loans for drip irrigation systems, rainwater harvesting tents, and reforestation/afforestation.

Financial effects

Current financial effects

In 2025, Tanzania did not experience any drought conditions significant enough to disrupt agricultural production, water availability, or business continuity across sectors typically vulnerable to climaterelated water stress. As a result, the institution did not observe any borrowers whose financial performance or repayment capacity was adversely affected by drought during the year.

Consequently, there were no droughtrelated credit losses, no increase in NonPerforming Loans (NPLs), and no additional loanloss provisions recorded in relation to drought impacts. Loan portfolio quality remained stable throughout 2025, with repayment trends in droughtsensitive sectors such as agriculture and agroprocessing. Since no clients faced droughtrelated distress, NPL and provision levels remained consistent before and after 2025, and no exceptional creditrisk measures or adjustments were required.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.6 STRATEGY (CONTINUED)

CLIMATE-RELATED RISKS AND OPPORTUNITIES (CONTINUED)

Anticipated financial effects

The Bank anticipates that prolonged drought conditions could impact the performance of the agriculture loan portfolio. Reduced crop yields are likely to constrain farmers' cash flows, leading to repayment challenges and an increase in non-performing loans (NPLs). This situation may have an impact on the Bank's profitability and capital adequacy ratios in the short, medium, and long-term.

From a liquidity perspective, delayed repayments and higher provisioning requirements for impaired loans could affect cash flow stability. To mitigate these risks, the Bank is implementing proactive measures, including restructuring affected loans, enhancing credit risk monitoring, and promoting climate-resilient financing solutions.

Additionally, the Bank is exploring partnerships for crop insurance and irrigation financing to reduce borrower vulnerability. Based on scenario analysis (reference note 25.6), management expects that these interventions will help contain the financial impact of drought-related risks over the next five years, despite anticipated market volatility and rising costs of agricultural inputs.

An assessment of the Bank's exposure to climate-related risk on drought, indicates that this hazard is not expected to have a significant impact on the Bank's financial performance, financial position, or cash flows across the short, medium, and long term. Current operational resilience, diversified portfolios, and established risk mitigation measures continue to provide adequate protection against disruptions that could arise from these physical and transition risks.

Based on this assessment in the scenario analysis section, management does not anticipate any material adjustments to the carrying amounts of the Bank's reported assets and liabilities within the next 12 months and in the medium and long term, both in a normal and stressed condition.

Floods

Tanzania is vulnerable to flooding due to heavy seasonal rains, rising water levels in rivers and lakes, and extreme coastal weather events, all of which can pose risks to banks. These events can directly disrupt banking operations by causing branch closures, power outages, and supply chain delays, ultimately reducing service availability and transaction volumes. Additionally, flooding can create financial risks by lowering collateral values, increasing the likelihood of defaults (probability of default, PD) and the potential loss in the event of default (loss given default, LGD). Furthermore, these circumstances can lead to higher rates of non-performing loans (NPLs) as customers experience income loss and incur repair costs.

Effect on business model and value chain

- Flood events can cause immediate operational disruptions, including temporary shutdowns of branches.
- Power outages and supply chain delays due to inaccessible transportation routes
- Lost service can lead to decreased revenue
- Significant flooding can cause major collateral damage, an increase in default rates, and potentially lead to asset write-offs.
- Destroyed office equipment or machines, infrastructure, leading to costly repairs and prolonged downtime.
- Extensive flood events can disrupt regional supply chains, affecting multiple stakeholders.
- Insurance premiums are likely to rise substantially.
- Frequent and severe flooding may make current office locations economically unsustainable or unsafe, requiring costly relocations or shutdowns. This can lead to permanent loss of skilled workers and negatively impact regional economies.
- The closure or movement of major branch facilities may also cause significant social and economic disruption in local communities.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.6 STRATEGY (CONTINUED)

CLIMATE-RELATED RISKS AND OPPORTUNITIES (CONTINUED)

Effects on strategy and decision-making

To address climate-related risks, management has established a strategic climate plan that includes various mitigation and adaptation actions. The identified actions to mitigate and adapt to the risk of flood are as follows:

- Engagement with insurance providers through the Tanzania Agriculture Climate Adaptation Technology Deployment Programme (TACATDP) aims to develop an innovative insurance scheme focused on adaptation and resilience in agriculture (ARA). This initiative targets smallholder farmers and is designed to protect them from climate-related hazards and enable them to repay their loans.
- Integration of flood risk into comprehensive risk assessment models is essential for accurately evaluating potential hazards and their impacts on our portfolio. This integration enhances our understanding of flood likelihood and severity, allowing for improved preparedness, adaptation, and mitigation strategies.
- Develop stress-testing scenarios that account for severe flood events and their impact on credit, liquidity, and operational risk.
- Continuous monitoring of geographic and sectoral exposures vulnerable to flooding.

By addressing these physical risks, the Bank aims to enhance its resilience against climate-related challenges while assisting our customers in managing sustainability transitions.

Financial effects

Current financial effects

The current financial impact of flood-related physical climate risks on the Bank's lending portfolio remains minimal, with no adverse effects recorded on borrower repayment capacity during the reporting period. Despite localized flood incidents in certain regions, borrowers' operations and cash flows have not been materially disrupted, and no flood-related deterioration has been observed in loan performance.

As a result, the Bank has not experienced any increase in Non-Performing Loans (NPLs), defaults, or arrears attributable to flood events. Similarly, there has been no significant rise in credit-risk indicators, including staging migrations under IFRS 9 or additional provisioning requirements.

In 2025, the Bank did not incur significant costs due to operational disruptions caused by flooding.

Anticipated financial effects

The Bank anticipates that severe flooding events could significantly affect the performance of its loan portfolio, particularly in sectors such as agriculture, infrastructure, and SMEs operating in flood-prone regions. Physical damage to crops, livestock, and business premises may lead to operational disruptions, reduced income streams, and repayment challenges, resulting in an increase in non-performing loans (NPLs). These developments could negatively impact the Bank's profitability and capital adequacy ratios across short-, medium-, and long-term horizons.

From a liquidity perspective, delayed repayments and higher provisioning requirements for impaired loans may constrain cash flow stability. Additionally, increased insurance claims and potential write-offs could exert pressure on earnings and liquidity buffers.

To mitigate these risks, the bank is implementing proactive measures, including:

- Loan restructuring for affected customers.
- Enhanced credit risk monitoring in high-risk geographic areas.
- Promotion of climate-resilient financing solutions, such as flood-resistant infrastructure and adaptive agricultural practices.
- Partnerships for flood insurance and disaster recovery financing to reduce borrower vulnerability.

An assessment of the Bank's exposure to climate-related risk on flood indicates that this hazard is not expected to have a significant impact on the Bank's financial performance, financial position, or cash flows across the short, medium, and long term. Current operational resilience, diversified portfolios, and established risk mitigation measures continue to provide adequate protection against disruptions that could arise from these physical and transition risks.

Based on this assessment in the scenario analysis section, management does not anticipate any material adjustments to the carrying amounts of the Bank's reported assets and liabilities within the next 12 months and in the medium and long term, both in a normal and stressed condition.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.6 STRATEGY (CONTINUED)

CLIMATE-RELATED RISKS AND OPPORTUNITIES (CONTINUED)

Climate-related transition risks

Changes in Policy

The Bank faces increasing exposure to transition risks as governments and regulators implement stricter climate-related policies. New regulations on carbon emissions, mandatory sustainability disclosures, and green financing guidelines are reshaping the financial sector. This means adapting to evolving compliance requirements under frameworks such as the Bank of Tanzania's ESG directives and international standards, such as the Paris Agreement. Failure to align with these policies could result in reputational damage, regulatory penalties, and reduced investor confidence, especially as stakeholders demand greater transparency on climate risk management.

Effect on business model and value chain

- The Bank is assessing its credit exposures to sectors that are particularly vulnerable to climate transition risks, including Agriculture, Trade, and manufacturing.
- The analysis evaluates short, medium, and long-term time horizons to assess the financial implications of carbon-intensive industries.
- In the future, stress testing results will be integrated into the bank's risk management framework, which will outline its strategic approach to managing transition risks.
- Based on insights gained, the Bank will gradually phase out financing for high-emission sectors and prioritize lending to companies that adopt sustainable business models in the future.
- The bank considers clients' sustainability strategies in financing decisions, supporting businesses that transition to low-carbon operations.
- The Bank will start tracking its GHG emissions to enhance data accuracy and gain a better understanding of its environmental impact.
- The bank is also assessing financed emissions, estimating the carbon impact of the business loan, mortgage and commercial real estate.
- Insights gained from tracking emissions will guide the bank's sustainability-linked finance efforts, ensuring that its lending practices contribute to long-term environmental objectives.

Effects on strategy and decision-making

To mitigate these risks, the Bank has integrated climate considerations into its lending and investment strategies. This includes revising credit policies to discourage financing for high-emission projects, promoting green products, and investing in technology to enable accurate climate risk reporting.

Additionally, proactive engagement with policymakers and industry bodies will help anticipate regulatory changes and position the Bank as a leader in sustainable banking. By embedding climate resilience into its operations, the Bank can turn policy-driven challenges into opportunities for growth and innovation in the green finance space.

Financial effects

Current effects

There were no significant impacts on the group's financial position, performance, or cash flows for the current reporting period as a result of the policy changes. This includes a thorough evaluation of the group's climate transition plan, which remains aligned with our strategic objectives and commitments. The lack of material financial effects indicates a stable financial environment, allowing us to continue our focus on sustainability initiatives without disruption.

Anticipated financial effects

The policy changes are not expected to have any material impact on the Group's financial position, performance, or cash flows. This stability provides a strong foundation for continued investment in climate-related initiatives without operational or financial disruption, reinforcing our long-term resilience and growth.

An assessment of the Bank's exposure to climate-related risk on transition risk specific to policy change indicates that the changes are not expected to have a significant impact on the Bank's financial performance, financial position, or cash flows across the short, medium, and long term. Current operational resilience, diversified portfolios, and established risk mitigation measures continue to provide adequate protection against disruptions that could arise from these physical and transition risks.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.6 STRATEGY (CONTINUED)

CLIMATE-RELATED RISKS AND OPPORTUNITIES (CONTINUED)

Financial effects (continued)

Based on this assessment in the scenario analysis section, management does not anticipate any material adjustments to the carrying amounts of the Bank's reported assets and liabilities within the next 12 months and in the medium and long term, both in a normal and stressed condition.

Climate-related opportunities

Climate-Related Opportunities and Potential Financial Impacts

Opportunity	Climate-Related Opportunities	Potential Financial Impacts	Our responses
Resource efficiency	▪ Reduced water usage and consumption. ▪ Waste management ▪ Energy efficiency, e.g., Use of LED lighting technology	▪ Reduced operating costs ▪ Reduce our carbon footprint ▪ reducing paper usage	▪ We continue to invest in energy-efficient equipment such as LED lights and inverters. ▪ We have waste management dust bins ▪ We have motion sensor lighting in some of our buildings to manage the usage of electricity ▪ Our HQ building has a sensor water tap to manage water usage
Energy Source	▪ Use of lower-emission sources of energy, for example, the use of solar energy	▪ Reduced operational costs using alternative sources of energy, e.g. use of Solar energy	▪ Continue to finance investments in renewable energy
Products and services	▪ Investment in digital solutions to increase transaction volumes	▪ Increased revenue	▪ Continue to invest in digital platforms to reduce carbon emissions

Opportunity	Climate-Related Opportunities	Potential Financial Impacts	Our responses
Markets	▪ Access to sustainable financing ▪ Access to funds from strategic partners who are keen on sustainable projects	▪ Increased revenues through access to new and emerging markets ▪ Increased funding	▪ In 2023, the Bank issued a green bond to fund sustainable projects,
Build Resilience	▪ Improving efficiency towards creating a sustainable future	▪ Increased revenue through the introduction of new sustainable products and services (Low emissions)	Continue with the adaptation and mitigation of climate-related risk and the development of sustainable products and services

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.6 STRATEGY (CONTINUED)

CLIMATE-RELATED RISKS AND OPPORTUNITIES (CONTINUED)

Climate-Related Opportunities available to the Bank

The Bank adopts a proactive and comprehensive approach to managing climate-related risks while also seizing opportunities that arise from the changing environment. This commitment highlights our dedication to sustainable development and responsible banking practices. Through regular assessments of the potential impacts of climate change on our operations and services, we strive not only to mitigate risks but also to capitalise on new opportunities that can drive growth. Our goal is to generate enduring value for all our stakeholders, while also making a meaningful contribution to environmental sustainability and societal well-being.

Opportunity	Product	Description	Selection criteria
Renewable Energy Financing	Green Loans	▪ Specialized loans are designed to fund renewable energy projects such as solar panels, wind turbines, and mini-hydro plants. ▪ These loans often come with favourable interest rates and longer repayment terms to encourage sustainable energy investments.	▪ Project must use renewable energy technologies ▪ Feasibility study and environmental impact assessment required ▪ Clear business plan with projected energy output and repayment capacity
Energy Efficiency Projects	Energy Efficiency Loans	▪ Financing products aimed at helping businesses and households upgrade to energy-efficient technologies like LED lighting and insulation. ▪ This results in reduced energy consumption and cost savings over time.	▪ Proposed upgrades must demonstrate measurable energy savings ▪ Compliance with national energy efficiency standards ▪ Cost-benefit analysis provided
Climate-Resilient Agriculture	Agricultural Credit Products	▪ Tailored credit solutions to support farmers in adopting climate-smart agriculture practices, including drought-resistant seeds, drip irrigation systems, and agroforestry techniques. ▪ This improves yield and strengthens food security by enabling farmers to maintain productivity even under erratic weather conditions.	▪ Use of approved climate-smart farming techniques ▪ Proof of land ownership or lease ▪ Farm business plan showing sustainable impact and repayment ability
Sustainable Water Management	Water Management Financing	▪ Loans and credit lines for projects that promote efficient water use and conservation, such as rainwater harvesting systems and wastewater treatment plants. and irrigation infrastructure upgrades. ▪ This supports sustainable water resource management.	▪ Projects must demonstrate measurable water savings or quality improvement ▪ Environmental impact assessment required ▪ Technical feasibility study and budget plan
Green Building Financing	Eco-friendly Construction Loans	▪ Financing options for the construction or renovation of buildings that comply with green building standards (e.g., LEED certification). ▪ These loans support the use of sustainable materials, energy-efficient designs, and environmentally friendly construction methods.	▪ Building design must meet recognised green building standards ▪ Certification or third-party verification required ▪ Detailed project cost estimate and timeline
Smart Forest	Forest Conservation Financing	▪ Financial products are designed to support sustainable forest management, reforestation, and afforestation projects that use smart technologies	▪ Project must demonstrate sustainable forest management practices ▪ Use of approved smart technologies for monitoring ▪ Environmental impact and social benefit assessments required

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.6 STRATEGY (CONTINUED)

CLIMATE-RELATED RISKS AND OPPORTUNITIES (CONTINUED)

Overall decarbonisation and Climate Transition Plan

Achieving a commitment to net-zero GHG emissions by 2050 is critical to limiting global warming to 1.5°C and avoiding the worst impacts of climate change. This requires coordinated efforts to reduce emissions, manage climate-related risks, and capitalise on climate-related opportunities to support the transition to a low-carbon economy. Our long-term ambition is to gradually rebalance the portfolio toward low-carbon and climate-resilient sectors, while supporting high-risk sectors in managing their transition in line with national climate priorities and the Paris Agreement

In 2026, the Bank plans to develop the Transition Plan as a structured roadmap to achieve its decarbonization ambitions.

BUILDING RESILIENCE THROUGH SCENARIO ANALYSIS

In an increasingly dynamic and uncertain economic environment, resilience has become a cornerstone of sustainable growth and long-term value creation. The Bank recognise that the ability to anticipate, adapt, and respond to potential disruptions is critical to safeguarding our strategic objectives and maintaining stakeholder confidence. Scenario analysis serves as a vital tool in this process, enabling us to explore a range of plausible futures and assess the robustness of our strategy under varying conditions.

This exercise is not about predicting the future but about preparing for it, identifying vulnerabilities, stress-testing assumptions, and uncovering opportunities that may arise in different economic, regulatory, and technological landscapes. By integrating scenario analysis into our strategic planning, we enhance our ability to make informed decisions, allocate resources effectively, and ensure that the Bank remains resilient, competitive, and aligned with its mission to deliver exceptional value to our customers and shareholders.

We utilised climate risk scenarios developed by the Network for Greening the Financial System (NGFS) and Intergovernmental Panel on Climate Change IPCC climate-related data to assess the impacts of transition and physical risks on the Bank's loan portfolio, which comprises both corporate and mortgage loans.

Climate-Related Scenario Analysis

The Bank conducted a qualitative assessment on climaterelated scenario analysis in 2025 to evaluate both physical and transition risks within its business and mortgage loan portfolios. The analysis was structured across three-time horizons: short term (2025–2027), medium term (2028–2032), and long term (2033–2040 onwards). The assessment aimed to understand how climaterelated hazards may affect the physical assets of our corporate borrowers, specifically their Property, Plant, and Equipment (PP&E). For the mortgage portfolio, the analysis focused on assessing the impact of extreme adverse climate events on the valuation of physical assets used as collateral in the real estate portfolio, primarily through changes in the LoantoValue (LTV) ratio. External experts were engaged to support the assessment, which leveraged publicly available climate transition and physical risk pathways.

The analysis did not include the subsidiaries in the Congo and Burundi. During the year, the Bank commenced engagement with these subsidiaries with the intention of incorporating them into future scenarioanalysis cycles.

Climate-related scenarios

We utilised climate risk scenarios developed by the Network for Greening the Financial System (NGFS) and Intergovernmental Panel on Climate Change IPCC climate-related data to assess the impacts of transition and physical risks on the Bank's loan portfolio, which comprises both business and mortgage loans.

Our approach and assumptions to assessing climate-related resilience for physical risk

IPCC scenarios

The IPCC has built a range of plausible pathways that examine how socioeconomic factors driving global societal changes might evolve over the next century. The IPCC framework considers the updated Representative concentration pathway (RCP) called the Shared Socioeconomic Pathways (SSPs). SSPs look at diverse ways in which socioeconomic drivers could shape future society, showing that it would be much easier to mitigate and adapt to climate change in some versions of the future than in others. This offers a broader view of the world without implementing climate policies.

The SSP scenarios consider atmospheric GHG concentrations and include social and economic aspects related to them. The SSP scenarios available in the 6th assessment report of the IPCC (Intergovernmental Panel on Climate Change) combine socio-economic changes with emissions and climate. Scenarios were chosen in line with international standards and regulations.

Out of the five climate scenarios available in the Copernicus database and the World Bank's Climate Change Knowledge Portal—SSP11.9, SSP12.6, SSP24.5, SSP37.0, and SSP58.5—this analysis focuses on three: SSP24.5, SSP37.0, and SSP58.5. These selected scenarios offer a comprehensive and credible range of potential future climate pathways most relevant for evaluating the Bank's climate-related financial risks.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.6 STRATEGY (CONTINUED)

CLIMATE-RELATED RISKS AND OPPORTUNITIES (CONTINUED)

Our approach and assumptions to assessing climate-related resilience for physical risk (continued)

The chosen scenarios represent intermediate, high, and very high greenhouse gas emission trajectories, enabling us to assess how climate risks may evolve under increasingly challenging global conditions. By using scenarios with radiative forcing levels of 4.5, 7.0, and 8.5 W/m^2 by 2100, the analysis incorporates a broad spectrum of plausible climate futures.

This approach is consistent with prevailing practices among financial institutions and regulatory bodies for scenariobased climate risk assessments, ensuring the robustness, comparability, and relevance of our findings.

The following is the brief description of each of them:

SSP2-4.5

Represents a continuation of current trends without major shifts in policies or societal behaviors. Moderate economic growth, technological progress, and mixed success in reducing inequality characterize this pathway. There is moderate population growth, incremental improvements in energy and land-use efficiency. Progress on mitigation and adaptation is uneven and varies regionally. Medium challenges for mitigation and adaptation, with global warming outcomes between those of SSP1 and SSP3. Radiative forcing is low at 4.5 W/m^2. Low emissions, aligned with 2.7°C – 3°C warming.

SSP3-7.0

A fragmented world with countries focused on national interests and regional security rather than global cooperation. Economic development is uneven, and investment in technology and education is limited. High population growth in developing regions, low growth in developed regions. High inequality, slow technological progress, and reliance on fossil fuels. High challenges for both mitigation and adaptation, with significant risks of warming exceeding 3°C to 4°C by 2100. Radiative forcing is moderate at 7.0 W/m^2. Moderate emissions, middle-of-the-road scenario.

SSP5-8.5

Focuses on rapid economic growth and technological advancement driven by continued reliance on fossil fuel. Emphasis is on energy-intensive lifestyles and exploitation of resources. High global economic and population growth. Technological innovation focuses on improving fossil fuel efficiency rather than replacing it. Limited focus on sustainability or reducing inequality. Extremely high challenges for mitigation, with high risks of global warming exceeding 4°C by 2100. Adaptation remains necessary but unevenly implemented. Radiative forcing is very high at 8.5 W/m^2. Very high emissions, worst-case scenario.

Transition risk scenarios

The Bank uses Network for Greening the Financial System (NGFS) phase 5 scenarios released in 2022. These scenarios include pathways that combine climate policies, physical risks, and transition risks under different socioeconomic and technological assumptions. The Phase 5 update integrates the latest scientific data and harmonizes inputs with the IPCC's AR6 and Shared Socioeconomic Pathways (SSPs).

Below is a detailed overview of the NGFS Phase 5 scenarios:

Our approach and assumptions to assessing climate-related resilience for transition risk

Current Policies

This scenario represents a future in which only the climate and energy policies that are currently in place are fully implemented, without introducing any significant new measures or strengthening existing commitments. Under these conditions, global efforts to reduce greenhouse gas emissions remain limited, resulting in continued reliance on fossil fuels as the dominant energy source. The transition to renewable energy technologies occurs at a slow pace, with minimal uptake compared to what is required for deep decarbonization.

Consequently, global greenhouse gas emissions decline only marginally, and the trajectory of climate change remains largely unchecked. Scientific projections indicate that, under this scenario, average global temperatures are likely to rise by more than 2.7°C above pre-industrial levels by the year 2100, significantly overshooting the Paris Agreement targets. This level of warming would increase the risk of severe climate impacts, including more frequent extreme weather events, ecosystem disruptions, and economic losses worldwide.

Nationally Determined Contributions

This scenario is grounded in the commitments made by countries under the Paris Agreement. It assumes that nations achieve only partial progress toward decarbonization, implementing policies and measures that lead to moderate reductions in greenhouse gas emissions. While these efforts represent a step forward compared to current policies, they fall short of the ambitious actions required to meet the Paris Agreement's long-term temperature goals.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.6 STRATEGY (CONTINUED)

BUILDING RESILIENCE THROUGH SCENARIO ANALYSIS (CONTINUED)

Nationally Determined Contributions (continued)

Under this pathway, global warming is projected to be limited to approximately 2.4°C above pre-industrial levels by 2100, which still poses significant risks to ecosystems, economies, and human health. Investments and policy frameworks in this scenario prioritise incremental improvements in energy efficiency and low-carbon technologies, but they do not fully accelerate the transition away from fossil fuels. As a result, the world remains on a trajectory that avoids the worst-case climate outcomes but fails to achieve the deep emissions cuts necessary for a sustainable and resilient future.

Net Zero 2050

This scenario envisions an accelerated global transition toward deep decarbonization, with the objective of limiting global temperature rise to 1.5°C above pre-industrial levels. It assumes the implementation of stringent climate policies and regulatory frameworks, coupled with substantial investments in renewable energy technologies and supporting infrastructure. Fossil fuel use declines sharply as economies pivot toward clean energy sources, electrification, and energy efficiency.

The transformation of energy systems and industrial processes occurs at a rapid pace, driving significant changes in production, consumption, and trade patterns. Under this pathway, global greenhouse gas emissions fall steeply and reach net zero by around 2050, aligning with the most ambitious targets set under the Paris Agreement. While this scenario requires unprecedented levels of international cooperation, technological innovation, and financial mobilization, it offers the best chance of avoiding severe climate impacts and achieving a sustainable, low-carbon future.

Delayed transition

This scenario assumes that meaningful climate action is postponed until the 2030s or 2040s, resulting in a late and abrupt shift toward decarbonization. The delay in implementing mitigation measures leads to a compressed timeline for achieving net-zero emissions, requiring rapid and large-scale changes across energy systems, industries, and economies. Such a sudden transition is expected to be more disruptive and costly compared to early action, as the world faces higher cumulative emissions, greater reliance on expensive technologies, and intensified policy interventions. The economic strain under this pathway is significant, driven by increased transition risks, stranded assets, and the need for accelerated investment in clean energy and infrastructure within a short period. While this scenario ultimately aims to reach net zero, the delayed response amplifies financial, social, and operational challenges, making the transition less orderly and more volatile.

Physical Risk Assessment

The Bank conducted a qualitative assessment of its Business and Mortgage portfolios to evaluate the extent to which customers' physical assets are exposed to climaterelated hazards. This exercise involved analysing the geographical distribution of these assets and determining their proximity to climatesensitive areas.

As part of the assessment, the Bank evaluated the potential impacts of key physical hazards, specifically floods, droughts, and wildfires, across all regions of Tanzania under various IPCC climate scenarios. The analysis relied on publicly available data from the Copernicus database and the World Bank's Climate Knowledge Portal, both of which provide comprehensive insights into climatedriven hazards affecting the country.

The reviewed sources consistently identify floods and droughts as the most significant and widespread physical hazards in Tanzania. These hazards affect the country at a national scale, with increasing severity projected under future climate change scenarios. Evidence further confirms that these two hydrological hazards remain the dominant risk drivers across nearly all regions.

Additionally, temperaturerelated stressors, particularly rising maximum temperatures and more frequent heat extremes, are highlighted as emerging climate threats. These conditions are expected to intensify drought events, reduce agricultural productivity, and put additional pressure on physical infrastructure.

Drawing from the convergence of evidence from international datasets and national climate assessments, the Bank selected three priority physical hazards for detailed analysis:

- **Droughts** – one of Tanzania's most significant and recurrent hazards, affecting nearly the entire country and consistently ranked in the highest risk categories.
- **Floods** – a major hazard with strong historical and projected impacts on both populations and economic assets.
- **Wildfires** – recognised as a growing climaterelated hazard, particularly in areas prone to extended dry seasons and increasing temperatures.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.6 STRATEGY (CONTINUED)

BUILDING RESILIENCE THROUGH SCENARIO ANALYSIS (CONTINUED)

Outcomes of the Resilience Assessment

There remains considerable uncertainty regarding how climate change will evolve at the regional level under different climaterelated scenarios. This uncertainty makes it difficult to precisely quantify the potential impacts of climate risks across various futures. Consequently, the timing, magnitude, and nature of climaterelated risks within the regions where the Bank operates cannot be predicted with full accuracy.

Despite these uncertainties, the Bank expects its strategy and business model to remain resilient and adaptable to evolving climaterelated changes, developments, and emerging risks. The Bank continues to review and enhance its financing structures to better support climaterelated investments. This proactive approach is intended to ensure that the Bank maintains sufficient financial capacity to contribute to national and sectoral transition objectives across a broad range of plausible climate scenarios, while preserving longterm financial stability and sustainable value creation.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.6 STRATEGY (CONTINUED)

BUILDING RESILIENCE THROUGH SCENARIO ANALYSIS (CONTINUED)

Potential impacts on the business under different scenario

Hazard	Scenario	Short Term Impact	Medium Term Impact	Long Term Impact
Flood	SSP2-4.5	▪ Increased loan defaults due to moderate flooding. ▪ Operational disruptions in floodprone branches. ▪ Rise in insurance claims reducing profitability. ▪ Higher CAPEX for resilience upgrades.	▪ Tightened underwriting standards. ▪ Rising provisions due to recurring floods. ▪ Increased insurance premiums.	▪ Branch relocation from flood plains. ▪ Structural decline in lending to highrisk sectors. ▪ Higher climaterisk capital requirements.
	SSP3-7.0	▪ Severe flooding causes loan portfolio deterioration. ▪ Increased NPLs in multiple regions. ▪ Higher liquidity requirements. ▪ Branch and ATM disruptions.	▪ Portfolio restructuring due to persistent losses. ▪ Rising operational costs for repairs. ▪ Declining collateral values.	▪ Reduced presence in highrisk areas. ▪ Shift in portfolio composition. ▪ Increased longterm refinancing needs.
	SSP5-8.5	▪ Extreme floods causing infrastructure failure. ▪ Sharp increase in credit losses. ▪ Severe collateral value reduction. ▪ Regulatory pressure for climate capital buffers.	▪ Customer displacement lowering recoveries. ▪ Persistent supplychain disruptions. ▪ High operational costs.	▪ Largescale portfolio derisking. ▪ Mandatory climate capital charges. ▪ Redesign of branch networks.
Drought	SSP2-4.5	▪ Reduced crop productivity affecting agroloan repayments. ▪ Higher operational costs from power shortages. ▪ Reduced deposits in rural areas. ▪ Increased restructuring requests.	▪ Declining agricultural profitability. ▪ Ruralurban migration reducing viability. ▪ Inflationary pressure from rising food prices.	▪ Shift to climateresilient agriculture. ▪ Rural branch closures. ▪ Longterm credit contraction.
	SSP3-7.0	▪ Severe crop yield decline raising NPLs. ▪ Water scarcity disrupts operations. ▪ Weak deposit growth. ▪ Higher emergency financing needs.	▪ Sustained losses in agriculture. ▪ Greater reliance on government support. ▪ Inflationary pressures affecting repayments.	▪ Transformation of rural finance models. ▪ Increased use of risksharing mechanisms. ▪ Longterm agricultural portfolio shrinkage.
	SSP5-8.5	▪ Extreme drought causing agricultural collapse. ▪ Migration away from affected regions. ▪ Inflation spikes, raising credit risk. ▪ Higher loan writeoffs.	▪ Longterm rural economic decline. ▪ Regional restructuring or exit. ▪ Higher funding costs.	▪ National food insecurity impacts macrostability. ▪ Major strategic portfolio shifts. ▪ Minimal longterm agricultural exposure.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.6 STRATEGY (CONTINUED)

BUILDING RESILIENCE THROUGH SCENARIO ANALYSIS (CONTINUED)

Potential impacts on the business under different scenario (continued)

Hazard	Scenario	Short Term Impact	Medium Term Impact	Long Term Impact
Wildfire	SSP2-4.5	▪ Localized property damage. ▪ Higher insurance claims. ▪ Reduced business activity. ▪ Temporary branch disruptions.	▪ Higher insurance premiums. ▪ Reduced collateral values. ▪ Increased provisioning.	▪ Avoidance of highrisk wildfire zones. ▪ Branch relocations. ▪ Migrationdriven demand shifts.
	SSP3-7.0	▪ Severe wildfires cause property loss. ▪ Higher defaults and writeoffs. ▪ Service interruptions.	▪ Declining property market values. ▪ Higher regulatory scrutiny. ▪ Increased capital charges for mortgages.	▪ Reduced mortgage activity in fireprone regions. ▪ Digitalfirst operations in affected areas. ▪ Longterm asset value decline.
	SSP5-8.5	▪ Extreme wildfires causing displacement. ▪ Massive credit losses. ▪ Operational breakdowns.	▪ Regional economic collapse. ▪ Rising operational and insurance costs. ▪ Widespread property risk repriced.	▪ Permanent settlement shifts. ▪ Shrinking mortgage portfolio. ▪ Expansion of climateresilient construction finance.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.6 STRATEGY (CONTINUED)

BUILDING RESILIENCE THROUGH SCENARIO ANALYSIS (CONTINUED)

Transition Risk

As Tanzania accelerates its transition toward a low-carbon and climate-resilient economy, the Bank faces a growing need to assess and manage transition-related risks that may affect its portfolio, clients, and long-term strategic positioning. The evolving regulatory landscape combined with technological advancements and heightened stakeholder expectations creates both challenges and opportunities for the Bank as it supports national development priorities.

The Bank's extensive presence across key economic sectors, including agriculture, power and utilities, manufacturing, oil and gas, trade, transport and communication, building and construction, mining and quarrying, positions the Bank at the forefront of financing the country's economic transformation. However, this also increases exposure to transition dynamics that may affect client viability, asset quality, and operational requirements. Strengthening the Bank's approach to climate risk management is therefore essential to ensure continued financial stability, regulatory compliance, and alignment with bestpractice standards in sustainable finance.

In this context, the assessment considers the key transition risk drivers relevant to CRDB Bank's operations and portfolio, including policy and regulatory developments, technological shifts, and emerging reputational expectations.

The key transition risk drivers considered include:

Policy and regulatory risk

Tanzania is strengthening climate governance through frameworks such as the National Climate Change Response Strategy (2021–2026), which outlines national mitigation objectives likely to shape sectoral policy changes and compliance requirements. The Bank of Tanzania's 2025 climaterisk guidelines mandate scenario analysis, disclosure of financed emissions, and integration of climate considerations into prudential risk categories, including credit, market, liquidity, and operational risk.

These shifts imply potential impacts on:

- Highemitting or carbonintensive clients, who may face stricter operational standards or costs.
- Lending portfolios exposed to sectors where new compliance rules could reduce profitability or introduce credit performance challenges.
- Internal processes, requiring the Bank to upgrade data systems, reporting frameworks, and riskassessment methodologies.

Technology and innovation risk

Emerging lowcarbon technologies, including renewable energy systems, climatesmart agriculture, and efficient industrial processes, may rapidly shift competitiveness across key economic sectors.

Reputational risk

As expectations for environmental stewardship increase, banks must demonstrate credible climaterisk management. Failure to meet evolving stakeholder expectations, including those of investors, regulators, and the public, could undermine trust and market competitiveness.

Transition risk assessment

The Bank conducted a qualitative assessment of transition risks to understand how policy, regulatory, technological, and market changes associated with the low-carbon transition could impact its operations, customers, and credit portfolio. This assessment is aligned with the Bank of Tanzania's Guidelines on Climate-Related Financial Risks Management and Disclosures (2025), which require financial institutions to incorporate transition risks into governance structures, risk management frameworks, scenario analysis, and financial planning processes.

In line with these requirements, the Bank reviewed its exposure to climate-related transition risks across sectors considered vulnerable to policy and regulatory shifts. These sectors include agriculture, power and utilities, manufacturing, building and construction, mining and quarrying, oil and gas, transportation, and communication. Collectively, they represent the industry's most susceptible to the challenges of shifting toward a low-carbon economy. Exposure to transition risks within these sectors constitutes 35.5% of the Bank's total portfolio value.

To assess these risks, the Bank used the latest data available from the Network for Greening the Financial System (NGFS), specifically Phase 5 scenarios at the time of evaluation. The NGFS scenario framework includes four pathways orderly transition, disorderly transition, hot world, and too little, too late each representing different combinations of physical and transition risks driven by variations in policy ambition, implementation timing, global coordination, and technological progress.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.6 STRATEGY (CONTINUED)

BUILDING RESILIENCE THROUGH SCENARIO ANALYSIS (CONTINUED)

Transition risk assessment (continued)

- **Orderly** scenarios assume climate policies are introduced early and become gradually more stringent. As the world starts reducing emissions now in a measured way to meet climate goals, transition risks are relatively subdued.
- **Disorderly** scenarios explore higher transition risks due to policies being delayed or divergent across countries and sectors. Due to sudden and unanticipated responses, emissions reduction targets for some economic sectors may even have to become deeper to stay on course to achieve climate goals, leaving companies with little time to adapt.
- **Hot-house world** scenarios assume that some climate policies are implemented in some jurisdictions; however, globally, the world continues to increase emissions, doing very little, if anything, to avert climate-related structural changes
- **Too little, too late** scenarios assume that the world doesn't do enough to meet climate goals, leading to irreversible structural climate changes that spur a disorderly transition

Assumptions for estimating transition risks

Scenario	Transition	Decarbonization Policies	Low-carbon Technology	GHG emission reduction targets	Transition risks
Net Zero 2050	Orderly	Immediate and smooth	High penetration	Net Zero CO_2 emissions around 2050	High
Delayed Transition	Disorderly	Business-as-Usual up to 2030, very stringent from 2030 onwards	High penetration from 2030 onwards	Net Zero CO_2 emissions around 2060	High
Nationally Determined Contribution (NDCs)	Hot-house world	All announced decarbonization policies by 2030, business-as-usual from that year onwards	Limited penetration	Limited decline of CO_2 emissions	Low
Current Policies	Hot-house world	No further climate policies with respect to today	No penetration	Emissions grow until 2080	No risk

Outcomes of the Resilience Assessment – Transition Risk Focus

There remains significant uncertainty regarding how global and national climaterelated policies, technologies, and regulatory frameworks will evolve under different transition pathways. These uncertainties complicate efforts to precisely quantify the timing and magnitude of transition risks across future scenarios. As a result, the potential impacts of carbonpricing reforms, evolving disclosure requirements, sectorspecific decarbonisation expectations, and shifts in market demand within the regions where the Bank operates cannot be fully predicted.

Despite these uncertainties, the Bank expects its strategy and business model to remain resilient and adaptable to a wide spectrum of transitionrelated changes and regulatory developments. The Bank continues to refine its risk management practices, credit assessment methodologies, and portfolio monitoring to better anticipate and respond to emerging transition risks.

This approach is intended to ensure that the Bank maintains adequate financial capacity and operational flexibility to align with national and sectoral transition objectives under a broad range of plausible policy and market transition scenarios. Through these continuous enhancements, the Bank aims to preserve longterm financial stability, support orderly client transitions, and sustain value creation as the economy progressively shifts toward lowercarbon models

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.6 STRATEGY (CONTINUED)

BUILDING RESILIENCE THROUGH SCENARIO ANALYSIS (CONTINUED)

Potential impacts on the business under different scenarios

Scenario	Transition	Short-Term Impacts	Medium-Term Impacts	Long-Term Impacts
Net Zero 2050	Orderly	▪ Increased upfront capex for clean tech ▪ Rapid renewable deployment ▪ Stricter ESG compliance ▪ Early phaseout of highemitting assets	▪ Major energy mix shift ▪ Lower operational costs ▪ Stabilisation of stranded asset risks ▪ Lower financing costs for green firms	▪ Net zero-aligned economy ▪ Lower climate physical risks ▪ Stable longterm energy prices ▪ High competitiveness for lowcarbon leaders
Delayed Transition	Disorderly	▪ Limited early policy action ▪ Continued fossil-fuel reliance ▪ Regulatory uncertainty ▪ Misaligned investments	▪ Abrupt policy tightening ▪ Rapid asset stranding ▪ Sudden technology adoption ▪ Carbon price volatility	▪ Delayed climate benefits ▪ Greater long-term adjustment costs ▪ Moderate climate mitigation success ▪ Higher physical risks due to late action
NDCs	Hothouse world	▪ Gradual tightening to 2030 ▪ Limited lowcarbon incentives ▪ Carbonintensive growth continues ▪ Lower compliance pressure	▪ Increasing climate physical risks ▪ Slow technological uptake ▪ Rising insurance costs ▪ Possible trade barriers	▪ Significant warming impacts ▪ Frequent climate disruptions ▪ High adaptation costs ▪ Lower economic productivity
Current Policies	Hothouse world	▪ Minimal regulatory burden ▪ Fossilfuel operations continue ▪ Limited lowcarbon investment ▪ Shortterm stability	▪ Accelerating physical climate risks ▪ Higher disruption costs ▪ Investor pressure increases ▪ Declining competitiveness	▪ Severe climate impacts ▪ Major asset losses ▪ Long-term economic contraction ▪ High global inequality

25.7 RISK MANAGEMENT

We are committed to proactively managing climate-related risks as part of our broader enterprise risk management framework. Climate change presents both physical and transition risks, which may materialise to financial and non-financial risks that can impact our operations. Our climate risk management process is structured to ensure resilience and compliance with regulations.

Although climate risk is not classified as a principal risk within the Group, it remains subject to the Enterprise Risk Management (ERM) framework and the Bank's oversight, as reflected in the Bank's risk appetite statement. This ensures that climate-related exposures are managed under the same principles, policies, and controls applied to all material risks within ERM. While climate risk may not appear prominently in the core risk register, it is regularly evaluated through strategic planning, stress testing, and scenario analysis to strengthen resilience against environmental and regulatory shifts. Climate risk is monitored, reported, and escalated through established governance channels, supporting the Bank's commitment to compliance, financial stability, and sustainability objectives.

Risk management process

The risk management process involves four essential steps:

+ Identify potential climate-related risks, such as floods, droughts, wildfires, and policy changes.
+ Assess the likelihood of these risks occurring and their potential impact on Group operations.

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25 SUSTAINABILITY REPORT (CONTINUED)

25.7 RISK MANAGEMENT (CONTINUED)

Risk management process (continued)

+ Prioritize risks based on their severity and urgency to ensure resources are allocated effectively.
+ Monitor and review risk indicators continuously, adapting strategies as conditions evolve.

Process for identifying, assessing, prioritizing, and monitoring climate-related risks

We recognize that effective risk management is central to safeguarding resilience and creating long-term value. In addition to our established risk frameworks, we have developed and integrated the Environmental and Social Risk Assessment (ESRA) and the Environmental and Social Management System (ESMS) to strengthen our ability to identify, assess, prioritize, and manage climate-related risks.

The Bank identifies sustainability-related opportunities using the same framework applied to sustainability risks, reflecting the close interconnection between the two. In addition, opportunities are monitored across the market and value chain, then evaluated for viability and commercial potential, while considering any new risks they may introduce.

The approach to identifying, assessing, prioritising, and monitoring SROs aligns with the enterprise risk management process and has been expanded to incorporate sustainability-related risks. The process is led by the Sustainable Finance Unit, with oversight from the Board risk and credit committee, with input from management.

Relevant risks and opportunities are embedded within the Bank's five-year sustainability strategy to ensure long-term resilience and value creation. This integration reflects the Bank's commitment to proactively addressing sustainability challenges while leveraging opportunities that align with its strategic objectives. Sustainability-related risks and opportunities (SROs) can influence the Group's operations in multiple ways, both directly and indirectly. These impacts extend across the value chain and downstream activities, affecting operational efficiency, stakeholder relationships, and overall business performance.

Stage	Key Actions
Identify	▪ Determining the bank's time horizons for assessment purposes. ▪ Review of the upcoming changes in laws, regulations, standards, and frameworks. This helps us understand how these changes could affect our operations and guide our compliance and sustainability strategy. ▪ Perform scenario analysis to identify climate-related risks and opportunities, leveraging IPCC scenarios, asset-level exposure data, and projected carbon pricing trajectories. ▪ Evaluate resilience and exposure of assets to climate-related physical risks and opportunities using inputs such as atmospheric projections, rainfall patterns, and extreme weather forecasts. ▪ Conduct due diligence on suppliers to identify and assess climate-related risks and opportunities within the value chain through surveys and targeted site visits. ▪ Organize workshops with key internal stakeholders to align on strategic priorities and develop a longlist of potential Strategic Risk Objectives.
Assess	▪ Assessing their potential impact using a defined scale from minor to major, based on both quantitative and qualitative factors across different time horizons. ▪ Evaluating the likelihood of each risk and opportunity, rated from unlikely to almost certain, based on historical data and scenario analysis. ▪ Understanding the nature of each risk and analyzing its potential impact on the business operations. ▪ Analyze the relationship between climate risks and other categories of risk.
Prioritize	▪ The Group prioritizes the SROs through a structured evaluation of time horizons, magnitude, and likelihood.
Monitor	▪ Close monitoring of changes in economic, social, financial, regulatory, and environmental factors that could impact risk assessment. When necessary, the Group revisits and updates the assessment to reflect any significant changes.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.7 RISK MANAGEMENT (CONTINUED)

Assessment of sustainability-related risks

The Bank adopts a structured approach to evaluating sustainability-related risks, focusing on three key dimensions: potential magnitude, likelihood of occurrence, and nature of the risk. This process ensures that climate-related risks are systematically identified, analysed, and integrated into decision-making.

Prioritizing risks by using heatmaps

To support this evaluation, the Bank utilizes heatmaps combined with qualitative assessments. These tools were initially developed by the United Nations Environment Programme Finance Initiative (UNEP FI), reflecting a global perspective on sectors vulnerabilities. However, the Bank calibrates these heatmaps internally to align them with the realities of the Bank's market, business environment, and client circumstances.

The calibration process ensures that the heatmaps accurately represent sector-specific exposure to physical risks (such as extreme weather events) and transition risks (such as regulatory changes). Heatmaps help prioritize risks by visually showing the likelihood and impact of risks across different sectors. Expert judgment also played a critical role in assessing the vulnerability of each sector to these risks.

Potential magnitude

The Bank evaluates the potential impact of identified risks using a defined scale: High, Medium, or Low. This assessment integrates both quantitative and qualitative factors across short, medium, and long-term time horizons, ensuring a comprehensive view of risk exposure.

Likelihood of Occurrence

The likelihood of each risk materializing is assessed through:

- Historical Data: Analysis of past trends and patterns.
- Scenario Analysis: Forward-looking stress tests under different climate scenarios.

Nature of the Risk

The Bank assesses the nature of climate-related risks by identifying the relevant topic primarily climate change and its associated impacts. It also evaluates how these risks could materialize, such as through operational disruptions, asset impairment, or increased credit risk, and where they may affect the business, including specific sectors within the loan portfolio and geographic regions with high climate vulnerability.

Integrating sustainability into risk management

The Bank embeds sustainability considerations into its overall risk management to ensure that environmental, social, and governance (ESG) factors are systematically addressed alongside traditional financial risks. This integration involves identifying, assessing, prioritizing, and monitoring sustainability-related risks, such as climate change impacts, regulatory developments, and stakeholder expectations, within existing risk processes. By incorporating these factors into credit and operational risk assessments, the Bank enhances resilience, supports long-term value creation, and aligns with regulatory requirements.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.8 METRICS AND TARGETS

SUSTAINABILITY-RELATED METRICS

CROSS-INDUSTRY METRICS

S/N	Category	Information to be disclosed
1	GHG emissions	Absolute gross GHG emissions generated during the reporting period (in metric tonnes of CO2 equivalent), classified as: ▪ Scope 1 GHG emissions ▪ Scope 2 GHG emissions ▪ Scope 3 GHG emissions ▪ Group initiatives to reduce emissions
2	Climate-related transition risks	The amount and percentage of assets or business activities vulnerable to climate-related transition risks
3	Climate-related physical risks	The amount and percentage of assets or business activities vulnerable to climate-related physical risks
4	Climate-related opportunities	The amount and percentage of assets or business activities aligned with climate-related opportunities
5	Capital deployment	The amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities
6	Internal carbon pricing	▪ An explanation of whether and how the entity is applying a carbon price in decision-making. ▪ The price of GHG emissions (per metric tonne) that the entity uses to assess the costs of its GHG emissions.
7	Remuneration	▪ A description of whether and how climate-related considerations are factored into executive remuneration ▪ The percentage of executive management remuneration recognised in the current reporting period that is linked to climate-related considerations.

EMISSIONS FROM OPERATIONS

In accordance with IFRS S2 requirements, the Bank measures its greenhouse gas (GHG) emissions using the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (2004) and applies the operational control approach. This methodology was chosen because it allows the Bank to clearly differentiate emissions from activities under its direct control, for which it has the authority to establish and implement operating policies, from those arising within the value chain, which are not directly controlled but can be influenced.

This is the first year of reporting under IFRS S1 and IFRS S2. The Bank has applied the transition relief to omit comparative information.

Reported emissions are disclosed on a gross basis, without the application of offsets, and expressed in metric tonnes of CO_2 equivalent (tCO_2e).

Total gross GHG emissions

The Bank reports its total GHG emissions for the reporting period, including Scope 1 (direct emissions from owned or controlled sources), Scope 2 (indirect emissions from purchased energy), and Scope 3 (other indirect emissions across the value chain, including the financed emissions). The total GHG emissions for the year amount to 2,171,093 metric tons of CO_2e, calculated using the GHG Protocol Corporate Standard and expressed in metric tons of carbon dioxide equivalent (CO_2e), reflecting our commitment to transparency and aligning with global climate-related financial reporting standards.

Scope 1 Emissions

Scope 1 emissions are calculated based on actual consumption data from the Bank-owned assets, covering three main categories of direct greenhouse gas (GHG) emissions: stationary combustion, mobile combustion, and fugitive emissions. To ensure transparency and accuracy, input data were structured and processed according to the type of emission source and the associated fuel or substance variant, as detailed below:

+ Emissions from stationary combustion: Data was collected on fuel usage from fixed equipment, classified under oil products specifically Gas/Diesel oil. The original quantities, typically provided in litres or gallons, were converted into mass units (kilograms or tonnes) using standard density factors to ensure consistent and accurate application of emission factors.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.8 METRICS AND TARGETS (CONTINUED)

EMISSIONS FROM OPERATIONS (CONTINUED)

Scope 1 Emissions (continued)

- Emissions from mobile combustion: the input data reflect fuel consumption by the Bank's fleet vehicles. Two variants under the oil products fuel type were considered: Gas/Diesel oil and Motor Gasoline/Petrol. As with stationary sources, volumetric data were converted to mass to facilitate accurate emissions estimation.
- Fugitive emissions, the focus was on refrigerant losses from air conditioning and refrigeration systems. The refrigerant considered was R-410A, a hydrofluorocarbon (HFC) with significant Global Warming Potential (GWP). Data on the mass of refrigerant replenished during maintenance operations served as a proxy for estimating direct emissions from leaks or system inefficiencies. Fugitive emissions from refrigerant leakages were accounted for based on the data provided by HVAC contractors

All emissions were calculated using internationally recognized emission factors and methodologies. Fuel consumption values (expressed in mass) were multiplied by corresponding emission factors to determine the amount of CO_2equivalent (CO_2e) emissions. GWP values from the Intergovernmental Panel on Climate Change (IPCC) were applied to convert the impact of all relevant greenhouse gases, including CO_2, CH_4, N_2O, and refrigerants, into a unified CO_2e metric.

A summary of the Scope 1 results is presented in the following table:

Scope	Category	Input data type	Emission factor source	Fuels/Energy used	Emissions [tCO2e]
Scope 1	Stationary combustion	Data on fuel usage	GHG protocol database emission factors for fuel	Gas/Diesel oil.	**1,221**
	Mobile combustion	Data on fuel usage		Gas/Diesel oil and Motor Gasoline/ Petrol.	**3,535**
	Fugitive emissions	Data on refrigerant usage	IPCC's GWP values for GHG gases	Refrigerants	**263**
Total					**5,019**

Scope 2 Emissions

Scope 2 emissions were calculated based on actual electricity consumption data, where available, and spend-based estimations in cases where consumption records were not available. All quantities were converted into kilowatt-hours (kWh) to standardize the dataset and enable consistent emissions calculation.

The location-based method was applied using grid emission factors aligned with Tanzania's electricity profile. Emissions were then estimated using country-specific grid emission factors derived from the International Energy Agency (IEA), specifically reflecting the electricity generation mix in Tanzania. These emission factors already incorporate the carbon intensity of the local energy mix, with no need for additional GWP conversions, as emissions are already expressed in CO_2e.

The total Scope 2 emissions are relatively low, which can be attributed to Tanzania's electricity grid being primarily powered by low-carbon energy sources, approximately 70% from natural gas and 29% from hydropower. This clean energy mix significantly reduces the carbon intensity of purchased electricity and helps limit indirect emissions from electricity use. Data on energy usage was based on the electricity bills for the Bank's headquarters and its branches.

A summary of the Scope 2 results is presented in the following table:

Scope	Category	Input data type	Emission factor source	Fuels/Energy used	Emissions [tCO2e]
Scope 2	Location Based	Data on electricity Spend-based	Energy grid data from IEA	Electricity	**9,743**

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25 SUSTAINABILITY REPORT (CONTINUED)

25.8 METRICS AND TARGETS (CONTINUED)

EMISSIONS FROM OPERATIONS (CONTINUED)

Scope 2 Emissions (continued)

These represent indirect emissions that occur throughout the value chain, both upstream and downstream, and form the largest component of the Group's carbon footprint. The emissions are disaggregated by Scope 3 categories, using a combination of primary and secondary data, in accordance with the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011). The Bank has conducted a detailed Scope 3 assessment, evaluating 15 categories as defined by the Greenhouse Gas (GHG) Protocol. The inputs are internally verified.

Overview of GHG Protocol scopes 3 categories across the value chain.

S/N	Categories	Upstream/ Down-stream	Relevant to the Bank
1	Purchased Goods and Services	Upstream	Yes
2	Capital Goods	Upstream	Yes
3	Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2	Upstream	No
4	Upstream Transportation and Distribution	Upstream	Yes
5	Waste Generated in Operations	Upstream	Yes - immaterial
6	Business Travel	Upstream	Yes
7	Employee Commuting	Upstream	Yes
8	Upstream Leased Assets	Upstream	No
9	Downstream Transportation and Distribution	Downstream	No
10	Processing of Sold Products	Downstream	No
11	Use of Sold Products	Downstream	No
12	End-of-Life Treatment of Sold Products	Downstream	No
13	Downstream Leased Assets	Downstream	No
14	Franchises	Downstream	No
15	Investments	Upstream	Yes

Out of the 15 Scope 3 categories, 7 were identified as relevant to the Bank's operations:

1. Purchased Goods and Services
2. Capital Goods
3. Upstream Transportation and Distribution
4. Waste Generated in Operations
5. Business travel
6. Employee commuting
7. Investments

The remaining categories were deemed either not applicable or not material to the Bank's current operations. Notably, **"**Waste Generated in Operations" were assessed as relevant but immaterial.

This means that while these categories are part of our value chain, their contribution to overall emissions is minimal and does not significantly impact our carbon footprint. Nonetheless, their inclusion reflects our commitment to a thorough and transparent evaluation process.

This foundational assessment enables the Bank to identify key emission hotspots, prioritize reduction efforts, and integrate climate considerations into our strategic planning. As we continue to refine our data and expand our sustainability initiatives, future reports will build on this baseline to track progress and enhance accountability.

As part of our ongoing commitment to environmental stewardship, we have initiated measurement of three key Scope 3 emissions categories most relevant to our operations: business travel (Category 6), employee commuting (Category 7), and investments (Category 15). This milestone represents a significant step forward in our broader effort to understand and reduce our overall carbon footprint.

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25 SUSTAINABILITY REPORT (CONTINUED)

25.8 METRICS AND TARGETS (CONTINUED)

EMISSIONS FROM OPERATIONS (CONTINUED)

Overview of GHG Protocol scopes 3 categories across the value chain. (continued)

Two years ago, our primary focus was on establishing a strong foundation for emissions reporting. During this period, we invested in building internal expertise, mapping emissions sources, and implementing robust data collection processes. These foundational efforts have been essential in ensuring that our future disclosures are accurate, credible, and aligned with internationally best practices.

Looking ahead, we remain dedicated to transparency and continuous improvement. In our upcoming 2026 Sustainability Report, we plan to expand our reporting to include additional relevant Scope 3 categories, further strengthening our commitment to comprehensive and responsible environmental management.

Scope 3 calculation methodology

Financed emission (category 15)

Financed emissions were calculated using the loan data and additional information on buildings and customers in relevant categories. Three asset classes were identified. Loans in the Real Estate sector were classified as Commercial Real Estate (CREs), positions in the Mortgage sector were classified as Mortgages, and the rest of the loans were classified as Business loans. Positions in the personal sector were not considered due to the unknown use of proceeds.

For each loan in the Business Loans (BLs) class, the subsector classification of customers' activities was used for the best emission factor assignment. The approach utilizes PCAF emission factors for Business Loans using Exiobase Assets database for the RoW Africa region. Currently, only data for Data Quality (DQ) 5 is available and all emissions for BLs were calculated using this approach. For BLs calculated under DQ Score 5, the attribution factor is not used.

The Bank follows the PCAF guidance for estimating a data quality score based on the source of emissions and financial data. Data scores range from 1 to 5, with 1 being the highest score for disclosed and verified emissions.

This is reflected in the following formula:

$$Financed\ emissions_{DQ5} = \sum_{c} Outstanding\ amount_{c} * EF_{assets_s}$$

Where EF_{assets} is the PCAF asset-based emission factor for sectors.

For each loan related to CREs and Mortgages, additional data on building characteristics were utilised to determine whether it is residential or non-residential. Therefore, a separate emission factor was assigned, and the emissions were calculated. Then, in the aggregation to a loan level, it is assumed that the outstanding amount for each building is divided proportionally to the value of the collateral.

The formula for financed emissions is therefore expressed as:

$$Financed\ emissions_{DQ5} = \sum_{b} Attribution\ factor_{b} * Number\ of\ buildings_{b} * EF_{b}$$

Where for building *b*:

$$Attribution\ factor_{b} = \frac{Outstanding\ amount_{b}}{Property\ value\ at\ origination_{b}}$$

And EF_{b} is the PCAF emission factor based on the number of buildings and building type.

The formula for Financed Emissions at Data Quality Score 5 (DQ5) estimates CRDB Bank's attributed emissions from each financed building by multiplying three components: the attribution factor, the number of buildings, and the PCAF emission factor (EF) for that building type. For each building b, the attribution factor represents the Bank's proportional share of the property and is calculated as the outstanding loan amount divided by the property value at origination.

This ensures that only the portion of emissions corresponding to CRDB Bank's economic exposure is counted. The number of buildings accounts for cases where a single loan finances multiple units. The emission factor (EF(b)) is the PCAF-specified average emissions per building, based on the building category (such as residential or non-residential). Summing this product across all buildings provides the total financed emissions for exposures falling under DQ5.

Most of the Bank's financed emissions are in the agriculture (50%), trade, transport and communication (25%), manufacturing (8%), and building and construction (6%) sectors, which account for almost 89% of the Bank's financed emissions. In the table below, we present full results by Sector of industry and PCAF asset class:

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25 SUSTAINABILITY REPORT (CONTINUED)

25.8 METRICS AND TARGETS (CONTINUED)

EMISSIONS FROM OPERATIONS (CONTINUED)

Scope 3 calculation methodology (continued)

Category	Scope 1	Scope 2	Scope 3	Principal [mlnTZS]	DQ	CF [tCO2e]	[kgCO2e/ mln TZS]	%
Agriculture	882,736	3,077	189,538	2,909,364	5	1,075,352	370	50%
Building and Construction	27,452	608	106,890	576,552	5	134,949	234	6%
Electricity, Gas and Water	13,670	265	9,604	114,760	5	23,539	205	1%
Trade, Transport and Communication	294,340	4,363	238,002	2,488,822	5	536,705	216	25%
Manufacturing	110,599	655	54,611	535,050	5	165,865	310	8%
Mining and quarrying	65,703	1,208	32,719	170,279	5	99,630	585	5%
Other	52,600	5,315	56,508	1,514,003	5	114,424	76	5%
Business Loans total	**1,447,100**	**15,492**	**687,872**	**8,308,831**	5	**2,150,465**	**259**	
Mortgage	**1,100**	**787**	**-**	**99,641**	5	**1,887**	**19**	-
CRE	**389**	**680**	**-**	**118,747**	5	**1,069**	**9**	
Financed emissions	**1,448,590**	**16,959**	**687,872**	**8,527,219**	5	**2,153,421**	**253**	100%

Employee Commuting (Category 7)

To estimate greenhouse gas (GHG) emissions from employee commuting, the Bank used the fuel-based method, which provides a more accurate representation than the distance-based approach. This is because fuel consumption is directly correlated with CO_2 emissions.

The calculation was based on total fuel expenditure and the average fuel price, enabling us to estimate the volume of fuel consumed (in litres). We then applied fuel-specific emission factors, expressed in kilograms of CO_2-equivalent per litre (kg CO_2e/litre), to determine total emissions. These factors account for emissions from fuel combustion. We used an emission factor from a reputable authority, the U.S. Environmental Protection Agency (EPA), to ensure the reliability and accuracy of our estimates.

The formula used is as follows:

GHG Emissions (tCO_2e) = Fuel Quantity(litres) × Emission Factor

Category 7	Operational/ Financed	Activity Data/ Units	Emission Factor	Activity Amount in Litres	Emission Output (tCO2e)
Scope 3	Operational	Employee Commuting	0.31	**5,109,610**	**1,564**

Business travel (Category 6)

Emissions associated with business travel were calculated using the distance-based method, which is a widely recognized approach for estimating greenhouse gas emissions from transportation activities. Data was sourced from the corporate booking system to ensure accuracy and completeness, capturing all business-related air travel undertaken during the reporting period. This method involves determining the total distance travelled by employees and applying appropriate emission factors for air transport. By using this approach, the Bank ensures consistency and comparability in its emissions reporting.

To enhance reliability, the calculation process incorporates emission factors that account for different flight categories, such as short, medium and long-haul journeys, reflecting variations in fuel consumption and associated emissions. This methodology provides a transparent and robust framework for assessing the climate impact of business travel, enabling the Bank to identify key areas for reduction and set informed targets.

The results of this analysis form an integral part of the Bank's overall greenhouse gas inventory and support its commitment to reducing emissions in line with sustainability goals.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.8 METRICS AND TARGETS (CONTINUED)

EMISSIONS FROM OPERATIONS (CONTINUED)

Scope 3 calculation methodology (continued)

GHG Emissions (tCO_2e/TZS) = Distance(miles) × Emission Factor (tCO_2e)

Category 6	Operational/ Financed	Activity Data/ Units	Activity distance based (Miles)	Emission Output (tCO2e)
Scope 3	Operational	Business Travel	8,361,537	1,346

Distance	Emission factor
Air Travel - Short Haul (< 300 miles)	0.21
Air Travel - Medium Haul (>= 300 miles, < 2300 miles)	0.13
Air Travel - Long Haul (>= 2300 miles)	0.16

GHG Emission Breakdown

The table below presents GHG emissions across Scope 1, Scope 2, and Scope 3. Emissions are disclosed on a gross basis, without offsets, in tCO2e.

Metric tonnes of CO2 equivalent (Mt CO2e)	2025
Scope 1 GHG emissions	
▪ Stationary combustion	**1,221**
▪ Mobile combustion	**3,535**
▪ Fugitive emissions	**263**
Scope 2 (location-based) GHG emissions	
▪ Purchased electricity (Location based)	**9,743**
Scope 3 GHG emissions	
Category 6 – Business travel	**1,346**
Category 7 – Employee commuting	**1,564**
Category 15 – Investment	**2,153,421**
Total	**2,171,093**

Note: The Bank does not use any form of contractual instruments in the form of renewable energy certificates or power purchase agreements .

The Bank may face exposure to physical climate risks arising from the direct impacts of shifting weather patterns and increasingly frequent extreme climate events. These risks include flooding, prolonged droughts, storms, heatwaves, and rising temperatures hazards that disrupt communities, damage infrastructure, and affect economic activity across Tanzania. Such climatedriven disturbances can impair business operations, reduce agricultural yields, destroy assets, and weaken the repayment capacity of borrowers across multiple sectors, ultimately affecting the Bank's overall credit quality and operational resilience.

To safeguard its financial stability, the Bank is strengthening its climaterisk management framework by integrating physicalrisk assessments into credit evaluations, stresstesting, and portfolio monitoring processes. The Bank is also intensifying engagement with customers to encourage climateresilient practices, such as improved farming methods, watereefficient technologies, and climateproof infrastructure investments through our TACATDP programs and proceeds from green bond. Through these strategic initiatives, the Bank aims to reduce vulnerability to climate impacts while supporting national sustainability objectives and promoting longterm economic resilience for customers and communities.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.8 METRICS AND TARGETS (CONTINUED)

CLIMATE-RELATED TRANSITION RISKS EXPOSURE

The Bank has assessed the vulnerability of climate-related transition risks for sectors exposed to policy changes. The following information details the various sectors and the respective portfolio amounts held within the Group that are susceptible to transition risk associated with a shift towards a low-carbon economy. This transition risk amounts to 35.5% of the total portfolio value.

	Power and Utilities	Manufacturing	Building and Construction	Mining and Quarry	Oil and gas	Transportation and communication	Agriculture
Exposure to the sector as a % of total loans and advances	**0.79%**	**4.01%**	**4.45%**	**1.31%**	**0.06%**	**2.66%**	**22.25%**
Exposure to sector (TZS) million	**106,441**	**539,980**	**599,279**	**176,522**	**7,565**	**357,925**	**2,994,756**
Sector weight as a proportion of high transition risk sectors %	**2.23%**	**11.29%**	**12.53%**	**3.69%**	**0.16%**	**7.48%**	**62.62%**

Climate-related opportunities

The Bank has firmly positioned itself as a leader in sustainable finance by leveraging climate-related opportunities through innovative financing and operational strategies. In 2023, the Bank achieved a green asset ratio of 7%, underscoring its commitment to environmentally friendly and climate-resilient investments. This dedication is further demonstrated by the launch of a US $200 million financing facility to support climate-smart agriculture and adaptation technologies. Complementing these efforts, the Bank issued a US $300 million Green Bond to fund sustainable projects aligned with its mission to promote green initiatives and drive positive environmental impact.

Looking ahead, the Bank has set climate goals to deepen its sustainability footprint. The Bank plans to increase its green asset ratio from the current 7% to 15% by 2030, with a long-term target of 30% by 2050. These forward-looking objectives, combined with ongoing initiatives, reflect a comprehensive strategy to embed climate considerations into its core business model. By doing so, the Bank not only creates long-term value for stakeholders but also contributes meaningfully to national and global climate agendas, reinforcing its role as a catalyst for sustainable development.

To enhance asset resilience and capitalize on climate-related opportunities, the Group has set two strategic investment priorities for the 2026–2030 period: expanding its green and sustainable financing portfolio and optimizing energy efficiency. These focus areas reflect a proactive approach to mitigating material climate risks while aligning with global sustainability trends.

CAPITAL DEPLOYMENT

In 2026, the Group has allocated a planned capital expenditure of TZS 5.8 billion to mitigate climate-related risks and leverage emerging sustainability opportunities. This strategic investment underscores the Group's long-term commitment to fostering a climate-resilient business model while aligning with global environmental standards and stakeholder expectations.

The deployment will focus on initiatives such as energy efficiency, renewable energy integration, and sustainable infrastructure enhancements, ensuring that the organisation not only reduces its carbon footprint but also strengthens operational resilience against climate impacts. By prioritising these areas, the Group positions itself to deliver sustainable growth and create shared value for both the business and the communities it serves.

The below are key investment priorities for the financial year 2026:

a. Expansion of green and sustainable financing portfolio

By investing in climate-resilient operational assets, CRDB Bank can position itself as a leading provider of green financial solutions. This creates opportunities to

- Develop tailored green loan products for renewable energy, sustainable agriculture, and climate-smart SMEs,
- Expand partnerships with global climatefinance institutions for concessional funding, and
- Attract ESG-focused investors seeking banks with strong environmental commitments. This not only mitigates transition risks but also opens new revenue streams through sustainable finance instruments.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.8 METRICS AND TARGETS (CONTINUED)

CAPITAL DEPLOYMENT (CONTINUED)

b. Energy efficiency optimisation

Optimising energy use through advanced hybrid power systems

The Group has allocated TZS 1.4 bn between 2026 and 2030 to enhance energy efficiency and strengthen the resilience of its operational infrastructure through the deployment of hybrid inverter systems. This investment supports the transition toward lowcarbon operations by equipping major branches with 5KVA hybrid inverter systems supported by 48V lithium batteries, colour control units, battery racks, and essential accessories. These upgrades are designed to reduce dependence on diesel generators and gridrelated disruptions, while contributing to the Group's broader climateresilience strategy.

In addition, the Group will install tailored 3KVA hybrid inverter systems across medium branches, as well as 2KVA inverter systems for mobile branches and offsite ATMs, ensuring uninterrupted service delivery even in areas prone to power fluctuations. The investment also includes provisions for energyefficient systems in new outlets, reinforcing the Group's commitment to sustainable operations. Through these initiatives, the Group aims to optimize energy use, lower carbon emissions, and improve operational continuity across more than 60% of its asset base.

Enhancing operational continuity through renewable energy investments

The Group has allocated TZS 1.2 billion to enhance energy reliability and support sustainable service delivery across remote locations with limited grid connectivity. This investment focuses on deploying branch-level solar hybrid battery solutions for remote branches, offsite ATMs, and mobile branches, ensuring consistent access to power and reducing reliance on carbon-intensive energy sources.

The plan also includes the installation of 200W, 10,000mAh, 12V solar lighting systems equipped with standalone poles to improve security and visibility in off-grid environments. In addition, the Group will introduce advanced tools to enhance digital service resilience, including a solar-powered POS visibility monitoring system and a solar-driven ATM proof-of-concept (POC). These initiatives collectively support operational continuity, lower environmental impact, and strengthen the Group's commitment to expanding sustainable financial services across underserved areas.

Centralized multivendor platform for lowcarbon, highreliability selfservice channels

The Group has allocated TZS 2.5 billion to implement a multi-vendor client platform that brings all self-service devices such as NCR and GRG ATMs, Bank Deposit Machines (BDMs), recyclers, contactless readers, offsite ATMs, and POS terminals onto one unified system. This platform supports paperless Electronic Journals (EJ), As a result, the Group will reduce the use of thermal paper.

GridTied Solar PV system investment at Head Office

The Group has budgeted TZS 687 million for the installation of a GridTied Solar PV system at the Headquarters, aimed at reducing reliance on grid electricity and lowering longterm operational emissions. This investment will enable the HQ to generate clean, renewable energy directly onsite, cutting electricity consumption from nonrenewable sources and improving energy resilience during grid fluctuations. By integrating solar power into the main building's energy mix, the Group expects to significantly reduce carbon emissions, decrease energy costs, and support Tanzania's transition toward sustainable power solutions. This initiative forms a key part of the Group's broader commitment to energy efficiency and climate-responsible operations across its facilities.

INTERNAL CARBON PRICING

The Bank recognises that climate impact is a business reality that demands proactive action. Internal carbon pricing is a powerful mechanism that helps quantify the financial implications of carbon emissions and integrate sustainability into decision-making processes. However, the Bank is yet to develop its own internal carbon pricing.

Assigning a monetary value to carbon emissions will create a clear incentive for energy efficiency, innovation, and low-carbon investments across operations. This approach will support our commitment to a low-carbon economy, ensuring that every business decision reflects both environmental responsibility and long-term financial resilience.

The Bank plans to implement internal carbon pricing in 2026.

REMUNERATION

As part of strengthening our sustainability governance and embedding climaterelated and broader ESG considerations into decisionmaking, the Group is planning to introduce an enhanced remuneration and performance framework that links both executive and employee rewards to sustainability outcomes. While this framework is not yet in place, it forms part of the Group's future strategic direction and sustainability commitment.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.8 METRICS AND TARGETS (CONTINUED)

REMUNERATION (CONTINUED)

a. Executive remuneration

The Group intends to introduce a remuneration structure that links with sustainability initiatives. The proposed variable component will be performance-based, incorporating financial targets alongside sustainability objectives aligned with the sustainability strategy. Weightings for the sustainability criteria will be assigned based on their strategic importance.

Each sustainability criterion will contribute to the total performance score based on whether targets are achieved. If all proposed sustainability objectives are met, the portion of executive remuneration linked to sustainability will reflect the allocated weighting under the finalised performance management system.

This planned approach is intended to strengthen the connection between executive performance, sustainability outcomes, and long-term value creation.

b. Sustainability-linked initiatives for employees

To promote accountability and embed sustainability practices across the organisation, the Group is also developing sustainability-related reward and recognition mechanisms for employees at various levels.

+ Integration of sustainability metrics into performance appraisals
+ Incentive programmes for green initiatives
+ Recognition of sustainability champions

Employee salaries paid during 2025 were not linked to sustainability-related targets. Similarly, bonuses accrued for executive management in 2025 were not tied to climate-related objectives. However, this alignment is expected to begin in 2026, reflecting the Group's broader sustainability commitment and the planned transition toward integrated ESG-linked remuneration.

INDUSTRY-BASED METRICS

Our sustainability disclosures are guided by industry-specific metrics that demonstrate our commitment to transparency, accountability, and long-term value creation for all stakeholders. These metrics address the unique priorities and challenges of our sector, ensuring that our operations align with global best practices and national development goals. They cover a wide range of areas that illustrate our impact on the environment, society, and governance.

The key disclosure topics include:

- **Data Security** – Protecting customer information and maintaining robust cybersecurity measures to uphold trust and integrity.
- **Financial Inclusion and Capacity Building** – Expanding access to financial services and empowering communities through education and innovative solutions.
- **Integration of ESG Factors in Credit Analysis** – Embedding environmental, social, and governance considerations into lending decisions to promote responsible financing.
- **Financed Emissions** – Measuring and disclosing emissions associated with our lending and investment activities, reinforcing our commitment to climate action.
- **Business Ethics and Code of Conduct** – Upholding the highest standards of ethical behaviour and compliance across all operations.
- **Systematic Risk Management** – Strengthening resilience against financial, operational, and climate-related risks to ensure stability and sustainability.

This holistic approach reinforces our role as a responsible financial institution, fostering trust and driving sustainable growth across the communities we serve.

DATA SECURITY

The Group is committed to ensuring the security of its operations, customers, and stakeholders. As part of our comprehensive sustainability agenda, we have implemented a range of robust security measures designed to safeguard our assets, sensitive data, and overall operational integrity. This commitment significantly contributes to a safer, more resilient banking environment. Our dedication to security is not just a regulatory requirement; it is an integral component of our sustainability strategy. We continually assess and enhance our security protocols, ensuring that they adapt to emerging threats and technological advancements. This dynamic approach enables us to create a safe and trustworthy banking atmosphere for our customers and stakeholders alike.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.8 METRICS AND TARGETS (CONTINUED)

DATA SECURITY (CONTINUED)

The Group approach to identifying and addressing data security risks

The Bank recognizes the importance of continuously monitoring its information system and communication network infrastructure and applications to ensure minimum and/or lack of technical vulnerabilities which could cause unwanted consequences to the Bank. The Bank has procedures "Information system vulnerability and patch management procedures" that contain a description of the information system vulnerability management process covering the identification and treatment of identified technical vulnerabilities, along with associated responsibilities of members of staff.

The procedure covers the Bank systems, with applications, operating systems, network equipment, mobile devices, and databases that are situated in the bank or owned by the bank, that store, process or transmit Bank data.

In addition, the Bank has adopted the CVSS v4.0 scoring scheme from the Forum of Incident Response and Security Teams (FIRST).

CVSS scoring scheme adopted by the bank is summarized below:

CVSS Score	Severity	Descriptions
9.0 – 10.0	Critical	Sensitive information at actual risk of exposure. The vulnerability affects cyber or privacy risk. Significant evidence exists that the risk is exploitable and has happened somewhere else.
7.0 – 8.9	High	High or valuable information at potential or actual risk of exposure. Significant evidence exists that the risk is exploitable and has happened somewhere else.
4.0 – 6.9	Medium	High or valuable information at potential risk of exposure. No evidence that the risk is exploitable or has happened somewhere else.
0.1 – 3.9	Low	Quality enhancement or any other non-security risk.
0	None/inf	Informational, no risk exists.

Approach to managing identified data security risks and vulnerabilities

Cybersecurity Enhancements:

- Advanced Threat Detection: The Bank has invested in state-of-the-art cybersecurity technologies to detect and mitigate potential threats. This includes real-time monitoring systems and AI-driven threat analysis.
- Employee Training: Regular training sessions are conducted to educate employees on cybersecurity best practices, ensuring they are equipped to handle potential security breaches. This is also extended to customers through regular security awareness messages.

Physical Security:

- Secure Facilities: Our branches and data centers are equipped with advanced security systems, including surveillance cameras, access control mechanisms, and alarm systems to prevent unauthorized access.
- Emergency Response Plans: We have established comprehensive emergency response plans to address any physical security incidents promptly and effectively.

Data Protection:

- Encryption Protocols: The Bank employs robust encryption protocols to protect sensitive customer data during transmission and storage.
- Compliance with Regulations: We adhere to national and international data protection regulations, ensuring that our data-handling practices meet the highest standards of security and privacy.

The Bank has observed clear patterns in the cyber-attack attempts targeting its systems. Most attacks followed similar types, including phishing emails aimed at staff, malware attempts that probe system vulnerabilities, and automated network scanning by external actors. The frequency of these attempts remained relatively steady throughout the year, with occasional spikes during holiday periods. Most attacks were traced back to external IP addresses. These observed trends help the Bank anticipate emerging threats.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.8 METRICS AND TARGETS (CONTINUED)

DATA SECURITY (CONTINUED)

To counter the growing threat of cyber-attacks, the Bank has strengthened its cybersecurity framework through a multi-layered approach. It maintains advanced network security systems, including firewalls, intrusion detection tools, and endpoint protection, complemented by real-time transaction monitoring and fraud analytics. The Bank has also maintained ISO 27001 and PCI-DSS certifications, upgraded its core banking system to Temenos T24 for enhanced resilience, and deployed SmartVista for secure payment processing. Regular penetration testing, system hardening, strict access control and patch management are enforced, while customer awareness campaigns and whistle-blowing channels support proactive risk mitigation. These measures ensure robust protection of customer data and operational integrity against evolving digital threats.

Reporting an Incident/Data Breach

Reporting a data breach in the bank is a critical and time-sensitive process that requires clear communication, collaboration with relevant stakeholders, and strict compliance with regulatory requirements. The bank follows the "Information Security Incident Management Procedure" to guide this process.

The Data Protection Officer is responsible for immediately reporting breaches within 24 hours to Senior Management and the Personal Data Protection Commission, in line with applicable laws and regulations, and advising on corrective actions.

All notifications must be agreed upon by Senior Management and the Data Privacy Commission, with each incident assessed on a case-by-case basis. When necessary, the Director of Corporate Affairs communicates the breach to internal and external stakeholders, including customers.

Data and system security

The Bank continues to strengthen its data and system security framework to address new and emerging cyber threats impacting the financial services industry. As part of these efforts, the Bank has implemented enhanced controls and monitoring capabilities to mitigate risks associated with the increasing use of digital channels. In addition, the Bank has intensified its defensive measures against sophisticated attack vectors such as phishing attacks, malware and ransomware, insider threats, ATM skimming, mobile banking app vulnerabilities, credential stuffing, and data leaks from cloud services.

Below are some of the tools the Bank has implemented to safeguard from cyber-attacks:

Digital tool	Use of the tool
Cyber threat intelligence (CTI)	Collecting cyber threats from different angles of cyberspace globally, with associated impacts and remedial actions.
Network access control	Ensuring access to the internal network is properly authorised in compliance with security controls on the devices connecting to the internal network.
Antimalware and EDR	Blocking and preventing different types of viruses and other malware, from basic to sophisticated ones.
Firewalls and IDPS	Firewalls act as our perimeter defence control against malicious network traffic, while Intrusion Detection and Prevention Solutions (IDPS) block attempted attacks from entering the network.
Data Classification and Loss Prevention	Ensuring tagging and labelling of sensitive information for enhanced security protection against accidental and intentional leakage.
User access management	Controlling access levels and permissions of users to IT systems, from regular to privileged users.
Security vulnerability scanners	As cyber risk evolves daily, vulnerability scanners identify all the available security risks exposed by IT systems, which should be mitigated before becoming threats.
Security Information and Events Management (SIEM)	Collect, analyse, aggregate, and report malicious security events that turn into incidents for quicker and more effective remediation.
Computer disk encryption	Encountering data loss or leakage from lost or stolen computers containing sensitive information.
IT assets management	Being the cornerstone of security controls, the identification and management of sensitive IT assets is appropriately prioritised, where the application of relevant controls follows the prioritisation.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.8 METRICS AND TARGETS (CONTINUED)

DATA SECURITY (CONTINUED)

Data and system security (continued)

These initiatives form part of the Bank's ongoing commitment to safeguarding customer data, preserving the integrity of financial transactions, and maintaining resilient and secure banking operations.

Regulatory Environment governing data security

The Bank operates within a regulatory environment established by the Bank of Tanzania (BoT), which prescribes stringent standards for data protection, cybersecurity, and responsible technology adoption across the financial sector. As part of its compliance obligations, the Bank aligns its data security policies and procedures with national legislation, including the Personal Data Protection Act (Cap. 44) and its Personal Data Protection (Personal Data Collection and Processing) Regulations, 2023, which outline requirements for secure data handling, data subject rights, data controller obligations, and mandatory security safeguards during processing.

In addition, the Bank adheres to BOT's evolving technology and cybersecurity-related regulatory frameworks, including the Cloud Computing Guidelines for financial service providers 2023, issued under the Banking and Financial Institutions Act and the National Payment Systems Act 2015, which establish security, datasovereignty, and riskmanagement requirements for cloud adoption across the banking sector.

The Bank also incorporates data security expectations embedded within BOT's financial consumer protection frameworks, which emphasize safeguarding customer information, preventing misuse of consumer data, and ensuring robust protection against fraud and digitalplatform risks. Through these combined regulatory and voluntary bestpractice measures, the Bank maintains a comprehensive cybersecurity posture designed to ensure statutory compliance, protect sensitive customer information, and support the resilience and integrity of its digital banking operations.

Our cybersecurity team employs cutting-edge technologies and monitors systems 24/7 to detect and mitigate potential threats swiftly. We are continuously improving our security measures and aim to create a safe and trustworthy banking environment for our customers and stakeholders, reflecting our commitment to sustainable and responsible banking practices.

The Bank's Commitment to Global Cybersecurity Standards

In implementing various initiatives to counter cyberattacks, The Bank ensures full compliance with internationally recognized standards and frameworks for managing data security, including:

- ISO 27001:2022 Certification – The Bank is certified under the Information Security Management System (ISMS) international standard by the British Standards Institution (BSI), demonstrating robust governance of information security risks.
- PCI-DSS Compliance – The Bank meets the Payment Card Industry Data Security Standard requirements, ensuring secure handling of cardholder data and payment transactions.

For more details, refer to Section 24: "Quality Management."

FINANCIAL INCLUSION & CAPACITY BUILDING

We are dedicated to fostering financial inclusion by ensuring our community can access affordable and convenient financial products and services, regardless of location, background, or financial status. Our brand propositions and offerings have been designed to cater to our customers' diverse and evolving needs. We have invested significantly in the latest technologies and innovative delivery channels to ensure our services are accessible to everyone. We are committed to providing a level playing field for our customers, especially those in underserved and remote areas, to help them achieve their financial goals and aspirations.

The Bank has seen a significant increase in its customer base, which has grown to 7.2 million from 6.4 million in 2024. This growth has been attributed to the expansion of our agency banking services, which have played a crucial role in providing access to financial services. We have grown our agency network to 38,883 from 36,566 in 2024, highlighting our commitment to delivering services to the unserved population. Furthermore, the bank has seen a 43% year-on-year increase in online transactions on Simbanking and a 16% increase in internet banking.

Creating an enabling banking environment for everyone

Promoting financial inclusion involves increasing accessibility of our financial products by the low-income earners group. Through our various digital solutions, we have managed to increase the accessibility of our banking products by the underbanked community. We believe that digital transformation to reduce the cost of access is crucial towards greater financial inclusion. We have carried out several initiatives to provide communities with affordable products and services to elevate their financial well-being.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.8 METRICS AND TARGETS (CONTINUED)

FINANCIAL INCLUSION & CAPACITY BUILDING (CONTINUED)

Creating an enabling banking environment for everyone (continued)

The Bank has entered into several agreements with international agencies to secure funds to facilitate the provision of affordable loans to women and youth. Through such funding arrangements, the Bank has provided affordable loans to women and youth borrowers, particularly in the education & health sectors, MSMEs, and the informal sectors in Tanzania.

The below table shows the number and amount of loans outstanding that qualify for programmes designed to promote small business and community development.

Description	2025	
TZS' Million	Number of Loans	Outstanding Balance 'In Millions
Loan to MSMEs	42,184	2,183,883
Loan to women	1,527,615	1,837,433
Loan to small farmers	14,408	113,450
Loan to Youths	1,500,582	115,453
Total	**3,084,789**	**4,250,219**

Strategic initiatives to drive SME growth and financial Inclusion

The Bank has established both short and longterm strategies to expand its portfolio of qualified loans that promote small business growth and community development. As part of the 2026 strategic focus, the Bank is prioritizing the growth of the SME sector by unlocking the potential of micro, small, and medium enterprises. This will be achieved through the provision of tailored financing solutions, advisory services, and digital tools designed to support entrepreneurial success and stimulate broader economic development.

In addition, the Bank aims to broaden financial inclusion by extending its reach to underserved retail customer segments. This will involve offering targeted and accessible product solutions, competitive and affordable pricing, and strengthening distribution channels to ensure that services are available and convenient for customers across diverse communities.

Together, these initiatives form the foundation of the Bank's commitment to advancing small business development, enhancing community resilience, and supporting inclusive economic growth.

Number and amount of past due and nonaccrual loans

The Bank discloses information on loans that qualify for programmes designed to promote small business growth and community development, in accordance with its commitment to transparency and sound creditrisk reporting. As at the reporting date, the disclosure encompasses all qualifying loans that are past due, on nonaccrual status, or subject to forbearance, presented on a gross outstanding basis prior to allowance for expected credit losses. These classifications reflect the Bank's accounting and regulatory definitions for credit impairment and borrower concessions.

The table below provides the number and amount of past due and nonaccrual loans, thereby offering stakeholders clear visibility into the credit quality of the below loans category.

Description	Number of Loans	Amount of past due TZS' Million	Number of Loans	Amount non-accrual loans-TZS' Million
Loan to MSMEs	12,748	333,586	1,666	20,191
Loan to women	14,127	95,986	865	7,984
Loan to small farmers	4,888	24,703	390	5,038
Loan to Youths	13,552	62,733	780	13,228
Total	**45,315**	**517,010**	**3,701**	**46,442**

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.8 METRICS AND TARGETS (CONTINUED)

INCORPORATION OF ENVIRONMENTAL, SOCIAL, AND GOVERNANCE FACTORS IN CREDIT ANALYSIS (CONTINUED)

The policy's objectives are to provide a mechanism to enable the Bank to optimize opportunities, manage climate risks and impacts, and improve the outcomes of the financed activities by incorporating climate-related financial risks into our governance and risk management practices in portfolio management and across the bank's operations.

Oversight and Accountability in ESG Integration

Governance of ESG integration is driven by strong oversight from the Board and operational accountability within the Credit Department. The Board ensures strategic alignment by approving the Environmental, Social, and Climate Risk Management Policy, endorsing climatefinance initiatives, and ensuring compliance with all regulatory requirements. The Credit Department operationalizes this mandate by embedding environmental, social, and climaterisk assessments into all lending processes, ensuring ESRA checklists and climaterisk evaluations are completed for every loan, and involving the Sustainable Finance Unit (SFU) in credit reviews and document development.

The department further builds internal capacity through sustainabilityfocused training and ensures that ESGrelated covenants in loan agreements are continuously monitored and enforced. Together, these governance roles ensure robust oversight, consistent risk management, and strong accountability in implementing ESG principles across the institution.

Scenario analysis and modelling

In 2025, the Bank conducted a climate-related scenario analysis to assess both physical and transition risks within its corporate and mortgage portfolios. The exercise evaluated how climate hazards could affect the physical assets of corporate clients particularly their Property, Plant, and Equipment (PP&E) and translated the results into credit-risk indicators such as Probability of Default (PD) and Loss Given Default (LGD). For the mortgage portfolio, the analysis focused on how severe climate events could impact the value of collateral properties through shifts in Loan-to-Value (LTV) ratios. The assessment was supported by external experts and was based on established, publicly available climate pathways.

More detail is in strategy section.

BUSINESS ETHICS AND CODE OF CONDUCT

The Group is dedicated to protecting its reputation and that of our stakeholders as we fulfill our responsibilities. This oversight lies entirely with the bank's management and employees. We believe that maintaining an ethical culture in the financial sector is crucial for customers, employees, regulators, and the banking sector's integrity. A secure, reliable, and efficient financial system is one of the pillars of economic stability in any country. Therefore, nurturing an ethical culture is essential for our Bank.

Based on this commitment, we have developed a Code of conduct with a comprehensive set of minimum behaviors, conduct standards, and acceptable practices that all employees must demonstrate and adhere to while performing their duties within the Bank. This commitment ensures everyone upholds the Bank's values and maintains a professional environment.

Objectives of our code of conduct

The Bank recognizes the importance of maintaining the highest standards of professionalism, integrity, honesty, and fairness among all its staff. Therefore, it is committed to taking all necessary measures to uphold these principles. The objectives of this Code of Conduct are to ensure strict adherence to the best banking practices in accordance with the Tanzania Bankers Association's (TBA) guidelines and to promote a continuous commitment to ethical conduct and professional standards among all staff and stakeholders. This commitment aims to strengthen the core values of both the Bank and TBA.

Below are the specific objectives of our code of conduct:

- Guide every Staff member to meet their professional obligations to customers and other stakeholders by maintaining and enforcing the highest level of professionalism, integrity, and ethical conduct.
- Ensure that staff conduct themselves in a manner that always befits the good name and image of the Bank and the banking industry.
- Ensure that every staff member complies with applicable laws and regulations guiding the banking industry by upholding and adhering to the spirit and principles provided for in this code of conduct.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.8 METRICS AND TARGETS (CONTINUED)

BUSINESS ETHICS AND CODE OF CONDUCT (CONTINUED)

Objectives of our code of conduct (continued)

Below are the specific objectives of our code of conduct:

- Guide every Staff member to meet their professional obligations to customers and other stakeholders by maintaining and enforcing the highest level of professionalism, integrity, and ethical conduct.
- Ensure that staff conduct themselves in a manner that always befits the good name and image of the Bank and the banking industry.
- Ensure that every staff member complies with applicable laws and regulations guiding the banking industry by upholding and adhering to the spirit and principles provided for in this code of conduct.
- Reaffirm and restate the commitment of the Bank and its staff to adhering to specific obligations provided in this code of conduct and TBA. Put in place mechanisms to enforce this code of conduct and achieve its intended purpose.

Purposes of the code

The main purpose of this code of conduct is to set and maintain a standard for acceptable behavior for all bank employees. It acts as a reminder to the employees of what is expected of them. It further highlights that their actions should always align with the ethos of the business to protect the reputation of "the Bank" and its Employees.

The purpose is to identify specific behaviors that are either essential to success or those that could negatively impact objectives or the wider reputation of the Bank. The Bank foresees compliance mechanisms, disciplinary procedures, and grievance actions that are appropriate if employees fail to comply with the Code. Any employee who breaches or fails to report an actual or suspected breach will be subjected to corrective and disciplinary action. Corrective or disciplinary action can range from reprimands to termination of the working relationship, depending on the severity of the breach.

Core principles for the Group code of conduct

Our core ethical values, outlined in the table below, establish a corporate code of ethics that requires understanding and active participation from everyone in the Group. This Code specifies the expected standards of behavior and the operating principles that must be followed. Every staff member is required to ensure that the bank always maintains high ethical standards and that adequate internal control measures are in place to guard against unethical practices.

Service excellence	▪ Provide excellent service to clients, partners, and colleagues. ▪ Value strong and long-term relationships with clients, partners, and colleagues ▪ Strive to understand the need of clients, partners, and colleagues
Professional behaviour	▪ Comply with professional standards and applicable laws and regulations. ▪ Avoid any action that may discredit the Bank.
Integrity	▪ Earn trust by straightforward and honest behaviour in professional and business relationships. ▪ Be truthful about the services provided, the knowledge possessed, and the experience gained.
Fair business practices	▪ Be committed to fair business practices and "arm's length" transactions. ▪ Respect competitors and do not compete unfairly.
Accountability	▪ Understand one's responsibilities and decisions and assume them without trying to avoid them. ▪ Report any relevant misconduct using the proper escalation and clearance protocol.
Objectivity	▪ Be objective in providing services and advice to our customers. ▪ Address differences of opinion and handle them constructively and professionally.
Confidentiality	▪ Respect the confidentiality of information. ▪ Do not misuse information of the Bank, clients or colleagues for personal advantage or for the benefit of third parties.
Respect & Diversity	▪ Treat all colleagues with respect, courtesy, and fairness. ▪ Encourage and value the diverse mix of people, opinions, and experiences. ▪ Promote equal opportunity for all.

Compliance with the Group code of conduct

Compliance with our code of conduct is embedded in our employment contracts, recruitment and performance management activities. All employees must comply with our code of conduct and report conduct that may breach the law, the code or policy.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.8 METRICS AND TARGETS (CONTINUED)

BUSINESS ETHICS AND CODE OF CONDUCT (CONTINUED)

Core principles for the Group code of conduct (continued)

Any employee, contractor, or consultant can confidentially report concerns about conduct, practices, or issues to our Risk and compliance department and the HR department. To help our employees apply the principles of our code of conduct, we have developed a training course for newly appointed employees as part of the induction course. Annually, all employees are reminded of the code of conduct when declaring assets and liabilities. Additionally, employees must undertake mandatory training on anti-money laundering and counter-terrorist activity, personal data protection and privacy, and cyber security.

Metrics

As a financial institution, we operate under stringent legal regulations designed to combat tax evasion, fraud, insider trading, antitrust behaviour, money laundering, corrupt practices, price fixing and market manipulation. To uphold our commitment to ethical banking and integrity, we have implemented a comprehensive zero-tolerance framework.

This framework aims to rigorously enforce compliance with all applicable laws and regulations. We prioritize transparency and accountability in our operations, ensuring all employees are trained to recognise and report suspicious activities. By maintaining these high standards, we strive to protect our customers, shareholders, and the broader financial system from illicit activities. During the year, the Bank had no significant monetary losses resulted from legal proceedings associated with fraud, insider trading, antitrust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations.

Reporting compliance

Reporting misconduct is crucial to ensure ethical practices and maintain trust within the Group. Employees and stakeholders are encouraged to report any unethical behaviour, fraud, or violations of Group policies through established channels such as the internal whistleblowing system, dedicated hotlines, or directly to the Risk and Compliance department and Human Resource department. The Bank guarantees confidentiality and protection against retaliation for those who come forward with genuine concerns. By fostering a culture of transparency and accountability, the Bank aims to uphold its integrity and commitment to ethical standards.

Group whistle-blower policies and procedures

The Group has strong whistle-blowing policies and procedures with the primary objective of promoting a framework within the Bank where staff are encouraged and feel confident to reveal and report any fraudulent, immoral, unethical, or malicious activity or conduct of fellow employees, management, those charged with governance, clients, consultants, vendors, contractors, and any other parties with a business relationship with the Bank which in their opinion may cause financial or reputational loss to the Bank. The policy is essential for maintaining a positive compliance culture in which employees adhere to all internal bank policies and respect the country's applicable laws and regulations.

The Bank is committed to maintaining the highest possible standards of ethical and legal conduct within all its projects, programs, and businesses. In line with this commitment and to enhance good governance and transparency, this policy provides an avenue for raising concerns related to fraud, corruption, or any other misconduct and assures that persons who disclose information about these misconducts will be protected from retaliation. The policy sets out the mechanism for employees and non-employees to report any concerns or suspicions regarding possible violations of laws, rules or regulations or suspected wrongdoing of internal Bank policies, standards, or procedures.

The whistle-blower and Witness Protection Act of 2015 make it illegal for employers to retaliate against whistle-blowers. Staff are periodically trained as part of induction and ongoing development, encouraging staff and other stakeholders to bring out information helpful in enforcing good corporate governance practices. The whistle-blower section is also found on the bank's website, where customers and other stakeholders are advised to raise concerns on misconduct through either internal or external - Independent third-party channels. The whistle-blowers have options of whether to reveal their identity or remain anonymous.

Issues that may be reported through the Bank whistleblowing channels include:

- Breaches of group policies and procedures „
- Abuse of power or authority
- Fraud, theft, bribery or corruption
- Incidence of noncompliance with laws and regulations „
- Human rights abuses
- Sexual misconduct
- Discrimination and harassment
- Danger to the health and safety of others

All received whistle-blowing cases were kept confidential and anonymous, and they were all addressed.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.8 METRICS AND TARGETS (CONTINUED)

BUSINESS ETHICS AND CODE OF CONDUCT (CONTINUED)

Group whistle-blower policies and procedures (continued)

SYSTEMIC RISK MANAGEMENT

Effective risk management is crucial to safeguard our financial health and prevent systemic instability. Our robust risk management framework helps in identifying, assessing, and mitigating potential losses from credit defaults, market fluctuations, liquidity issues, interest rate changes, and operational failures and reports the risks inherent to our business operations to the appropriate levels of management so that risk mitigation actions can be implemented.

Through the effective use of processes, information, and technology, we have developed a multi-layered risk management framework that identifies, assesses, monitors, and manages risks (credit risk, market risk, liquidity risk, interest rate risk, and operational risk). Our framework incorporates a Board-approved Stress Testing Policy & System, a vital component of our Internal Capital Adequacy Assessment Process (ICAAP). Stress testing plays a vital role in this assessment by simulating a variety of stressful, yet realistic scenarios to assess our vulnerability to extreme conditions.

Furthermore, we recognise the growing importance of environmental, social, and governance (ESG) factors. Our ESG & Climate Change Assessment framework helps us identify and mitigate potential ESG risks and climate change threats associated with our borrowers and their business operations.
Our independent risk and compliance department ensures objectivity and oversight. A robust risk assessment helps us evaluate the likelihood and potential impact of each risk. We then implement a combination of mitigation techniques, such as setting credit limits, diversifying loan portfolios, managing interest rate exposure, and implementing robust internal controls, to proactively manage these risks.

SOCIAL METRICS

Through the materiality assessment process, the Group identified three socialrelated risks and opportunities that could reasonably impact its longterm prospects. To effectively monitor and manage these risks and opportunities, the Group has developed a set of performance metrics aligned with leading sustainability reporting frameworks, including:

- SASB Standards (Commercial Banks)
- GRI Standards

The Group recognises that building a sustainable, resilient and future-ready organisation requires continuous investment in its people and an inclusive approach to workforce management. Key focus areas include strengthening diversity across all levels, enhancing employee satisfaction, and promoting equitable representation, guided by internationally recognised standards such as the GRI framework. Monitoring gender representation, tenure distribution, and the composition of governance structures ensures alignment with our Diversity, Equity, and Inclusion (DEI) goals, while fostering a balanced environment where fresh perspectives and long-tenured experience coexist to drive innovation and stability.

In addition, the Group prioritises employee wellbeing, fair compensation, and professional development as essential drivers of productivity, retention, and overall organisational performance. Indicators such as competitive salaries, employee turnover, occupational health and safety, and the availability of wellbeing programs provide insight into the effectiveness of our employee value proposition. Furthermore, sustained investment in training and development supports career progression, enhances service quality, and contributes to a capable and engaged workforce. Together, these metrics ensure that the Group maintains a strong people-centric culture that supports long-term strategic success.

The Group tracks a combination of operational and social performance indicators to assess progress over time. The key metrics are summarised in the table below.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.8 METRICS AND TARGETS (CONTINUED)

SOCIAL METRICS (CONTINUED)

Social-related risks and opportunities

Risk	Topic	Metric (Source)- GRI/Best practice	Coverage	Relevance to Group
Diversity	Gender representation	Male: Female ratio (GRI 405-1)	Group wide	Supports Diversity, equity and inclusion goals
	Tenure	No of years	Group wide	Allows innovation through fresh ideas from young generation while maintaining stability from long tenured staffs.
	Board composition	Male: Female ratio (GRI 405-1)	Board	Governance diversity
	Management personnel composition	Male: Female ratio (GRI 405-1)	Group wide	Governance diversity
Employee Satisfaction	Employee value proposition	Employee benefits (GRI 401-2)	Group wide	Supports retention and wellbeing
	Salaries	Competitive package	Group wide	Fair pay enhances employee retention rates and improves employees' standard of living.
	Employee turnover	Voluntary and involuntary turnover (GRI 401-1)	Group wide	Lowering employee turnover reduces costs and the risk of sub-optimal service affecting customer satisfaction.
	Occupational Health and safety	Work-related injuries and ill health (GRI 403-6,403-10)	Group wide	Protect workforce
	Employee wellbeing	Number of well-being programs	Group wide	Support the health and wellness of employees
Investment in employee training and development	Training and development	▪ Average hours of training per year per employee (GRI 404-1) ▪ Programs for upgrading employee skills and transition assistance programs (GRI 404-2) ▪ Percentage of employees receiving regular performance and career development reviews (GRI 404-3)	Group wide	Training supports employee career development and retention, enhances service quality and reduces employee turnover

Fostering Gender Diversity and Inclusion

The Group recognises that diversity, equity, inclusion, and belonging are not just ideals but essential drivers of innovation, collaboration, and sustainable success. A truly inclusive workplace ensures that everyone feels valued, supported, and empowered to contribute meaningfully, regardless of their background or role. This inclusive culture fuels better ideas, enhances decision-making, and creates a positive environment where everyone can thrive.

With a workforce of 4,528 employees across multiple countries, we are committed to recruiting, developing, and retaining a diverse talent pool. By embracing various perspectives, experiences, and approaches, we strengthen our ability to connect with customers, solve complex challenges, and foster creativity. Our leadership is dedicated to ensuring that every employee has the opportunity to reach their full potential.

We believe a diverse workforce helps eliminate blind spots in problem-solving and enhances our ability to deliver relevant, impactful solutions. By understanding how people from different backgrounds perceive messages, products, and services, we gain a competitive edge in meeting market needs. Diversity is part of our culture and a core strength that drives innovation and progress.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.8 METRICS AND TARGETS (CONTINUED)

SOCIAL METRICS (CONTINUED)

Fostering Gender Diversity and Inclusion (continued)

No. Employees by gender	2025	2024
All employees	**4,528**	4,251
Male	**53%**	55%
Female	**47%**	45%

How We Put Our Commitment into Action

To bring our values of diversity, inclusion, equity, and belonging to life, the Bank has implemented several strategic initiatives:

- **Established a Comprehensive Policy**: The Group has developed a Diversity, Inclusion, Equity, and Belonging Policy that outlines our commitment to fostering an inclusive and diverse workplace. This policy ensures alignment with global best practices in human resource management and sets a clear framework for creating a culture where everyone feels valued and respected.
- **Promoting Gender Equality**: As an equal-gender employer, the Bank is actively working to maintain gender balance across all levels of the organisation.

✓ **She Initiative Program**: One of our flagship efforts is the *She Initiative*, designed to empower women through targeted training, coaching, and mentoring. This program supports women's professional growth by equipping them with the tools, confidence, and networks needed to thrive and lead.

Year	2025	2024
All senior leaders (From middle management and above)	**94**	86
Male	**73**	68
Female	**21**	18
% of employees by age		
Below 35 years	**38%**	38%
Between 35 and 50 years	**55%**	55%
Above 50 years	**7%**	7%

Tenure	2025	2024
All employees - Number		
`0-5 years	**1,896**	1,589
6-10 years	**1,077**	1,245
11-20 years	**1,335**	1,188
Above 20 years	**220**	229

Diversity risk

While the Bank continues to implement targeted initiatives such as the SHE Initiative, which aims to strengthen women's participation and leadership across the Group, there remains a potential diversity risk if progress does not keep pace with the Group's rapid regional expansion. Without sustained investment in gender-balanced talent pipelines, consistent policy implementation across the Group, and continuous leadership development, the Bank could face gaps in equitable representation, particularly in senior and technical roles.

The Bank acknowledges that broader diversity considerations across Board and management structures present both opportunities and risks. Current Group-wide data indicate that gender representation at both the Board and management levels remains imbalanced, signalling the need for continued actions to strengthen female participation in leadership roles. Tenure distribution across the Board is wellbalanced, supporting continuity, experience transfer, and stable governance.

The overall Board composition is highly diversified in skills, professional experience, and regional representation, strengthening strategic decision-making and governance oversight. However, management personnel still show uneven representation, particularly in senior roles, which may limit the extent of inclusive leadership. If these gaps persist amid rapid regional growth, the Bank may face increased diversity-related risks, including reduced decision-making agility, constraints in developing a strong talent pipeline, and challenges in meeting stakeholder expectations for equitable and inclusive governance.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.8 METRICS AND TARGETS (CONTINUED)

SOCIAL METRICS (CONTINUED)

Effects on business model and value chain

The Group recognises that diversity and inclusion are fundamental to responsible governance, sustainable growth, and longterm value creation. Gender imbalances within senior leadership roles, and management structures present a diversity risk that may limit the breadth of perspectives required for effective oversight, strategic agility, and innovation. As the Group continues to expand across diverse regional markets, strengthening gender representation particularly at decisionmaking levels remains essential to ensuring that governance structures reflect the customers and communities the Group serves.

This diversity gap also carries operational and valuechain implications. Limited representation of women in senior positions may lead to reduced diversity of thought, weaker decisionmaking, and missed opportunities for innovation within an organization. It may also create a perception of bias or an inequitable workplace culture, which can negatively affect employee morale, engagement, and retention especially among highpotential women.

The regulatory landscape further elevates the importance of gender diversity. The Bank of Tanzania's directive requiring financial institutions to ensure that at least onethird of board members are women places clear expectations on the Group to accelerate progress in achieving genderbalanced leadership. This requirement necessitates updates to board composition frameworks, and succession plans across the Group. Proactive compliance not only mitigates regulatory and operational risks but also reinforces the Group's commitment to equitable leadership, improved governance outcomes, and sustainable value for stakeholders.

Effects on strategy and decision-making

To address diversity risk, the Group has launched several initiatives to promote diversity and foster inclusivity in recruitment and across the employment lifecycle. The initiatives apply to all businesses and locations in which the group operates. The group aims to achieve gender parity at the board level and at all managerial levels over the next five years.

The Group has developed a gender, diversity and inclusion policy which outlines the Bank's commitment to fostering an equitable and inclusive workplace that values diverse identities and perspectives. It emphasises the importance of recruiting, developing, and retaining talent from varied cultural and national backgrounds across its jurisdictions, while creating an environment where all employees feel a sense of belonging. By embedding these principles into its culture and operations, the policy supports the Bank's strategic goals and enhances overall organizational effectiveness.

Overall, management expects that mitigating efforts in place, such as established policies specific to gender, SHE initiatives, and mentorship and coaching programs, will limit the effect of diversity risk on the Group's business model and value chain. While also complying with BOT guidance on gender representation and inclusivity in leadership roles for Banks and financial institutions.

Financial effects

The Group concluded that it is not possible to provide quantitative information on the current and anticipated financial effects of diversity risk because the effects are not separately identifiable.

Resilience of the Group's strategy and business model in relation to diversity risk

The Group's strategy and business model remain resilient to diversity-related risks due to established governance structures, inclusive employment practices, and ongoing initiatives aimed at strengthening workforce diversity and equal opportunity. These measures support a stable talent pipeline, enhance organisational adaptability, and mitigate potential disruptions associated with skills gaps, employee engagement, or regulatory compliance. By embedding diversity considerations into strategic planning, leadership development, and risk-management processes, the Group is positioned to sustain long-term performance and continue delivering value despite potential challenges arising from diversity-related factors.

Processes, controls, and policies to manage diversity risks and opportunities

The Group manages diversity risks and opportunities through a structured set of processes, controls, manuals and policies, including its Gender, Diversity and Inclusion Policy, which guides fair recruitment, development, and retention practices across the Group. These are supported by governance oversight, periodic diversity monitoring, regulatory compliance checks, and operational initiatives such as SHE programs and mentorship frameworks. Together, these mechanisms ensure consistent implementation, mitigate diversity-related risks, and support alignment with BOT requirements on gender representation and inclusivity.

No changes in the process occurred in the current reporting period.

Metrics and targets

The Group has set internal targets over the short-, medium-, and long-term related to its diversity risk, based on best practices. The group uses metrics to measure performance against the targets outlined below.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.8 METRICS AND TARGETS (CONTINUED)

SOCIAL METRICS (CONTINUED)

Composition of the Group board of directors

					Target		
Diversity-related risks	**Methodology to calculate the metric**	**Measuring unit**		**Actual metric 2025**	**Short term**	**Medium term**	**Long term**
Gender representation	The percentage of a specific gender divided by the total number of board members	% of total board members	Female	33%	33%	40%	50%
			Male	67%	67%	60%	50%

Composition of the Bank Management

					Target		
Diversity-related risks	**Methodology to calculate the metric**	**Measuring unit**		**Actual metric 2025**	**Short term**	**Medium term**	**Long term**
Gender representation	The percentage of a specific gender divided by the total number of board members	% of total board members	Female	22%	22%	30%	50%
			Male	78%	78%	70%	50%

Employee satisfaction

The Bank, fostering a high-performing and people-centred culture, remains central to our sustainability agenda. In 2025, we continued strengthening our Employee Value Proposition (EVP) to ensure that CRDB remains an employer of choice, providing opportunities for growth, purpose-driven work, and an inclusive environment where every employee feels valued. Competitive and equitable salary structures were maintained through periodic market benchmarking, reinforcing fairness and attracting and retaining top talent.

Our ongoing focus on reducing employee turnover has led to improved retention rates, supported by clear career pathways, leadership development programs and continuous learning initiatives. Employee health and safety remained paramount, with enhanced Occupational Health and Safety (OHS) standards, workplace risk assessments, and regular safety training to ensure a secure work environment across all branches and departments. Additionally, we expanded our employee wellbeing programs covering mental health support, wellness campaigns, medical benefits, and work-life balance initiatives to promote holistic wellbeing and sustained productivity. These efforts collectively demonstrate the Bank's commitment to nurturing a resilient, engaged, and empowered workforce that drives sustainable growth.

Employee satisfaction- related risks

Employee satisfaction is a critical driver of operational excellence, service quality, and longterm organizational stability within the Bank. As a leading financial institution committed to delivering superior customer experience and maintaining a robust compliance culture, recognises that its people are its most valuable asset. Ensuring high levels of employee engagement, well-being, and satisfaction is fundamental to sustaining productivity, fostering innovation, and upholding the Bank's reputation for reliability and professionalism.

This risk category captures potential adverse effects arising from reduced employee morale, engagement, or job satisfaction, which may lead to increased staff turnover, diminished service quality, operational inefficiencies, compliance breaches, and elevated operational costs.

Effects on business model and value chain

Employee satisfaction–related risks have a broad and significant impact on the Bank's business model and value chain. As a service-driven institution, the Bank's ability to deliver superior customer experience, uphold operational excellence, and maintain regulatory compliance relies heavily on the engagement, capability, and stability of its workforce. Low morale or employee dissatisfaction can weaken performance at multiple points across the value chain, creating operational, compliance, and customer service vulnerabilities.

When not effectively managed, these risks can undermine service delivery, diminish customer loyalty, slow digital transformation, and ultimately affect financial performance. Conversely, sustaining high levels of employee engagement serves as a key strategic driver of resilience, sustainable growth, and competitive advantage for the Bank.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.8 METRICS AND TARGETS (CONTINUED)

SOCIAL METRICS (CONTINUED)

Effects on strategy and decision-making

Employee satisfaction plays a pivotal role in shaping the Bank's strategic direction and decision-making processes. As a people-centred institution, the Bank increasingly integrates workforce insights, engagement trends, and well-being indicators into strategic planning to ensure that business priorities align with employee needs and organisational culture. High satisfaction levels strengthen the Bank's capacity to execute long-term strategies by improving workforce stability, deepening institutional knowledge, and fostering a culture of accountability and innovation.

At the operational level, employee satisfaction also guides decision-making in areas such as resource allocation, risk management, and process improvement. When satisfaction metrics highlight emerging challenges such as workload pressure, skills gaps, or cultural misalignment, the Bank incorporates these insights into corrective actions, policy reviews, and targeted interventions.

Decisions around strengthening the Employee Value Proposition (EVP), investing in leadership capability, enhancing health and safety standards, and broadening wellbeing programs are influenced by continuous feedback and employee engagement data. By integrating satisfactionrelated risks and opportunities into strategic and operational decisions, the Bank enhances resilience, reduces turnoverrelated costs, and safeguards service quality across the value chain. This ensures that peoplecentric decisionmaking remains a foundational pillar of the Bank's long-term sustainability and competitive advantage.

Financial effects

The Group concluded that it is not possible to provide quantitative information on current and anticipated financial effects of the satisfaction-related risk, because the effects are not separately identifiable.

Resilience of the Group's strategy and business model in relation to Employee satisfaction-related risks

The Group strategy and business model remain highly resilient to employee satisfaction–related risks due to the Bank's strong commitment to fostering a people-centred culture and integrating humancapital considerations into strategic planning. By continuously enhancing its Employee Value Proposition, investing in leadership development, and promoting comprehensive wellbeing, the Bank ensures a stable, skilled, and motivated workforce capable of supporting operational continuity and delivering superior customer experience.

Proactive management of engagement levels, Occupational Health and Safety (OHS) standards, and talent retention allows the Bank to address emerging workforce challenges early, safeguarding service quality, compliance, and digital transformation efforts. This deliberate focus on employee satisfaction strengthens the Bank's institutional capacity, protects its value chain, and reinforces long-term sustainability by ensuring that people remain at the heart of strategic execution.

Processes, Controls, and Policies to Manage Employee Satisfaction

The Group manages employee satisfaction through a structured framework of HR governance, employee listening mechanisms, fair reward systems, learning and development programs, wellbeing initiatives, and workplace safety controls. These elements are embedded across the employee lifecycle from onboarding and performance management to career progression and retention, ensuring that satisfaction-related risks (e.g., low morale, attrition, reduced productivity, service quality decline, and compliance vulnerabilities) are identified early and addressed consistently.

Governance and Accountability Controls

- **HR & People Governance:** Defined roles and responsibilities across HR, business leadership, and compliance to ensure employee satisfaction is owned and actively managed at both corporate and branch levels.
- **Leadership Accountability:** People metrics (e.g., engagement scores, turnover, learning completion, performance outcomes) are incorporated into leadership performance expectations to encourage proactive people management.
- Policy Oversight & Review: Regular review and updating of people policies to remain aligned with regulatory requirements, labour standards, and market competitiveness.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.8 METRICS AND TARGETS (CONTINUED)

SOCIAL METRICS (CONTINUED)

Employee Listening and Feedback Mechanisms (Monitoring Controls)

- **Employee Engagement / Satisfaction Surveys:** Periodic surveys to measure engagement drivers (leadership, workload, recognition, development, culture, wellbeing) and identify improvement areas.
- **Grievance and Whistleblowing Channels:** Formal, confidential channels for raising concerns (including ethical, HR, and workplace conduct matters), supported by escalation protocols and resolution timelines.
- **Exit Interviews and Stay Interviews:** Structured interviews to understand drivers of turnover and proactively address retention risks for high-performing or critical roles.

Talent Attraction, Reward, and Fairness Practices (Preventive Controls)

- **Employee Value Proposition (EVP):** A clear EVP focused on growth opportunities, purpose-driven work, inclusion, and recognition supporting the Bank's goal to remain an employer of choice.
- **Compensation and Benefits:** Competitive and equitable remuneration maintained through periodic market benchmarking and internal equity reviews to strengthen fairness and retention.
- **Recognition Practices:** Structured recognition approaches (formal and informal) to reinforce performance culture and strengthen motivation and morale.

Performance Management and Career Development Processes

- **Performance Management Framework:** Clear goal setting, continuous feedback, and performance reviews aligned to both business outcomes and behavioural expectations (impactfulness, sincerity, curiosity and inclusivity).
- **Succession Planning:** Transparent progression routes and succession pipelines for critical roles to reduce uncertainty, boost engagement, and improve retention.
- **Learning and Development (L&D):** Continuous learning initiatives, capability building, and targeted leadership development programmes to support internal growth and future readiness.

Wellbeing, Work Environment, and Support Systems

- **Employee Wellbeing Programs:** Holistic wellbeing initiatives covering mental health support, wellness campaigns, medical benefits, and work-life balance practices to reduce burnout and improve productivity.
- **Employee Assistance and Support:** Access to professional support services and structured interventions for employees facing wellbeing challenges.

Occupational Health and Safety (OHS) Policies and Controls

- **OHS Standards and Compliance:** Enhanced OHS standards implemented across branches and departments to maintain a safe and secure workplace.
- **Safety Training and Awareness**: Regular safety trainings and compliance checks to ensure employees understand safety responsibilities and emergency procedures through our department of Business Continuity Management and Security.

Inclusion, Culture, and Conduct Controls

+ The Group has developed a gender, diversity and inclusion policy: Promotes an inclusive culture where all employees feel valued and protected from discrimination and harassment.
+ Code of Conduct: Reinforces professional behaviour, integrity, and compliance key for maintaining morale and trust in leadership.
+ Culture transformation: Ongoing internal communication and leadership engagements to strengthen purpose, values, and alignment across teams.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.8 METRICS AND TARGETS (CONTINUED)

SOCIAL METRICS (CONTINUED)

Metrics and targets

The Group has set internal targets related to its satisfaction score, based on best practices. The Group uses metrics to measure performance against the targets outlined below.

Key-highlights on the satisfaction survey	Current results	Prior year results	Target
Employee satisfaction survey score	**94%**	87%	80%
Employee satisfaction survey participation rate	**81%**	98%	100%
Attrition rate	**2%**	2%	< 3%

Employee training and development

The Bank recognises training as a strategic investment essential for strengthening job performance, expanding skill sets, and preparing employees for future roles. Guided by a commitment to fairness and equal opportunity, all training and development initiatives are based solely on individual needs, free from any bias related to age, gender, disability, ethnicity, religion, or socioeconomic background.

Employees remain the Bank's most valuable asset; we prioritise continuous learning through targeted programs designed to build a capable, future-ready team. Employees are empowered to take active ownership of their professional growth by acquiring the skills and knowledge necessary to enhance their performance, advance their careers, and contribute meaningfully to the Bank's long-term success.

The Bank follows the 70-20-10 learning model:

- 70% from on-the-job experiences,
- 20% from mentoring and developmental relationships,
- 10% from formal training and coursework.

To support this, the Bank utilises its modern training centre and diverse learning methods, including:

- Blended learning with video conferencing,
- Web-based self-paced eLearning,
- Distance learning for professional qualifications,
- In-person training sessions, both internally and externally.

All employees have access to multiple learning options and are encouraged to continuously upskill in their areas of expertise and personal development to perform effectively in their roles.

Online Learning Platform

The Bank has implemented tailored technical training and learning platforms designed to support employees in advancing their careers and professional capabilities, while also meeting customer and business expectations. All employees have access to an online learning platform, including LinkedIn Learning, which offers a comprehensive library of courses. These cover a wide range of topics such as leadership, soft skills, technology, and specialized technical training empowering staff to continuously grow and perform at their best.

Employee Training and Development–Related Risks

While the Bank is committed to continuous learning, training-related risks may arise if development programs do not keep pace with evolving business needs, technological advancements, or regulatory changes. Insufficient or outdated training may lead to skill gaps that reduce operational efficiency, hinder digital transformation, and expose the Bank to compliance and servicedelivery risks.

Additionally, inconsistent participation across departments or employee groups may result in capability imbalances, limiting the effectiveness of the 70-20-10 learning model and weakening overall workforce performance. Failure to maintain equitable access to training opportunities could also pose risks to employee morale, career progression, and retention.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.8 METRICS AND TARGETS (CONTINUED)

SOCIAL METRICS (CONTINUED)

Effects on business model and value chain

Effective employee training and development directly strengthen the Bank's business model and value chain by ensuring a skilled, adaptable, and future-ready workforce capable of delivering high-quality financial services. A well-trained team supports operational efficiency, enhances customer experience, and reduces risks related to compliance, technology adoption, and service quality.

By continually upskilling employees through blended learning, digital platforms, and on-the-job development, the Bank builds internal capacity that improves productivity across functions and supports innovation in products and processes. This investment in human capital also reinforces resilience within the value chain, enabling the Bank to respond effectively to market changes, regulatory requirements, and evolving customer needs, ultimately strengthening long-term value creation and sustainable growth.

Effects on strategy and decision-making

Employee training and development play a critical role in shaping the Bank's strategy and decision-making by providing leaders with accurate visibility into current workforce capabilities and future talent requirements. A strong learning culture ensures that employees are equipped with the skills needed to execute strategic priorities, embrace technological advancements, and respond effectively to evolving regulatory and market conditions. Insights derived from training participation, competency assessments, and emerging skill needs enable evidence-based decisions on resource allocation, workforce planning, and investments in digital transformation.

By embedding learning outcomes into strategic reviews, the Bank enhances its ability to make informed, forward-looking decisions that strengthen operational resilience and drive sustainable growth. This aligns directly with one of the Group's five-year strategic objectives to build a strong, healthy, and productive workforce, with a key emphasis on upskilling staff and prioritising continuous learning and development.

Current and anticipated Financial Effects

The Group continues to invest strategically in employee training and development to strengthen workforce capabilities and support long-term business sustainability. In 2025, the Group spent TZS 7,980 million on training initiatives aimed at enhancing staff skills, improving service delivery, and supporting the Bank's digital transformation agenda.

As training needs evolve and technological advancements accelerate, the Group anticipates a further increase in future training expenditure. Specifically, the training and development budget is projected to rise by approximately 20% in 2026, reflecting the growing emphasis on advanced digital skills, leadership development, and capacity building across the Group. This anticipated increase is expected to have a measurable impact on financial performance and cash flows; however, it is also viewed as a strategic investment that will strengthen operational resilience, improve productivity, and support the Group's longterm value creation objectives.

Resilience of the Group's strategy and business model in relation to Employee training and development

The resilience of the Group's strategy and business model is further strengthened by its continued investment in employee training and development, ensuring the workforce remains agile, skilled, and responsive to evolving business needs. By prioritising continuous learning, digital upskilling, and leadership development, the Group strengthens its capacity to adapt to regulatory changes, technological advancements, and market shifts.

As a result, the Group's long-term strategic objectives are underpinned by a robust human capital foundation that enhances its ability to withstand external pressures and seize emerging opportunities.

Processes, Controls, and Policies on training and development

The Group's Human Resources Policy outlines a strong commitment to developing employees as its most valuable asset. It ensures the Bank maintains a skilled and balanced workforce by providing continuous learning opportunities aligned with current and future human capital needs. This is supported by the adoption of the 702010 learning model, which promotes a mix of on-the-job experience, coaching, and formal training to enhance capability and performance.

The Learning and Development Guiding Principles from the Human Resource Manual reinforce shared responsibility for growth, requiring both employees and managers to pursue ongoing education and professional development. The Bank Learning and development unit identifies training needs and recommends appropriate development pathways but also encourages use of external institutions such as universities and training providers. The Bank supports relevant training initiatives financially where they benefit both the employee and the organization.

Clear procedures govern training selection to ensure fairness, relevance, and alignment with business needs. Employees are offered equal opportunities for training that is directly linked to their roles and the Bank's operational priorities, with core business functions prioritised. Selection considers job requirements, business unit needs, employee potential, and training quality. Training is treated as a continuous process, and employees pursuing long-term studies must notify the Bank in advance to ensure effective planning and alignment with organisational goals

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.8 METRICS AND TARGETS (CONTINUED)

SUSTAINABILITY-RELATED TARGETS

Targets used to manage climate-related risks and opportunities

We have set near- and medium-term targets to manage climate-related risks and seize emerging opportunities. These targets are informed by international frameworks such as the TCFD, SBTi for Financial Institutions, and national-level directives from the Bank of Tanzania and are aligned with the Bank's Sustainability Strategy and Net-Zero ambition. Our targets are structured to address both mitigation (reducing greenhouse gas emissions) and adaptation (building resilience across our value chain and customer base), while also enhancing our own internal capabilities.

The emissions target is measured on a gross basis against the 2024 base year. The GHG removals, carbon credits and avoided emissions do not count towards GHG emissions reductions. The target covers all seven gases from the Kyoto Protocol.

The Bank Near-Term Climate and Sustainability Targets (2025–2027)

Target Area	Near-Term Goal (by 2027)	Future pathways
Science-Based Targets for Financed Emissions	Develop and disclose science-based targets using SBTi; measure and report via PCAF annually	Align with SBTi for Financial Institutions; annual progress tracking
Green Asset Ratio	Increase green assets to 10% by 2027 (from 8% in 2024);	Reflects climate-aligned lending, long-term target: 15% by 2030, 30% by 2050
Sustainable Lending Portfolio	Ensure at least 20% of the portfolio is directed to green/social/sustainability projects.	Includes renewable energy, smart agriculture, clean transport, and water conservation
Sustainability-Bond Issuance	Issuing a Sustainability Bond by 2027	Diversified sustainable financing; KPIs tied to climate and ESG outcomes
Operational Emissions & Energy Efficiency	Measure Scope 1 & 2 emissions; reduce by 5%; implement energy upgrades at branches	Includes solar installations and efficiency improvements
Waste Management	Achieve 100% recycling of non-hazardous waste at HQ and regional branches	Supported by staff campaigns, green procurement, and certified waste vendors
Gender & Social Inclusion in Green Projects	Ensure 30% of beneficiaries are women, youth, or vulnerable populations	Focused on inclusive financing under programs like TACATDP and Imbeju.
Data and Assurance	Obtain limited assurance on Scope 1 & 2 emissions by 2026: finance emissions by 2027	Enhancing data quality and coverage for climate-related disclosures

25.10 GROUP SUSTAINABILITY INITIATIVES

Waste Management Practices

We pride ourselves on maintaining effective waste management systems that comply with local and national regulations to ensure responsible collection, recycling, and disposal. We have a contract with a Dar es Salaam-based waste management company, "The Recycler – Waste Management and Recycling", which offers waste management and recycling solutions for waste streams in Tanzania.

As part of our waste management initiatives, the following were carried out:

Waste recycled in 2025

Waste categories	Paper	Card board	Plastic	Glass	Food waste	Others (Nylon, Cans, Tins)	Total waste
Wastes recycled in (kgs)	3,335	2,983	845	918	40,907	2411	51,399

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.10 GROUP SUSTAINABILITY INITIATIVES (CONTINUED)

Waste recycled in 2025 (continued)

During the year, the waste produced was recycled into various items like bottles, toilet paper rolls, brown envelopes, new plastic bottles, and more:

- All cardboard and white paper are sent to a local manufacturer, turning them into toilet paper rolls and brown envelopes.
- Plastic bottles were shredded into flakes to make fibre in some industries in Tanzania and for exporting overseas to make new plastic bottles, plastic chairs, berry containers, shirts and jackets.
- Cans were provided to a local manufacturer to produce metal products such as steel frames and bars.
- Glass waste was delivered to a local manufacturer to make new glass bottles.

Reduction of paper usage through digital transformation

To implement this, the Group has started improving communication and providing service to our customers via our online platforms instead of paper, such as emails, SMS, phone calls, Simbanking, Internet banking and e-statements to our retail banking customers.

The bank also encourages customers to use its digital banking platforms to reduce emissions associated with travel and running large branches. The bank has also selectively initiated the e-KYC process, replacing the earlier physical KYC, resulting in significant savings in paper.

Online transactions	2025	2024	%
Internet and mobile banking	**109,081,431**	**78,036,348**	**40%**

A key milestone in our paper reduction strategy was the successful deployment of the paperless solutions “Optima” and “Savvy Flow,” which have digitised document management and approval workflows. By integrating technology-driven solutions and fostering a culture of sustainability, we continue to make meaningful progress toward reducing our environmental footprint while improving service delivery and operational agility.

Energy efficiency

Our greenhouse gas emissions are mainly caused by the consumption of purchased electricity, diesel, and petrol used in our standby generators. We are reducing our energy consumption across all our operations. This includes using energy-efficient LED lights, inverters, and motion sensor lighting. We believe these initiatives will complement our efforts to reduce energy consumption and help to reduce our carbon footprint.

Our headquarters building has been designed to meet sustainability requirements and standards. Much of it has been constructed using glass, which helps reflect light and reduces carbon emissions from energy use. This, in turn, reduces the need for power and utilities during the day, making energy use more efficient.

Water management

We aim to reduce our water use by 20% by 2030. To achieve this, we have deployed several water efficiency measures throughout our head office, and the plan is to roll them out in our branches. These measures include the installation of low-flow fixtures and water sensors. We remain committed to reducing our water usage and increasing our sustainability efforts as we work towards a more environmentally friendly future.

Roll-out filtration and purification solutions

Our bank has implemented water filtration and purification solutions at its headquarters, accommodating more than 1,300 people. This initiative is part of our sustainability and green campaign to eliminate the use of harmful plastic bottles. The project’s first phase was completed in 2024, and we plan to roll out this initiative to other bank outlets by 2030.

Green building certification

Our head office building underwent independent verification in 2023 using IFC’s EDGE certification framework. In 2024, our Bank was awarded a “Green Building Certification” after achieving the required minimum efficiencies of 20% in three key EDGE indicators: energy savings of 21%, water savings of 21%, and a reduction of 27% in embodied carbon in materials. This certification signifies that the building has demonstrated at least 20% operational savings.

These certifications are granted by third-party organizations, which establish benchmarks for measuring a building’s sustainability. Achieving EDGE certification goes beyond simply implementing sustainable practices; it reflects a commitment to enhancing our environment and inspiring others to improve their sustainability efforts. Our building has been recognized as designed, constructed, and operated in an environmentally friendly and responsible manner.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.10 GROUP SUSTAINABILITY INITIATIVES (CONTINUED)

Managing financed emissions

These emissions refer to the greenhouse gases that the Bank indirectly finances through our lending and investment activities. As part of our comprehensive commitment to sustainability and the global transition to net-zero emissions, the Group is actively assessing financed and associated greenhouse gas emissions across our portfolio.

This assessment includes a detailed analysis of various sectors and projects we support, with the aim of identifying and understanding the carbon footprint linked to our financial activities. By doing so, we strive to enhance our accountability and align our strategies with international climate goals, ultimately supporting a more sustainable future.

This involves several key steps:

- Assessment of carbon footprint: We are conducting comprehensive assessments of the carbon footprint associated with our loan portfolios, beginning with the corporate and mortgage segments. This process involves identifying high-emission sectors and projects and quantifying the emissions they generate.
- Setting reduction targets: Based on our ongoing assessment, we have established ambitious yet achievable targets to reduce financed emissions. These targets will align with our Group strategy and adhere to international standards and frameworks, such as the Paris agreement and the Science-Based Targets Initiative.
- Implementing reduction strategies: We have implemented various strategies to meet our reduction targets. These include promoting green financing, supporting renewable energy projects, and encouraging our clients to adopt sustainable practices.
- Monitoring and reporting: Continuous monitoring and transparent reporting are essential to our approach. We regularly track our progress toward emission reduction targets and report to stakeholders, ensuring accountability and transparency.

Managing financed emissions

Below are initiatives to manage the financed emissions:

Sustainable Finance *"Channelling funds where it matters".*

We are committed to fostering innovative solutions that help facilitate the transition towards a low-carbon economy. To achieve this, we have adopted a strategic approach that involves channeling resources towards initiatives prioritising sustainability, environmental preservation, and eco-friendly practices. Our initiatives are carefully designed to manage and minimize environmental and social impacts of financial activities. Our primary objective is to promote a net positive societal effect by encouraging responsible financial practices

Green financing initiatives

CRDB Bank has taken significant steps towards green financing, demonstrating our commitment to environmental sustainability. In 2023, the Bank launched the Medium-Term Note Programme (MTN) worth TZS 780 billion, equivalent to US$300 million. This became the first bond with green, social, and sustainability components to be issued in Tanzania and the largest in Sub-Saharan Africa by a company listed on a stock exchange. The objective of the MTN is to raise funds that will be used to finance eligible Green, Social, and Sustainability projects under the bank's sustainability bond framework. This aligns with the International Capital Markets Association (ICMA) principles and recommendations. The MTN will be issued in tranches.

Green Climate Fund (GCF) accreditation

In 2021, CRDB Bank became the first commercial Bank in Africa approved by GCF, with a total funding value of US$200 million [GCF US$IOO million ((70mn Senior Loans + 10mn Guarantees + 20mnGrants) and Co-financing US$IOO million]. Using these concessional resources, the Bank will launch three new financial products to support local agribusiness:

- A dedicated credit line for climate adaptation technologies and practices.
- A credit guarantee facility to expand access to new borrowers.
- A weather-indexed insurance product to help protect against losses from climate-related events.

This program aims to reach more than 6.1 million direct and indirect beneficiaries by transforming the country's climate financing processes to address affordable climate adaptation technologies in the agriculture sector. This will ultimately boost food security and enhance the resilience of the agricultural sector, including smallholder farmers, thereby improving our citizens' livelihoods and quality of life.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

25 SUSTAINABILITY REPORT (CONTINUED)

25.10 GROUP SUSTAINABILITY INITIATIVES (CONTINUED)

Managing financed emissions (continued)

The loan is disbursed in tranches within a program implementation period of 5 years. In 2023, the Bank received the first tranche of USD 35 million out of USD 70 million as an adaptation credit facility for executing a lending program titled Tanzania Agriculture Climate Adaptation Technology Deployment Programme (TACATDP). The program is expected to support farmers in Tanzania in accessing loans that will enable them to acquire climate adaptation technologies to increase resilience in farming activities and combat the effects of climate change in agriculture.

Initiative	Utilization
Green Bond	The Bank deployed TZS 171 billion raised through the Green Bond to finance projects in Climate-Smart Agriculture, Renewable Energy, Energy Efficiency, Clean Transportation, and Green Buildings, in full alignment with the Green, Social, and Sustainability Bond (GSSB) Framework. The funds supported sustainable farming practices, expansion of solar energy access, improved resource efficiency, adoption of low-emission transport solutions collectively delivering measurable environmental benefits and strengthening the Bank's green portfolio.
Adaptation finance (TACATDP)	Under TACATDP, the Bank disbursed TZS 107 billion to over 600,000 beneficiaries to support adoption of climate-adaptation technologies across 26 regions, while also providing guarantees for smallholder farmers, conducting capacity-building for branches and farmers, supporting policy interventions with key government agencies, and advancing development of weather-index crop insurance.

25.11 EVENTS AFTER THE REPORTING PERIOD

No transactions, other events or conditions occurring after the end of the reporting period and before the date of authorisation of issue of this document have taken place that need to be disclosed in this sustainability report.

26 OUR CORPORATE SOCIAL INVESTMENT

Enhancing Community Welfare

The Group continues to demonstrate its strong commitment to national development and community well-being through investments under its Corporate Social Investment (CSI) Policy. These interventions are strategically aligned with the Bank's CSI Policy and its 2023–2027 strategy of transforming lives and delivering sustainable impact. In 2025, the Bank invested approximately TZS 2.7 billion to deliver meaningful impact across communities. The main pillars supported during the year were Education, Health, Environment and Youth Empowerment.

Health

Health remained a central pillar of the Bank's Corporate Social Investment (CSI) agenda, with a total of TZS 540 million invested in strengthening healthcare delivery, expanding access to specialized treatment, and supporting preventive health initiatives. These interventions were strategically designed to address critical gaps in maternal health, child cardiac care, cancer treatment, community health awareness, and health infrastructure, particularly for underserved populations.

As part of its commitment to expanding specialized healthcare services, the Bank allocated TZS 100 million each to CCBRT and the Jakaya Kikwete Cardiac Institute (JKCI). Support to CCBRT focused on enhancing care for women with highrisk pregnancies, improving access to lifesaving maternal services, reducing complications, and easing the financial burden on vulnerable families. At JKCI, the Bank's support 50 children with heart complications to receive diagnostic assessments, corrective surgery, and postoperative care. This intervention not only saved lives but also alleviated the emotional and economic strain on parents who would have struggled to afford specialized cardiac treatment.

A further TZS 100 million was directed to Benjamin Mkapa Hospital to support specialized medical outreach programs in Burundi, expanding access to advanced healthcare for underserved populations and strengthening cross-border medical collaboration. In addition, the Bank invested TZS 100 million in Afya Check for nationwide health outreach initiatives. Through this support, 14,313 people received free medical screenings, early disease detection services, immunization support, blood donation mobilization, and essential medication. The program played a vital role in promoting preventive care and improving health-seeking behaviour in communities with limited access to routine medical checks.

To strengthen healthcare infrastructure, the Bank invested TZS 29.3 million to complete the construction of the Mukulu Health Centre in Iramba District, enhancing access to essential medical services and reducing long travel distances for surrounding communities. The Bank also contributed TZS 25 million to Good Samaritan Cancer Hospital in Ifakara for specialized beds and mattresses, improving the quality, safety, and comfort of cancer care—particularly in rural areas where oncology services are limited.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

26 OUR CORPORATE SOCIAL INVESTMENT (CONTINUED)

Health (continued)

Additional health interventions included the provision of maternity ward equipment, hospital stretchers, benches, and mosquito nets in Gairo District to improve patient comfort and infection prevention. The Bank also supported key public health awareness platforms such as Zanzibar Afya Week and the Tanzania Dental Expo, both of which promoted preventive healthcare, improved health literacy, and encouraged early healthseeking behavior.

Overall, the Bank's substantial investment in the health sector demonstrates a strong commitment to improving health outcomes, strengthening medical infrastructure, and ensuring equitable access to quality healthcare for communities across Tanzania and beyond.

Education

Reflecting the Bank's commitment to improving access to quality and inclusive education, the sector received funding approximately TZS 850 million. Major investments were directed towards classroom construction, renovation, and furnishing across multiple districts in Tanzania to address critical gaps in education infrastructure and create long-term learning assets for communities.

Through the Keti Jifunze Campaign, where the Bank invested TZS 253 million, the Bank responded to the persistent shortage of desks in government owned schools, a challenge largely driven by the increasing number of pupils enrolled each year.By supplying 630 desks and 2,300 chairs and tables nationwide through the Bank's Zones, the investment created seating capacity for approximately 4,190 pupils at any given time. Given the average annual pupil's turnover in public schools, these desks and chairs are projected to benefit approximately 40,000 students over a 10-year period making it a sustainable, non-perishable investment that continues to improve learning conditions for successive generations of pupils.

The Bank invested TZS 140 million in the construction of the Kitopeni Orphanage Center in Bagamoyo following the relocation of the orphanage from Mtoni Mtongani, which had been severely affected by heavy floods. The new facility is being developed as a comprehensive center integrating school infrastructure and residential facilities to provide vulnerable children with a safe, stable, and conducive environment for both learning and living.
Importantly, most of the children supported by the center are those with special needs, including physical and intellectual disabilities, who require specialized care, accessible infrastructure and a supportive learning environment. Once completed, the center will accommodate up to 1,000 children at any given time. Given the long-term nature of the infrastructure, the facility is expected to support over 10,000 vulnerable children over years, significantly improving access to education, shelter, psychosocial support and long-term life opportunities for orphaned and children with disabilities.

The Bank invested TZS 113.8 million in Buhigwe District to reinforce the sustainability of its past education investments and investment done by the government. This included the renovation of classrooms and a teachers' office at Kibande Secondary School, which had been previously constructed with the Bank's support. During the handover of the renovated infrastructures, it was observed that students preparing for national examinations (Forms II and IV) were sleeping on mats in old classrooms due to lack of dormitory facilities. In response to this urgent need, the Bank donated 150 mattresses as a short-term intervention to ensure that students could rest and prepare well for their examinations. Furthermore, during a fundraising event held alongside the launch of the Bank's Buhigwe Branch, where the Guest of Honour was the then Vice President, Dr. Philip Mpango,

The Bank contributed TZS 100 million towards the renovation of classrooms in two other government schools within the district. This contribution followed the Vice President's strong emphasis on the urgent need to improve the schools' learning environments to ensure that pupils in the district are afforded quality of education.

Additional support for classroom construction and infrastructure improvements was undertaken in Ludewa, Rorya, Meatu, Bumbuli, Geita, Hai, and Arusha District Councils, with the objective of improving learning conditions and expanding access to quality education. A total of 12 classrooms were constructed and renovated across these districts, directly addressing critical infrastructure gaps in government schools. Based on the national standard of an average of 45 to 50 pupils per classroom in public primary and secondary schools, these facilities are estimated to accommodate approximately 540 to 600 pupils at any given time.

These interventions significantly reduced overcrowding, improved learner safety, and created more conducive learning environments for pupils. A focus was placed on inclusive education by providing specialized infrastructure for pupils with special needs. These included classrooms equipped with appropriate furniture, accessible facilities, and supportive learning spaces designed to accommodate children with physical and intellectual disabilities. The support enhanced accessibility, comfort, and dignity for learners with disabilities, enabling them to participate more effectively in classroom activities and improving their overall learning experience.

Given the long-term nature of classroom infrastructure, these 12 classrooms are expected to benefit over 5,000 to 6,000 pupils over years, creating sustained educational impact across multiple cohorts of learners.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

26 OUR CORPORATE SOCIAL INVESTMENT (CONTINUED)

Education (continued)

Beyond classrooms and desks, the Bank also invested in enhancing safety, security, and digital learning in schools by supporting the construction of school perimeter walls, provision of clean water facilities, and the supply of computers. A total of 78 computers were distributed to schools in support of the implementation of the new government curriculum, which emphasizes ICT integration and digital literacy. This intervention improved pupils' exposure to technology, enhanced teachers' ability to deliver curriculum content effectively, and better prepared students for a technology-driven learning environment.

Further support was extended to critical school infrastructure, including toilets, perimeter walls, dormitories, teachers' offices, clean water systems in Rombo, Ruvu and Kwimba District Councils. These investments collectively enhanced access to education, improved school safety and hygiene standards, promoted inclusivity, and strengthened the overall quality of learning environments across the country.

Environmental

The Bank invested approximately TZS 50 million in environmental sustainability interventions focused on conservation, clean energy adoption, and community awareness to promote long-term environmental protection and climate resilience. The support was extended in tree planting and environmental cleaning programs in Arusha and Kilimanjaro Regions, directly contributing to ecosystem restoration, improved urban and rural cleanliness, and increased community participation in environmental conservation.

In addition, clean cooking initiatives were supported through the procurement of 100 gas cylinders for women (Mama Lishe) in Arusha and the provision of a gas stove to Yombo Vituka Primary School. These interventions reduced reliance on firewood and charcoal, thereby lowering air pollution, decreasing deforestation pressure, and improving health for women and children who are most affected by indoor smoke exposure. The clean energy support also promoted sustainable cooking practices and contributed to time and cost savings for beneficiaries.

Youth and Women Empowerment

Youth empowerment accounted for a significant proportion of CSI funding, reflecting the Bank's strategic focus on nurturing future generations and advancing its youth empowerment agenda through sports, leadership development, innovation, and economic inclusion. In line with the Bank's commitment to creating opportunities for young people to realize their potential, approximately TZS 1.2 billion was invested under this pillar to support initiatives that promote talent development, skills building, entrepreneurship, and positive youth engagement.

In the year under review, the Bank supported Phase One of the construction of Kyerwa Stadium, providing a major platform for youth sports development, talent nurturing, and community engagement. This investment created an inclusive sporting infrastructure that enables young people to participate in organized sports, develop discipline and teamwork skills, and access pathways to professional football and related careers. The Bank also supported Ndondo Cup 2025, strengthening grassroots football and youth engagement nationwide by offering young players a competitive platform to showcase their talents, gain exposure, and pursue opportunities in professional sports.

Additional youth-focused investments included support to Namungo Football Club, the Kuambiana Tournament, and the Kyerwa District Football League, further reinforcing the Bank's commitment to grassroots sports development and youth participation across regions. Beyond sports, the Bank supported youth leadership and innovation through the African Leadership Summit organized by Uongozi Institute, financial literacy forums facilitated by Green Kids and Youth Foundation, and agricultural empowerment initiatives that equipped young people with entrepreneurial skills, financial knowledge, and pathways to sustainable livelihoods.

Collectively, these interventions advanced the Bank's youth empowerment agenda by expanding access to opportunities, strengthening youth capacities, and fostering inclusive economic participation, thereby contributing to long-term national development and social cohesion

27 RESULTS AND DIVIDENDS

The Board recommends a dividend of TZS 90 per share from the year 2025 profit after Tax (2024: TZS 65 per share). The total amount of dividend recommended is TZS 235,065 million (2024: TZS 169,770 million), which is 32.3% of the net profit (2024: 32.2%).

28 CRITICAL ACCOUNTING POLICIES AND JUDGEMENTS

The results of the Group are sensitive to the accounting policies, assumptions and estimates that underlie the preparation of the financial statements. When preparing the financial statements, it is the Directors' responsibility under the Tanzania Companies Act 2002 to select suitable accounting policies and to make judgments and estimates that are reasonable and prudent. The accounting policies that are deemed critical to our results and financial position, in terms of the materiality of the items to which the policies are applied and the high degree of judgment involved, including the use of assumptions and estimation, are described in notes 5 and 8 to the Financial Statements.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

29 SOLVENCY

The state of affairs of the Group and the Bank as at 31 December 2025 is set out on page 390 of the financial statements. The Directors consider the Group and Bank to be solvent within the meaning ascribed by the Tanzania Companies Act No.12 of 2002. The Board of Directors confirms that, the applicable accounting standards have been followed. The financial statements have been prepared on a going concern basis, and it reasonably expects the Bank to have adequate resources to continue in operational existence for the foreseeable future.

30 ACQUISITIONS AND DISPOSALS

During the year there were neither acquisitions nor disposals of subsidiaries.

31 INVESTMENTS

The Group held the following investments:

Investments as at 31 December 2025:	**Number of shares**	**Value of shares (TZS' Million)**
Tanzania Mortgage Refinance Company (TMRC)	**4,500,000**	**7,299**
Dar es Salaam Stock Exchange (DSE)	**327,632**	**2,343**
Watumishi housing	**10,000,000**	**1,230**
Cooperatives Bank of Tanzania	**11,048,500**	**8,295**
Afrexim	**78**	**5,746**
Investments as at 31 December 2024:		
Tanzania Mortgage Refinance Company (TMRC)	**4,500,000**	**7,299**
Dar es Salaam Stock Exchange (DSE)	**327,632**	**786**
Watumishi housing	**10,000,000**	**1,230**
Cooperatives Bank of Tanzania	**11,048,500**	**5,524**

32 INVESTMENTS IN SUBSIDIARIES

The Bank has established three wholly owned subsidiaries, namely CRDB Bank Burundi S.A., incorporated in the Republic of Burundi in 2012, CRDB Insurance Company Limited incorporated in the United Republic of Tanzania under TIRA in 2023 and CRDB Bank Foundation registered by the Registrar of NGOs in 2023. The Bank also own another subsidiary in Congo, "CRDB Bank Congo ", incorporated in the Democratic Republic of Congo in 2023, with 55% ownership.

The countries of incorporation are also their principal place of business.

All subsidiaries are unlisted and have the same year-end as the Bank. The investment in the subsidiaries includes the cost of shares and other initial payments made for the subsidiaries.

33 EMPLOYEES WELFARE

CRDB Bank is committed to achieving its business objectives through its people. We believe that our employees are our most valuable assets, and we make an effort to develop their abilities and productivity. We encourage a work culture, foster relationships with them at every level in the Group and encourage them to express their views and share their ideas to bring about improvements towards the achievement of our vision.

This is based on the conviction that a pleasant and safe working climate, with an emphasis on the enduring availability of a satisfactorily trained, active, and motivated workforce evidenced by very low employee turnover, is a critical success factor for the Bank and its subsidiaries. The Bank strives to create an environment responsive to different cultures and groups in all our interactions with employees, customers, visitors, suppliers, contractors, shareholders, investors and in the communities in which we operate.

There are a lot of talks these days about the importance of good nutrition, physical fitness, and stress reduction. Our Bank firmly believes that quality health plays an important role in the success of the organization and in promoting health and well-being among our staff. The Bank launched well-being services in 2021 with a focus on empowering colleagues and eligible dependents to address individuals' challenges which require support in physical and social well-being.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

33 EMPLOYEES WELFARE (CONTINUED)

The Services includes;

- *Profess*ional telephone counselling in Swahili and English: Counselling for psychosocial problems, substance abuse, and addiction, relationship problems, financial management, health, personal, or work-related problems, and all mental disorders.
- Professional face-to-face counselling: For any psychological, relationship, medical stress, financial problems, marital and prenatal counselling, trauma-focused counselling, teenage counselling, family therapy, individual and corporate coaching, fitness, nutrition, and lifestyle management.
- Managerial consultation for stress management, crisis management, assistance in managing risk cases, cultural diversity, or employee performance management.
- Psychiatric care arrangement: outpatient assessment and care through an accredited Psychiatrist.
- Emergency response critical incident stress debriefing (CISD): Worksite counselling and stress management support such as armed robbery, death, or disaster at a worksite.
- Education suppo*rt and awareness: Conduct an awareness program across the network periodically to equip employees with key psychological threats/signs*.

Management and Employee Relationship

The Group's management focuses on building the right culture as a strategic human resource priority by ensuring that the Bank's culture is embedded across all levels and the same is driven across the entire workforce. Having the right culture is an essential element for the Group's future development as we transform towards creating the digital era of banking. Amongst the key components in this development is ensuring that our leaders are charged with the major roles of fostering strong leadership capabilities, talent management, and enhancing employee relationships and development.

Our leaders believe in and always strive to create an enabling environment where all employees will be able to utilize their fullest potential while allowing them to connect to each other with dignity and respect. Through this approach, the management maintains a harmonious working environment with both the employees and the Trade Union.

Resultant to these initiatives, the Group has been able to retain its key staff and maintain the turnover rate below 2%, which is far below the industry rate. Additionally, CRDB Bank continued to maintain a strong organization health index compared to the global benchmarks as rated by McKenzie, which indicates a strong capacity to continuously improve its performance in the future.

Employees Performance Management

The Bank uses a Performance Management System to evaluate employees' performance against set and agreed-upon objectives. The system forms the basis for providing employees with performance feedback, recognition, development, and a corrective action plan to promote effective performance.

The Performance Management System is an integrated process with the full participation of managers and staff in both setting and reviewing performance objectives. The Bank uses the Balanced Scorecard and Competencies Framework as a tool for assessing the performance of its employees. The Balanced Score Card Performance review is conducted semi-annually where the Line Manager and the subordinate meet to review the performance of that ending period and as a session for giving feedback. The Performance assessment results form a valuable component of one's reward.

Training and Development

The role of training is to improve job performance, develop skills, and prepare individuals for other roles and responsibilities. As with promotion and career development, decisions regarding who is trained and how that training will be facilitated will be based on individual development needs and not on age, disability, gender, socio-economic status, ethnicity, or religion.

The Bank regards its employees as the most valuable asset and is committed to the learning, development, and growth of its employees. The Bank realizes that in discharging its objectives it needs to have trained and skilled personnel to maintain a well-balanced organization and a management team capable of performing the duties of the bank properly. To meet its present and future human capital demands, the Bank trains and develops its employees through various development programs. The Bank encourages its employees to train and develop themselves to acquire skills, knowledge and competencies which are necessary for their productivity, efficiency, and career development plan. The Bank has adopted a 70-20-10 model which reveals that individuals tend to learn 70% of their knowledge from challenging experiences and assignments (On the job), 20% from developmental relationships, and 10% from coursework and training.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

33 EMPLOYEES WELFARE (CONTINUED)

Training and Development (continued)

The Group continued to take advantage of the modern facilities at the Training Centre for the development of its workforce. The Group used different learning methodologies to offer these trainings which included: blended learning through different facilities like Video Conferencing which allowed facilitators from one point to interact with different business units; web-based learning (eLearning) whereby one could learn at their own pace; Distance Learning Programs for Professional Banking Qualification; and face to face training sessions which were conducted within and outside the Group. All employees of the Group, have access to more than one learning option and are encouraged to use the opportunity to re-tool and up-skill themselves in their specialised area of working and personal development to enable them to discharge their duties effectively.

Youth Programs

During the year, the Bank launched the Graduate Program, which focuses on preparing college graduates to become experts in banking and building them into future leaders. The program is a rich career and professional development opportunity for committed graduates who aim to make a positive impact in the Banking Sector.

The program came at the right time when the government and development partners in the country are investing heavily in ensuring that university graduates in the country find employment and create a self-employed environment. The program provides more than a job. It creates a fast-paced journey to grow the skills of young graduates, develop their careers, and unlock their potential. A total of 32 young graduates were enrolled both from Tanzania and Burundi. In the course, the trainees receive field training through branches, departments, and units within the bank to build their resilience. As a local Bank, we are proud to be part of the youth employment solution.

Employee Wellbeing Initiatives

The Bank have an employee wellness program which is a professional service that offers confidential counselling, sensitization training, capacity building and support with regards to health-related issues. The program aims at sensitizing staff to change and live healthier lifestyles. It emphasizes the balancing of work/life within dimensions like emotional control, behaviour change, mind and body health, physical fitness, etc. Employees have access to a range of health and wellbeing resources, including medical cover, occupational health services and an employee assistance program.

The Bank continued to offer unique employee wellness programs that went far beyond the normal offerings to employees and their family members. These programs included programs for teenagers, housemaids, and counselling sessions for all staff and their dependents.

Occupational health and safety policy

The Bank has an occupational health and safety policy that aims to ensure Occupational Health and Safety (OHS) for CRDB Bank staff, its customers, and its premises. The policy specifies the control requirements and guidelines with respect to OHS and provides obligations and responsibilities to staff, the Board of Directors, and Management to ensure they act in a manner consistent with regulatory requirements and this Policy.

The primary objective of the policy is to ensure premises and OHS key risks are understood across the Bank, assessed, and mitigated appropriately and adequately managed. The policy set out the minimum control requirements to address the Premises & OHS framework by explaining 'what' Business Units and Functions need to do; and ensure compliance with relevant legal and regulatory requirements, including any required authorizations, permissions, and licenses.

Furthermore, employees are encouraged to participate in various sports activities and work in partnership with external leading health specialists to ensure that health and fitness are a top priority. In addition, the Bank provides medical benefits through a medical insurance scheme to all employees' spouses and to a maximum of four dependents on a non-contributory basis.

Annual leave

Every employee is entitled to 30 calendar days of annual paid leave once in each calendar year. For every full month worked an employee earns 2.5 leave days. Out of the 30 leave calendar days, an employee is required to take at least 14 days of consecutive leave in a calendar year.

Employee grievance and complaints management mechanism

The Bank recognize the value and importance of having a harmonious environment at the workplace and makes an effort to ensure any reported complaints and grievances are expeditiously handled.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

33 EMPLOYEES WELFARE (CONTINUED)

Financial Assistance to staff/ Staff loan scheme

The Bank offers staff loans to enable its employees to acquire capital goods and property, to effect improvements to their properties, to meet educational expenses for themselves or dependents and to meet unforeseen financial commitments. Staff loans are guided by the Bank's Credit Policy and Credit Manual. Loans are available to all confirmed employees depending on the assessment of the need and circumstances if it is in line with the Human Resources and Credit Policies.

Staffing

The Group has a clear hiring policy, which is built on the provision of equal employment opportunities to all genders. It ensures to provide equal access to employment free from discrimination of any kind and without regard to factors like race, colour religion, sex, nationality, national origin, tribe, age or disability, social origin, political opinion, gender, pregnancy, marital status, HIV/AIDS, station of life which does not impair someone's abilities to carry out his duties.

Decisions regarding promotions and career development focus on skills and talents rather than assumptions based on age, disability, gender, socioeconomic status, ethnicity, and religion.

The hiring policy is reviewed annually through process views, and recommendations from key stakeholders, such as the "Trade Union," are considered.

Persons with Disabilities

It is the Group's policy to employ disabled persons wherever practicable. The Group has always considered this policy when recruiting. As of 31 December 2025, the Bank has 7 (2024:7) persons with disabilities. We practise a non-discrimination policy against qualified individuals with disabilities in job application procedures, hiring, firing, promotion, compensation, job training, and other areas of employment.

If any employee becomes physically challenged (disabled) in the course of employment, the bank, where possible, can arrange training to ensure the continued employment of that person without subjecting them to any disadvantage in their career development.

If an employee has a disability, the Group make reasonable adjustments to accommodate individual requirements. Where possible, a range of training options will be used, such as e-learning and regional seminars, to ensure that everyone has equal access to training irrespective of disability, location, or hours of work. Training materials will aim to reflect, in the language and images, the diversity of our employees and customers.

Non-discrimination/ harassment

To provide equal employment and advancement opportunities to all individuals, the Bank's employment decisions are based on merit, qualifications, and abilities. There is no discrimination in employment opportunities or practices because of race, colour, religion, sex, nationality, tribe, age disability, social origin, political opinion, gender, pregnancy, marital status, HIV/AIDS, and status of life.

The Bank is committed to providing a work environment that is free of discrimination and harassment including sexual harassment. Actions, words, jokes, or comments based on an individual's sex, race, ethnicity, age, religion, or any other legally protected characteristic are not tolerated.

Employees with questions or concerns about discrimination and/or harassment in the workplace are encouraged to inform or report to their direct reports. If the Supervisor is the one accused, the staff is advised to report such an incident to the next Manager or Director in the chain of command. Staff found to be engaging in unlawful discrimination is subject to disciplinary action, including termination of employment. Employees are encouraged to raise concerns and report all discriminatory and harassment incidents without fear of reprisal.

Employee Benefit Plan

CRDB Bank Plc is a registered member of the Public Service Social Security Fund, in which the employee and the employer make monthly contributions according to the law. The Bank and employees both contribute 15% and 5% respectively of the employees' basic salaries to PSSSF. The Group's contributions are charged to profit or loss when incurred. The Group's obligations under the schemes are limited to specific contributions legislated from time to time.

The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

34 TALENT MANAGEMENT AND SUCCESSION PLANNING

Succession planning

The Bank endeavours to minimize the risk of key man dependence by creating a succession pool. Successor's development plans are established in preparation for their readiness. The succession pool creates a provision for talent sourcing in the event of attrition in a critical position. The Succession planning process in the Bank is mainly built to address the following main objectives: Identify high-potential employees capable of rapid advancement to positions of higher responsibility than those they presently occupy, ensure the systematic and long-term development of individuals to replace critical job incumbents as the need arises, provide a continuous flow of talented people to meet the bank's management needs. Succession planning reduces the risk or time it takes to fill a critical role if someone leaves.

Talent management

The Bank undertakes to identify, develop, and retain talented employees. The Bank has its talent management framework, which provides a guideline on how talent will be identified in the bank, linking performance to potential. To enable the Bank to remain competitive and successfully carry out its activities and ensure the long-term supply of required skills and expertise for its business development and sustainability, it is in the bank's best interests to develop staff to be prepared to assume different leadership levels rather than position. Talent Management and development is a model developed to ensure a knowledgeable labour supply exists within the Bank to replace personnel leaving the organization regardless of the reason.

35 RELATED PARTY DISCLOSURES

Parties are related if one party can control the other party or exercise significant influence over the other party in making financial or operational decisions. In the normal course of business, several banking relationships are entered into with related parties' i.e., key management staff, Directors, their associates, and companies associated with Directors. Such relationships are guided by policies approved by the Board to ensure the same is done at arm's length. Loans and advances to companies associated with Directors amounted to TZS 23,750 million (2024: TZS 3,828 million), while loans and advances to Directors and other key management personnel amounted to TZS 12,477 million (2024: TZS 16,587 million). The volumes of related party transactions for the year and the outstanding amounts at the year-end are provided under Note 63 of the financial statements.
The transactions with related parties are carried at arm's length basis.

36 POLITICAL AND CHARITABLE CONTRIBUTIONS

The Group did not make any political contributions during the year 2025 (2024: Nil).

37 SERIOUS PREJUDICIAL ISSUES/ MATTERS

No serious legal matters could affect the Group or Bank during the year 2025 (2024: None).

38 EVENTS AFTER THE REPORTING PERIOD

There were no other events after the reporting period which required adjustment in the financial statements however we have taken note on the assessment of Iran war as disclosed in note 64.

39 STATEMENT OF COMPLIANCE

The Report by those charged with governance has been prepared in compliance with the Tanzania Financial Reporting Standard No. 1 (The Report by those charged with governance). This standard replaces TFRS 1 on the Directors' report that was issued by NBAA on 1 January 2010. The standard becomes operative for financial statements covering accounting periods beginning on or after 1 January 2023.

40 APPOINTMENT OF AUDITORS

PricewaterhouseCoopers (PwC)
Certified Public Accountant
Pemba house, 369 Touré drive
Oysterbay
P.O. Box 45
Dar es Salaam, Tanzania
Registration number - 117633
TIN number - 110-212-285
VRN number: 10009908I

Our External auditor (PwC) has been appointed as per the *'Banking and Financial Institutions (External Auditors)* Regulation, 2014, section 5 (1) *'A bank or financial institution shall appoint annually an external auditor who has no conflict of interest and notify the Bank within seven days of such appointment'*. PwC was approved at the Annual General Meeting held on 17 May 2025.

PricewaterhouseCoopers- PF Number: ACPA 047

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

41 RESPONSIBILITY OF THE AUDITORS

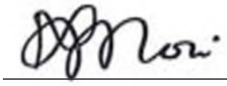
The auditor is responsible for providing assurance of the correctness and consistency of each piece of information contained in the report by those charged with governance with those provided in the financial statements.

42 STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

It is the responsibility of those charged with governance to prepare financial statements of the Group which show a true and fair view in accordance with applicable standards, rules, regulations, and legal provisions. This responsibility covers the period from the beginning of the financial year to the date those charged with governance approve the audited financial statements, and it covers all those charged with governance who acted in this capacity during any part of the period covered by financial statements.

BY ORDER OF THOSE CHARGED WITH GOVERNANCE

SIGNED ON ITS BEHALF BY:

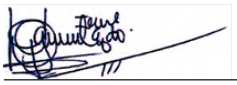


Prof. Neema M. Mori

Chairperson

30th March 2026

Date



Gerald P. Kasaato

Non-executive Director

30th March 2026

Date

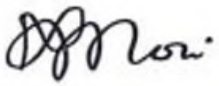
STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2025

The Companies Act No.12 of 2002 requires Directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Group and Bank as at the end of the financial year and of its profit or loss for the year. It also requires Directors to ensure that the Group and Bank keep proper accounting records that disclose, with reasonable accuracy, the financial position of the Group and Bank. They are also responsible for safeguarding the assets of the Group and Bank and hence taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

The Directors accept responsibility for the financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with IFRS accounting standards and the requirements of the Companies Act No.12 of 2002. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Group and Bank and of its profit in accordance with IFRS accounting standards. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Nothing has come to the attention of the Directors to indicate that the Bank and its subsidiaries will not remain a going concern for at least twelve months from the date of this statement.

Signed on behalf of the Board of Directors by:



Prof. Neema M. Mori
Chairperson

30th March 2026
Date

DECLARATION OF THE CHIEF FINANCIAL OFFICER FOR THE YEAR ENDED 31 DECEMBER 2025

The National Board of Accountants and Auditors (NBAA), according to the power conferred under the Auditors and Accountants (Registration) Act No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied by a declaration issued by the Chief Financial Officer responsible for preparing the financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors in discharging the responsibility of preparing financial statements of an entity showing a true and fair view of the entity's position and performance in accordance with IFRS accounting standards and statutory financial reporting requirements.

The full legal responsibility for preparing financial statements rests with the Board of those charged with governance, as declared under the Statement of Directors' Responsibility on page 382.

I Frederick Bayona Nshekanabo, being the Chief Financial Officer of CRDB Bank Plc, hereby acknowledge my responsibility of ensuring that consolidated and separate financial statements of CRDB Bank Plc (the "Bank") and its subsidiaries for the year ended 31 December 2025 have been prepared in compliance with IFRS Accounting Standards and the requirements of Companies Act No.12 of 2002.

I, thus, confirm that the consolidated and separate financial statements give a true and fair view position of CRDB Bank Plc and its subsidiaries as of that date and that it has been prepared based on properly maintained financial records.

Signed By:



Frederick B. Nshekanabo

Chief Financial Officer
ACPA 1388

30th March 2026

Date

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRDB BANK PLC

Report on the audit of the Group and Bank financial statements

Our opinion

In our opinion, the Group and Bank financial statements give a true and fair view of the Group and Bank financial position of CRDB Bank Plc (the Bank) and its subsidiaries (together the Group) as at 31 December 2025, and of its Group and Bank financial performance and its Group and Bank cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act, No. 12 of 2002.

What we have audited

CRDB Bank Plc's Group and Bank financial statements as set out on pages 388 to 664 comprise:

- the Group and Bank statements of financial position as at 31 December 2025;
- the Group and Bank statements of profit or loss and other comprehensive income for the year then ended;
- the Group and Bank statements of changes in equity for the year then ended;
- the Group and Bank statements of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Group and Bank financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Bank in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the National Board of Accountants and Auditors (NBAA) that are relevant to our audit of the financial statements in Tanzania. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the NBAA.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRDB BANK PLC (CONTINUED)

Report on the audit of the Group and Bank financial statements (continued)

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group and Bank financial statements of the current period. These matters were addressed in the context of our audit of the Group and Bank financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	*How our audit addressed the key audit matter*
Expected credit losses on loans and advances Loans and advances to customers comprise a significant portion of the Group's and bank's total assets. The estimation of expected credit losses (ECL) on loans and advances requires significant management judgment using subjective assumptions over both when and how much to record as loan impairment provision. Details of the loans and advances to customer and ECL balances, and the policies for estimating ECL are disclosed in notes 7.15, 10, 33 and 35 of the financial statements. The key areas where management has exercised significant judgement include: ■ Quantitative and qualitative criteria for classification of loans and advances based on assessment of factors contributing to significant increase in credit risk and default; ■ Determination of the probability of default (PD), including the determination and forecast of forward-looking information used in the ECL models; ■ Determination of the loss given default (LGD) which include estimation of the expected cash flows, recovery period and recovery rates. ■ Determination of exposure at default (EAD); Due to the value of the loans and advances to customers, the significant impact of management judgments applied in calculating the ECL, we designated this as a key audit matter in our audit.	We obtained understanding and audited the Group's methodology for determining ECL and evaluated it against the requirements of IFRS 9; Our audit included, amongst others, the following audit procedures performed in collaboration with our internal IFR9 9 model specialists and actuarial team: ■ We tested the quantitative and qualitative criteria used in the classification of loans and advances. We tested and challenged the judgments applied in the staging of some selected loans and advances to customers. We applied data analytics tools assess performance trend of customers over a period under review and challenged this performance against management's classification. ■ As the quantitative basis of classification of loans and advances is reliant on information systems, we understood and tested key information technology general and application controls including the calculation of the number of days past due. ■ Tested the critical data used in the ECL calculation by reconciling to source systems. ■ We tested the portfolio segmentation which is used to determine PD and LGD. ■ We tested the reliability, accuracy and reasonableness of information and assumptions used for estimating the exposure at default, probability of default and loss given default. ■ We tested the expected cash flows and challenged management's assumptions of recovery estimates for unsecured facilities. ■ For forward-looking assumptions used in the ECL calculations, we corroborated the data and assumptions using publicly available information. We challenged management's basis for establishing the correlation between forward looking parameters and the Bank's non-performing loan trends. We tested the forward-looking scenarios and parameters used by management in estimating projected probabilities of default. ■ We reviewed and assessed whether the disclosures in the financial statements were adequate, accurate and appropriate in line with IFRS 9 Financial instruments.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRDB BANK PLC (CONTINUED)

Report on the audit of the Group and Bank financial statements (continued)

Other information

The directors are responsible for the other information. The other information comprises Corporate information, The Report by those charged with governance, Statement of Directors' responsibilities and Declaration of the Chief Financial Officer (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the Annual Report, which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the directors for the Group and Bank financial statements

The directors are responsible for the preparation of the Group and Bank financial statements that give a true and fair view in accordance with IFRS accounting standards and the requirements of the Companies Act, No. 12 of 2002, and for such internal control as the directors determine is necessary to enable the preparation of Group and Bank financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the Group and Bank financial statements, the directors are responsible for assessing the Group's and Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Bank or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the Group and Bank financial statements

Our objectives are to obtain reasonable assurance about whether the Group and Bank financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Group and Bank financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Group and Bank financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Group and Bank financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or Bank to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRDB BANK PLC (CONTINUED)

Report on the audit of the Group and Bank financial statements (continued)

Auditor's responsibilities for the audit of the Group and Bank financial statements (continued)

- Evaluate the overall presentation, structure and content of the Group and Bank financial statements, including the disclosures, and whether the Group and Bank financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the group financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the Group and Bank financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the other legal and regulatory requirements

This report, including the opinion, has been prepared for, and only for, the Bank's members as a body in accordance with the Companies Act, No. 12 of 2002 and for no other purposes.

As required by the Companies Act, No. 12 of 2002, we are also required to report to you if, in our opinion, the Report of those charged with governance is not consistent with the financial statements, if the Bank has not kept proper accounting records, if the financial statements are not in agreement with the accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Bank is not disclosed. In respect of the foregoing requirements, we have no matter to report.



Cletus Kiyuga- ACPA PP1981
For and on behalf of PricewaterhouseCoopers
Certified Public Accountants
Dar es Salaam

Date: 31st March 2026

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

In TZS' Million	Note	GROUP 2025	GROUP 2024 Restated	BANK 2025	BANK 2024 Restated
Interest income calculated using the effective interest method	12	**1,976,041**	1,528,377	**1,799,411**	1,410,017
Other interest and similar income	12	**483**	-	**483**	-
Interest expense calculated using the Effective interest method	13	**(577,455)**	(416,863)	**(509,090)**	(374,116)
Other interest and similar expenses	13	**(5,819)**	(4,755)	**(3,880)**	(3,413)
Net interest income		**1,393,250**	1,106,759	**1,286,924**	1,032,488
Income from Islamic financing and investment products	12	**22,816**	12,449	**22,816**	12,449
Distribution on Islamic deposits and profit paid to Sukuk holders	13	**(7,898)**	(1,031)	**(7,898)**	(1,031)
Net income from Islamic financing and investment products		**14,918**	11,418	**14,918**	11,418
Net interest income and net income from Islamic financing and investment products		**1,408,168**	1,118,177	**1,301,842**	1,043,906
Fees and commission income	14	**599,314**	538,925	**583,212**	529,225
Fees and commission expense	15	**(87,764)**	(86,013)	**(85,133)**	(83,539)
Net fees and commission income		**511,550**	452,912	**498,079**	445,686
Insurance service revenue	20A	**41,444**	14,351	**-**	-
Insurance service expense	20B	**(22,959)**	(4,867)	**-**	-
Insurance service result before reinsurance contracts held		**18,485**	9,484	**-**	-
Net expense from reinsurance contracts held	20C	**(14,288)**	(4,942)	**-**	-
Insurance service result		**4,197**	4,542	**-**	-
Net Insurance Investment income	20D	**2,903**	-	**-**	-
Results from insurance contracts		**7,100**	4,542	**-**	-
Net foreign exchange income	16	**96,040**	31,534	**88,843**	15,732
Credit loss expense on financial assets	34	**(153,589)**	(95,187)	**(142,455)**	(91,879)
Net gains on financial assets at fair value through profit or loss	17	**1,900**	1,556	**1,900**	210
Net losses on equity investment at fair value through profit or loss	17	**-**	(2,145)	**-**	(2,145)
Net gains on derecognition of financial assets measured at fair value through other comprehensive income	18	**7,836**	5,510	**7,836**	5,510
Other operating income	19	**4,839**	1,465	**18,482**	12,441
Net operating income		**1,883,844**	1,518,364	**1,774,527**	1,429,461
Operating expenses	21	**(319,709)**	(272,787)	**(281,065)**	(241,442)
Depreciation of Property and equipment and Motor vehicles	22A	**(70,258)**	(58,947)	**(65,441)**	(55,466)
Amortization of right of use assets, prepaid leases and intangible assets	22B	**(26,293)**	(25,317)	**(23,288)**	(23,572)
Employees benefit expenses	23	**(431,464)**	(380,448)	**(399,485)**	(354,310)
Impairment other Assets	36	**(5,609)**	(2,069)	**(4,598)**	(1,819)
Total operating expenses		**(853,333)**	(739,568)	**(773,877)**	(676,609)
Profit before income tax		**1,030,511**	778,796	**1,000,650**	752,852
Income tax expense	24A	**(301,945)**	(227,309)	**(298,493)**	(225,087)
Profit for the year		**728,566**	551,487	**702,157**	527,765
Profit attributable to:					
Equity holders of the parent		**732,457**	554,442	**702,157**	527,765
Non-Controlling interests*	55	**(3,891)**	(2,955)	**-**	-
		728,566	551,487	**702,157**	527,765

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

In TZS' Million	Note	GROUP 2025	GROUP 2024 Restated	BANK 2025	BANK 2024 Restated
Profit for the year					
Profit attributable to:					
Equity holders of the parent		**732,457**	554,442	**702,157**	527,765
Non-Controlling interests*	55	**(3,891)**	(2,955)	**-**	-
		728,566	551,487	**702,157**	527,765
Other comprehensive income:					
Items that may be subsequently reclassified to profit or loss:					
Gains on Debt instruments at FVOCI	56B	**48,426**	1,662	**48,426**	1,662
Gains on Debt instrument at FVOCI reclassified to Profit or loss	56B	**(7,836)**	(5,510)	**(7,836)**	(5,510)
		40,590	(3,848)	**40,590**	(3,848)
Exchange differences on translation of foreign operations		**16,835**	(13,846)	**-**	-
Income tax relating to these items**	43	**(12,177)**	1,154	**(12,177)**	1,154
Total items that will be reclassified to the statement of profit or loss		**45,249**	(16,540)	**28,414**	(2,694)
Items that may not be subsequently reclassified to profit or loss:					
Gains/ (losses) on equity instrument at FVOCI	56B	**2,047**	(5,669)	**2,047**	(5,669)
Income tax relating to these items**	43	**(452)**	1,701	**(452)**	1,701
Total items that will not be reclassified to the statement of profit or loss		**1,595**	(3,968)	**1,595**	(3,968)
Other comprehensive income for the year, net of tax		**46,844**	(20,508)	**30,009**	(6,662)
Total comprehensive income		**775,410**	530,979	**732,166**	521,103
Total comprehensive income attributable to:					
Owners of the parent entity		**779,301**	533,934	**732,166**	521,103
Non-controlling interests*		**(3,891)**	(2,955)	**-**	-
		775,410	530,979	**732,166**	521,103
Basic and diluted earnings per share attributable to equity holders of the parent entity (TZS)	25	**280.42**	211.15	**268.84**	202.07

*The Group's subsidiaries ownership detailed under note 37 "Investment in subsidiaries"

**Taxes relate to Gains/(losses) on equity instrument at FVOCI.

ANNUAL CONSOLIDATED AND BANK FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

In TZS' Million		GROUP		BANK	
ASSETS	**Note**	**2025**	2024	**2025**	2024
Cash and balances with the central bank	27	**2,294,457**	2,371,330	**2,100,896**	2,163,724
Due from banks	28	**1,574,698**	924,538	**1,746,854**	918,759
Financial Assets at fair value through profit or loss	29	**18,944**	15,428	**18,116**	5,812
Debt Instruments at fair value through other comprehensive income	30	**496,938**	135,291	**496,938**	135,291
Equity investment at fair value through other comprehensive income	31	**23,683**	13,609	**23,683**	13,609
Credit cards	32	**3,055**	2,002	**3,055**	2,002
Loans and advances to customers	33	**13,723,318**	10,360,824	**13,077,539**	9,995,475
Debt Instrument at amortised cost	30	**2,868,316**	1,948,028	**2,057,978**	1,507,906
Other assets	36	**569,179**	259,978	**473,648**	239,108
Investment in subsidiaries	37	**-**	-	**121,852**	107,604
Motor vehicles	38	**23,153**	23,817	**18,836**	20,235
Property and equipment	39	**379,066**	374,007	**325,405**	340,388
Right-of-use assets	40	**62,739**	57,418	**46,876**	42,068
Prepaid leases	41	**8,551**	8,737	**8,551**	8,737
Reinsurance contract assets	48	**9,564**	-	**-**	-
Deferred income tax asset	43	**109,083**	98,416	**108,169**	95,749
Intangible assets	42	**144,192**	105,328	**135,020**	102,486
TOTAL ASSETS		**22,308,936**	16,698,751	**20,763,416**	15,698,953
LIABILITIES					
Balances due to other banks	44	**1,132,828**	1,108,682	**1,003,636**	994,029
Deposits from customer	45	**14,930,504**	10,934,131	**13,738,462**	10,214,699
Other liabilities	46	**342,579**	420,633	**309,122**	377,813
Current income tax payable	24B	**18,686**	6,827	**19,476**	6,619
Lease liability	47	**70,219**	63,064	**52,841**	47,123
Insurance contract liabilities	48	**28,654**	8,163	**-**	-
Reinsurance contract liabilities	48	**-**	1,173	**-**	-
Bonds	49	**714,388**	175,204	**714,388**	175,204
Borrowings	50	**1,940,051**	1,659,620	**1,940,051**	1,659,620
Subordinated debts	51	**315,286**	126,882	**315,286**	126,882
Grant	52	**30,301**	18,470	**30,301**	18,470
Provisions	60	**1,619**	2,656	**1,619**	2,656
TOTAL LIABILITIES		**19,525,115**	14,525,505	**18,125,182**	13,623,115
EQUITY					
Share capital	54	**65,296**	65,296	**65,296**	65,296
Share premium	54	**158,314**	158,314	**158,314**	158,314
Retained earnings		**2,446,220**	1,869,055	**2,374,390**	1,825,984
Reserves	56A	**77,225**	39,924	**40,234**	26,244
Total equity attributable to parent		**2,747,055**	2,132,589	**2,638,234**	2,075,838
Total equity attributable to non-controlling Interest	55	**36,766**	40,657	**-**	-
TOTAL EQUITY		**2,783,821**	2,173,246	**2,638,234**	2,075,838
TOTAL LIABILITIES AND EQUITY		**22,308,936**	16,698,751	**20,763,416**	15,698,953

The financial statements on pages 388 to 664 were approved and authorized for issue by those charged with governance on 13 March 2026 and signed on its behalf.

Prof. Neema M. Mori
Chairperson

Dr. Abdulmajid M. Nsekela
Managing Director

Gerald P. Kasaato
Non-Executive Director

GROUP In TZS' Million Year ended 31 December 2025	Note	Share capital	Share premium	Retained earnings	Non-distributable reserve	Legal provision reserve	Revaluation reserve	Contingency reserve	Exchange differences on translation of foreign operations	Total Shareholders' funds attributable to Parent	Total Shareholders' funds attributable to NCI	Total Shareholders' funds
At 1 January 2025		65,296	158,314	1,869,055	15,602	35,864	10,765	-	(22,307)	2,132,589	40,657	2,173,246
Profit for the year		-	-	732,457	-	-	-	-	-	732,457	(3,891)	728,566
Other comprehensive income								-				
Gains on debt instruments at FVOCI		-	-	-	-	-	48,426	-	-	48,426	-	48,426
Gains on debt instrument at FVOCI reclassified to P&L	56	-	-	-	-	-	(7,836)	-	-	(7,836)	-	(7,836)
Revaluation gains/ (losses) on equity instrument at FVOCI		-	-	-	-	-	2,047	-	-	2,047	-	2,047
Exchange differences on translation of foreign operations		-	-	-	-	-	-	-	16,835	16,835	-	16,835
Deferred tax on OCI	43	-	-	-	-	-	(12,629)	-	-	(12,629)	-	(12,629)
Total comprehensive income		-	-	732,457	-	-	30,009	-	16,835	779,301	(3,891)	775,410
Transfer of excess depreciation net of deferred tax	56	-	-	540	-	-	(540)	-	-	-	-	-
Transfer from non-distributable reserve	56	-	-	15,479	(10,544)	-	-	-	-	4,935	-	4,935
Legal provision	56	-	-	(712)	-	712	-	-	-	-	-	-
Contingency reserves	56			(829)	-		-	829	-		-	-
Transactions with shareholders												
Share capital issue	54	-	-	-	-	-	-	-	-	-	-	-
Dividends declared	26	-	-	(169,770)	-	-	-	-	-	(169,770)	-	(169,770)
At 31 December 2025		65,296	158,314	2,446,220	5,058	36,576	40,234	829	(5,472)	2,747,055	36,766	2,783,821

ANNUAL CONSOLIDATED AND BANK FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

GROUP In TZS' Million Year ended 31 December 2024	Note	Share capital	Share premium	Retained earnings	Non-distributable reserve	Legal provision reserve	Revaluation reserve	Exchange differences on translation of foreign operations	Total Shareholders' funds attributable to Parent	Total Shareholders' funds attributable to NCI	Total Shareholders' funds
At 1 January 2024		65,296	158,314	1,491,183	5,419	14,935	11,190	(8,461)	1,737,876	43,612	1,781,488
Profit for the year		-	-	554,442	-	-		-	554,442	(2,955)	551,487
Other comprehensive income		-	-	-	-	-		-	-	-	-
Gains on debt instruments at FVOCI		-	-	-	-	-	1,662	-	1,662	-	1,662
Gains on debt instrument at FVOCI reclassified to P&L	57	-	-	-	-	-	(5,510)	-	(5,510)	-	(5,510)
Revaluation gains/ (losses) on equity instrument at FVOCI		-	-	-	-	-	(5,669)	-	(5,669)	-	(5,669)
Exchange differences on translation of foreign operations		-	-	-	-	-		(13,846)	(13,846)	-	(13,846)
Deferred tax on OCI	44	-	-		-	-	2,855	-	2,855	-	2,855
Total comprehensive income		-	-	554,442	-	-	(6,662)	(13,846)	(20,508)	(2,955)	2,312,467
Derecognition of equity investment at FVOCI				(7,000)	-	-	7,000	-		-	
Transfer of excess depreciation net of deferred tax	57	-	-	763	-	-	(763)	-		-	
Transfer from non-distributable reserve	57	-	-	(18,812)	10,183	-	-	-	(8,629)	-	(8,629)
Legal provision	57	-	-	(20,929)	-	20,929	-	-	-	-	-
Transactions with shareholders											
Share capital issue	55	-	-	-	-	-	-	-		-	-
Dividends declared	26	-	-	(130,592)	-	-	-	-	(130,592)	-	(130,592)
At 31 December 2024		65,296	158,314	1,869,055	15,602	35,864	10,765	(22,307)	2,132,589	40,657	2,173,246

BANK In TZS' Million Year ended 31 December 2025	Note	Share capital	Share premium	Retained earnings	Non-distributable reserve	Revaluation reserve	Total
At 1 January 2025		**65,296**	**158,314**	**1,825,984**	**15,479**	**10,765**	**2,075,838**
Profit for the year		**-**	**-**	**702,157**	**-**	**-**	**702,157**
Other comprehensive income							
Gains/ (losses) on debt instruments at fair value through OCI		**-**	**-**	**-**	**-**	**48,426**	**48,426**
Reclassified to profit or loss	**56**	**-**	**-**	**-**	**-**	**(7,836)**	**(7,836)**
Revaluation gains/ (losses) on equity instrument at FVOCI		**-**	**-**	**-**	**-**	**2,047**	**2,047**
Deferred tax on OCI	**43**	**-**	**-**	**-**	**-**	**(12,629)**	**(12,629)**
Total comprehensive income		**-**	**-**	**702,157**	**-**	**30,009**	**732,166**
Transfer of excess depreciation net of deferred tax	**56**	**-**	**-**	**540**	**-**	**(540)**	**-**
Transfer from non-distributable reserve	**56**	**-**	**-**	**15,479**	**(15,479)**	**-**	**-**
Transactions with shareholders							
Dividend declared	**26**	**-**	**-**	**(169,770)**	**-**	**-**	**(169,770)**
At 31 December 2025		**65,296**	**158,314**	**2,374,390**	**-**	**40,234**	**2,638,234**

BANK In TZS' Million Year ended 31 December 2024	Note	Share capital	Share premium	Retained earnings	Non-distributable reserve	Revaluation reserve	Total
At 1 January 2024		65,296	158,314	1,448,851	1,676	11,190	1,685,327
Profit for the year		-	-	527,765	-		527,765
		-	-	-	-		
Other comprehensive income		-	-	-	-		
Gain on debt instruments at fair value through OCI		-	-	-	-	1,662	1,662
Reclassified to profit or loss	56	-	-	-	-	(5,510)	(5,510)
Revaluation loss on equity instrument at FVOCI		-	-	-	-	(5,669)	(5,669)
Deferred tax on OCI	43	-	-	-	-	2,855	2,855
Total comprehensive income		**-**	**-**	527,765	-	(6,662)	(6,662)
Derecognition of equity investment at FVOCI		-	-	(7,000)	-	7,000	-
Transfer of excess depreciation net of deferred tax	56	-	-	763	-	(763)	-
Transfer from non-distributable reserve	56	-	-	(13,803)	13,803	-	-
Transactions with shareholders							
Dividend declared	26	-	-	(130,592)	-	-	(130,592)
At 31 December 2024		65,296	158,314	1,825,984	15,479	10,765	2,075,838

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

In TZS' Million	Note	GROUP 2025	GROUP 2024 Restated	BANK 2025	BANK 2024 Restated
Cash flow from operating activities					
Net cash generated from / used in operating activities	58(B)	**(109,494)**	1,121,137	**63,693**	932,150
Cash flows from investing activities					
Purchase of property and equipment	39	**(68,929)**	(60,922)	**(45,308)**	(47,821)
Purchase of motor vehicle	38	**(6,628)**	(7,336)	**(4,690)**	(5,150)
Purchase of intangible assets	42	**(49,449)**	(43,135)	**(42,841)**	(40,400)
Prepaid operating lease	41	**(70)**		**(70)**	
Investment in Subsidiaries	37	**-**	-	**(14,248)**	(21,127)
Dividend received	19	**122**	156	**122**	11,132
Proceeds from disposal of property and equipment and motor vehicle		**1,517**	891	**1,080**	471
Net cash used in investing activities		**(123,437)**	(110,346)	**(105,955)**	(102,895)
Cash flows from financing activities					
Dividends paid	46	**(169,169)**	(127,407)	**(169,169)**	(127,407)
Equity investment FVOCI	31	**(8,125)**	(7,857)	**(8,125)**	(7,857)
Grant received	52	**15,534**	-	**15,534**	-
Grant utilised	52	**(4,021)**	-	**(4,021)**	-
Borrowings received	50	**627,436**	978,057	**627,436**	978,057
Bonds received	49	**529,024**	-	**529,024**	-
Interest paid on bonds	49	**(46,611)**	(17,612)	**(46,611)**	(17,612)
Repayment of borrowings	50	**(370,676)**	(246,588)	**(370,676)**	(246,588)
Interest paid on borrowings	50	**(113,463)**	(82,020)	**(113,463)**	(82,020)
Receipts from Subordinated debt	51	**185,779**	-	**185,779**	-
Interest paid on subordinate debt	51	**(15,795)**	(13,325)	**(15,795)**	(13,325)
Interest paid on lease liabilities	47	**(5,819)**	(4,755)	**(3,880)**	(3,413)
Principal payment on lease liabilities	47	**(14,177)**	(12,537)	**(11,732)**	(11,449)
Net cash generated from financing activities		**609,917**	465,956	**614,301**	468,386
Cash and cash equivalents at 1 January*		**2,920,870**	1,412,572	**2,707,485**	1,382,694
Net cash used in operating activities		**(109,494)**	1,121,137	**63,693**	932,150
Net cash used in investing activities		**(123,437)**	(110,346)	**(105,955)**	(102,895)
Net cash generated from financing activities		**609,917**	465,956	**614,301**	468,386
Foreign currency exchange difference		**61,469**	31,551	**58,396**	27,150
Cash and cash equivalents at 31 December	58(B)	**3,359,325**	2,920,870	**3,337,920**	2,707,485

*The opening balance has been restated to reflect the access of 20% of the required statutory minimum reserve (SMR).

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NOTES (CONTINUED)

1 CORPORATE information

CRDB Bank Plc (the "Bank") and its subsidiaries, CRDB Bank Burundi S.A, CRDB Bank Congo, CRDB Insurance Company Limited, and CRDB Bank Foundation (together, "the Group"), provide corporate and retail Banking services, including insurance services. The Bank is a public limited company incorporated under the Companies Act No.12 of 2002 and is domiciled in Tanzania.

The Bank, CRDB Insurance Company Limited and CRDB Bank Foundation operate in Tanzania. CRDB Bank Burundi S.A. operates in Burundi, while CRDB Congo operates in Congo DRC.

The Bank's shares are listed on the Dar es Salaam Stock Exchange (DSE).

The address of its registered office is as follows:

CRDB Headquarters,
Plot No.25 & 26 Ali Hassan Mwinyi Road &
Plot No.21 Barack Obama Road
P.O. Box 268, 11101 Dar es Salaam, Tanzania

The consolidated and bank financial statements for the year ended 31 December 2025 were approved for issue by Those Charged with governance on 13 March 2026. Neither the entity's owners nor others have the power to amend the financial statements after they are issued.

2 BASIS OF PREPARATION

The consolidated and bank consolidated financial statements have been prepared on a historical cost basis, except for the following;

- Debt instrument at fair value through OCI and motor vehicles measured at fair value
- Other financial assets and liabilities are measured at amortised cost as explained in the accounting policies.
- Financial assets measured at FVPL
- Equity instrument measured at FVOCI
- Equity instrument measured at FVPL

In the preparation of financial statements, the Group has considered the impact of macro-economic and geopolitical uncertainty, especially on areas which need significant estimates and judgements and considered materiality assessments.

The financial statements are presented in Tanzania shillings (TZS) which is the functional currency, and the amounts are rounded to the nearest million, except where otherwise indicated.

The Group has prepared the Group and Bank consolidated financial statements on the basis that it will continue to operate as a going concern.

3 STATEMENT OF COMPLIANCE

The consolidated and Bank financial statements have been prepared in accordance with IFRS Accounting Standards (IFRS) and interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) applicable to companies reporting under with IFRS Accounting Standards. The financial statements comply with IFRS accounting standards as issued by the International Accounting Standards Board (IASB) and are prepared in the manner required by the Companies Act No.12 of 2002.

The Group and Bank consolidated financial statements, except for cashflow statement, have been prepared using the accrual basis of accounting. The preparation of financial statements in accordance with IFRS accounting standards requires the use of certain critical accounting estimates. It also requires the Directors to exercise judgement in the process of applying the Group's accounting policies.

Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. The Directors believe that the underlying assumptions are appropriate and that the consolidated and bank's financial statements, therefore, present the financial position and results fairly. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 8.

NOTES (CONTINUED)

4 PRESENTATION OF FINANCIAL STATEMENTS

These financial statements comprise the statements of financial position as at 31 December 2025, the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year ended; as well as the notes, which comprise a summary of accounting policies and other explanatory notes.

The Group and Bank present its statement of financial position in order of liquidity based on its intention and perceived ability to recover/settle most assets/liabilities of the corresponding financial statement line item. Financial assets and liabilities are generally reported gross in the consolidated statement of financial position except when IFRS accounting standards netting criteria are met.

Application of the going concern principle

The Group's management has assessed its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. In making this assessment, the Bank has considered the impact of climate-related matters on going concern assessment. Furthermore, management is not aware of any material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

5 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has not early adopted any new standards, interpretations or amendments that have been issued but are not yet effective in these financial statements. Other amendments and interpretations apply for the first time in 2025 but do not have an impact on the Bank's consolidated financial statements.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

(i) New and amended standards adopted by the Group and Bank

The following standards have been adopted by the Group and Bank for the first time for the financial year beginning on 1 January 2025:

Number	Effective date	Executive summary
Amendments to IAS 21, 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability (Amendments to IAS 21)	Annual periods beginning on or after 1 January 2025	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. The amendments are not expected to have a material impact on the Group's financial statements

NOTES (CONTINUED)

5 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

ii) IFRS Accounting Standards and amendments issued but not effective

IFRS	Effective date	Executive summary
IFRS 18, 'Presentation and Disclosure in Financial Statements'	Annual periods beginning on or after 1 January 2027 (Published April 2024)	The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. IFRS 18 replaces IAS 1 'Presentation of Financial Statements' and focuses on updates to the statement of profit or loss with a focus on the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. Many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'. The Bank is currently working to identify the impacts the standard will have on the primary financial statements and notes to the financial statements.
IFRS 19, 'Subsidiaries without Public Accountability'	Annual periods beginning on or after 1 January 2027	The objective of IFRS 19 is to provide reduced disclosure requirements for subsidiaries, with a parent that applies the Accounting Standards in its consolidated financial statements. IFRS 19 is a voluntary Accounting Standard that eligible subsidiaries can apply when preparing their own consolidated, separate or individual financial statements. The objective of IFRS 19 is to provide reduced disclosure requirements for subsidiaries, with a parent that applies the Accounting Standards in its consolidated financial statements. As the Group's equity instruments are publicly traded, this is applicable to subsidiaries standalone financial statements.
Amendment to IFRS 9, "Financial Instruments" and IFRS 7, "Financial Instruments: Disclosures" - Classification and Measurement of Financial Instruments	Annual periods beginning on or after 1 January 2026 (Published May 2024)	These amendments: ▪ clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; ▪ clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; ▪ add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and ▪ make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI). The Bank has determined that it will not apply the accounting policy option to derecognise financial liabilities before the settlement date. Moreover, the Bank has also reviewed its other payment systems and concluded that the recognition and derecognition policies are already in line with the amendments. In addition, the Bank has assessed the impact of the amendments on its financial assets that include (ESG)-linked features. Based on the assessments performed, the amendments in these areas are not expected to have a material impact on the financial statements.

There are no other standards that are not yet effective and that would be expected to have a material impact on the Group and the Bank in the current or future reporting periods and on foreseeable future transactions.

For all new standards and interpretations not yet adopted by the Group and Bank, they will be adopted on the respective effective dates, if applicable.

NOTES (CONTINUED)

6 BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Bank and its subsidiaries, CRDB Insurance Company Limited, CRDB Bank Burundi S.A.CRDB Bank Congo and CRDB Bank Foundation for the year ended 31 December 2025. The reporting date for all subsidiaries is 31 December.

The Bank consolidates a subsidiary when it controls it. Control is achieved when the Bank is exposed or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. When assessing whether it has power over an investee and therefore controls the variability of its returns, the Bank considers all relevant facts and circumstances, including:

- The purpose and design of the investee
- The relevant activities and how decisions about those activities are made and whether the Bank can direct those activities
- Contractual arrangements such as call rights, put rights and liquidation rights

Whether the Bank is exposed, or has rights, to variable returns from its involvement with the investee, and has the power to affect the variability of such returns. Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Bank and to the non-controlling interests (NCIs), even if this results in the NCIs having a deficit balance.
When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Bank's accounting policies.

Subsidiaries

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 to direct the activities of 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 acquisition method of accounting is used to account for business combinations by the Group.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. If the Bank loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, NCI, and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value at the date of loss of control. Disclosures for investment in subsidiaries are provided in Note 37.

Non-controlling interests (NCI)

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position, respectively.

Transactions eliminated on consolidation

All Intercompany transactions/ balances (assets, liabilities, equity, income, expenses, and cash flows) between members of the Bank are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

7 MATERIAL ACCOUNTING POLICIES

7.1 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in 'Tanzanian Shillings (TZS), which is the Group's presentation and functional currency. The Bank uses the direct method of consolidation.

(ii) Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency at the spot rate of exchange ruling at the date of the transaction. Transactions in foreign currencies during the year are converted into Tanzanian Shillings using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value is determined.

NOTES (CONTINUED)

7 MATERIAL ACCOUNTING POLICIES (CONTINUED)

7.1 Foreign currency translation (continued)

(ii) Transactions and balances (continued)

Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. All foreign exchange differences arising on non–trading activities are taken to other operating income/expense in the income statement, except for the effective portion of the differences on foreign currency borrowings that are accounted for as an effective hedge against a net investment in a foreign entity. These differences are recognised in OCI until the disposal of the net investment, at which time, they are recognised in the income statement.

Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI. Non–monetary items that are measured at historical cost in a foreign currency are translated using the prevailing exchange rates as at the date of recognition.

(iii) Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows: -

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period.
- Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in 'Exchange differences on translation of foreign operations' in equity.

7.2 Recognition of interest income and expense

7. 2.1 The effective interest rate method

The Group recognise interest income for all financial assets measured at amortised cost and FVOCI using the effective interest rate method. Interest expense is also calculated using the effective interest rate method for all financial liabilities held at amortised cost.

Interest income and expense for all interest-bearing financial instruments are recognised within 'interest income' or 'interest expense' in the statement of profit or loss. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. The calculation includes loan application and loan commitment fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

The EIR (and therefore, the amortised cost of the financial asset) is calculated by considering transaction costs and any discount or premium on the acquisition of the financial asset, as well as fees and costs that are an integral part of the EIR. The Group recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, the EIR calculation also considers the effect of potentially different interest rates that may be charged at various stages of the financial asset's expected life, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations of fixed rate financial assets or liabilities' cash flows are revised for reasons other than credit risk, then changes to future contractual cash flows are discounted at the original EIR with a consequential adjustment to the carrying amount. The difference from the previous carrying amount is booked as a positive or negative adjustment to the carrying amount of the financial asset or liability on the balance sheet with a corresponding increase or decrease in Interest revenue/expense calculated using the effective interest method.

For floating-rate financial instruments, periodic re-estimation of cash flows to reflect the movements in the market rates of interest also alters the effective interest rate, but when instruments were initially recognised at an amount equal to the principal, re-estimating the future interest payments does not significantly affect the carrying amount of the asset or the liability.

NOTES (CONTINUED)

7 **MATERIAL ACCOUNTING POLICIES (CONTINUED)**

7.2 Recognition of interest income and expense (continued)

7.2.2 Interest and similar income/expense

Net interest income comprises interest income and interest expense calculated using both the effective interest method and other methods. These are disclosed separately on the face of the income statement for both interest income and interest expense to provide symmetrical and comparable information.

The Group calculates interest income on financial assets other than those considered credit-impaired by applying the EIR to the gross carrying amount of the financial asset.
In its Interest income/expense calculated using the effective interest method, the Group only includes interest on those financial instruments that are set out in Note 7.2.1 above. Other interest income/expense includes interest on all financial assets/liabilities measured at FVPL, other than those held for trading, using the contractual interest rate. Interest income/expense on all trading financial assets/liabilities is recognised as a part of the fair value change in 'Net trading income'.

When a financial asset becomes credit-impaired (as set out in Note 7.15) and is therefore regarded as "stage 3" the interest income is calculated by applying the EIR to the net amortised cost of the credit-impaired financial asset (i.e., the gross carrying amount less the allowance for expected credit losses (ECLs). If the financial asset cures (as outlined in Note 7.16) and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

For purchased or originated credit-impaired (POCI) financial assets, the Group calculates interest income by calculating the credit-adjusted EIR and applying that rate to the amortised cost of the financial asset. The credit adjusted EIR is the interest rate that, at initial recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI financial asset.

7.3 Fees and commission income

The Group earns fee and commission income from a diverse range of financial services it provides to its customers. Fee and commission income is recognised at an amount that reflects the consideration to which the Bank expects to be entitled in exchange for providing the services.

The performance obligations, as well as the timing of their satisfaction, are identified and determined at the inception of the contract. The Group's revenue contracts do not include multiple performance obligations, as explained further in notes 7.3.1 and 7.3.2 below.

When the Group provides a service to its customers, consideration is determined according to the bank's rates and charges and is generally due immediately upon satisfaction of a service provided at a point in time or at the end of the contract period for service provided over time. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

Based on the nature of the Group's revenue contracts, which are in a single performance obligation, the Group has not made any significant judgment when allocating the transaction price to the performance obligation.

Fees and commissions that form an integral part of the effective interest rate are excluded from fees and commissions from customers.

7.3.1 The Group's fees and commission where performance obligations are satisfied over time.

Performance obligations satisfied over time include Loan commitment fees, Loan syndication fees, custody fees, interchange fees and other services, where the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

The Group's fee and commission income from services where performance obligations are satisfied over time include the following:

Loan commitment fees: These are fixed annual fees paid by customers for loans and other credit facilities with the Group. Commitment/Facility fees received by the Group to originate loans at market interest rates are integral to the effective interest rate if it is probable that the Group will enter a specific lending arrangement and does not expect to sell the resulting loan shortly after origination. Commitment fees for loans that are likely to be drawn down are deferred (together with related direct costs) and amortised over the loan tenure.

As the benefit of the services is transferred to the customer evenly over the period of entitlement, the fees are recognised as revenue on a straight-line basis. Payment of the fees is due and received
monthly in arrears. But, where it is unlikely that a specific lending arrangement will be entered into with the customer, the loan commitment is not measured at fair value.

NOTES (CONTINUED)

7 MATERIAL ACCOUNTING POLICIES (CONTINUED)

7.3 Fees and commission income (continued)

7.3.1 The Group's fees and commission where performance obligations are satisfied over time. (continued)

The Group does not designate loan commitments as financial liabilities at fair value through profit or loss. Commitment fees, together with related direct costs, for loan facilities where drawdown is probable are deferred and recognised as an adjustment to the effective interest on the loan once drawn. Commitment fees in relation to facilities where drawdown is not probable are recognised over the term of the commitment.

Loan syndication fees: These are recognised as revenue when the syndication has been completed, and the Group has retained no part of the loan package for itself or has retained no part at the same effective interest rate as the other participants. Syndication fees that do not meet these criteria are capitalised as origination fees and amortised to the income statement as interest income.

Custody fees: The Group earns a fixed annual fee for providing its customers with custody services, which include the safekeeping of purchased securities and processing of any dividend income and interest payments. As the benefit to the customer of the services is transferred evenly over the service period, these fees are recognised as revenue evenly over the period, based on time elapsed. Payment of these fees is due and received quarterly in arrears.

Interchange fees: The Group provides its customers with credit card processing services (i.e., authorisation and settlement of transactions executed with the Bank's credit cards) where it is entitled to an interchange fee for each transaction (i.e., when a credit cardholder purchases goods and services from merchants using the Bank's credit card). The fees vary based on the number of transactions processed and are structured as either a fixed rate per transaction processed or at a fixed percentage of the underlying cardholder transaction. Interchange and merchant fees are recognised upon settlement of the card transaction payment.

Other non-banking fee and commission income relates to fees and commissions earned for rendering services to customers other than those related to the banking operations. This includes fee and commission income earned from providing services on behalf of third-party service providers, in effect acting as an agent. Commission earned on the sale of insurance products to customers of the group on behalf of an insurer (Bank assurance services) are recognised at the point that the significant obligation has been fulfilled.

7.3.2 The Group's fees and commission where performance obligations are satisfied at a point in time.

Services provided where the Group's performance obligations are satisfied at a point in time are recognised once control of the services is transferred to the customer, where the customer does not simultaneously receive and consumes the benefits of the Bank's performance as it performs the service. This is typically on completion of the underlying transaction or service or, for fees or components of fees that are linked to a certain performance, after fulfilling the corresponding performance criteria.

These include fees and commissions arising from negotiating or participating in the negotiation of a transaction for a third party, such as Salary processing fees, Insurance Commission services, Sale of cheque books, ATM withdrawal charges, statement charges, and other fees and commissions of that nature. The Group has a single performance obligation with respect to these services, which is to successfully complete the transaction specified in the contract.

The Group's fee and commission income from services where performance obligations are satisfied at a point include the following:
Transactional fees: Transactional fees are service charges on deposit accounts, cash management services and transactional processing fees such as fees income generated from credit and bank card usage. Fees earned on the execution of a significant act typically include transactional fees. Transaction and processing fees are recognised at the point in time the transaction occurs, or service is performed. They include banking services such as Automated Teller Machine (ATM) fees, wire transfer fees, overdraft or late fees and foreign exchange fees, among others. These fees are received, and the Group's provides the service, monthly; the fees are recognised in income on this basis. The Group also receives certain fees in respect of its asset finance business where the performance obligations are typically fulfilled towards the end of the customer contract; these fees are recognised in income on this basis.

NOTES (CONTINUED)

7 **MATERIAL ACCOUNTING POLICIES (CONTINUED)**

7.3 Fees and commission income (continued)

7.3.3 Contract balances

The following are recognised in the statement of financial position arising from revenue from contracts with customers:

- 'Fees and commissions receivables' are recognised in the statement of financial position under 'Other assets. The receivable arises from revenue from contracts with customers, which represent the Bank's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). These are measured at amortised cost and subject to the impairment provisions of IFRS 9. Revenue recognised from contracts with customers is disaggregated based on the nature and timing of revenue recognition.
- 'Unearned fees and commissions' included under 'Other liabilities', which represent the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. A liability for unearned fees and commissions is recognised when the payment is made, or the payment is due (whichever is earlier). Unearned fees and commissions are recognised as revenue when (or as) the Group performs.

7.4 Net foreign exchange income

Net foreign exchange income includes all gains/(losses) from trading and foreign currency translations for foreign denominated balances.

7.5 Net gains / (losses) on financial assets at fair value through profit or loss

Net gains/ (losses) on financial assets at FVTPL represent revenue from financial assets and financial liabilities designated as at FVPL and non-trading assets measured at FVPL, as required by or elected under IFRS 9. The line item includes fair value changes and dividends.

7.6 Net gains/(losses) on derecognition of financial assets measured at amortised cost or FVOCI

Net gain/(loss) on derecognition of financial assets measured at amortised cost includes income (or loss) recognised on sale or derecognition of financial assets measured at amortised costs calculated as the difference between the book value (including impairment) and the proceeds received. When the financial asset measured through FVOCI is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and presented in the profit or loss statement within 'net gains/ (losses) on derecognition of financial assets measured at fair value through OCI'.

7.7 Financial instruments - initial recognition

7.7.1 Date of recognition

Financial assets and liabilities, except for loans and advances to customers and balances due to customers, are initially recognized on the date on which the Group becomes a party to the contractual provisions of the instrument. Loans and advances to customers are recognized when funds are transferred to the customers' accounts. The Group recognizes balances due to customers when funds are transferred to the Bank.

7.7.2 Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing them. Financial instruments are initially measured at their fair value (as defined in Note 7.7). Except in the case of financial assets and liabilities recorded at FVPL, transaction costs are added to or subtracted from this amount. Receivables are measured at the transaction price. Immediately after initial recognition, an expected credit loss allowance is recognised for newly originated financial assets measured at amortised cost or fair value through other comprehensive income debt instruments (refer to note 30 for further details).

7.7.3 Day 1 Profit or Loss

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Bank recognises the difference between the transaction price and fair value in net trading income. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

7.7.4 Measurement categories of financial assets and liabilities

Classification and subsequent measurement of financial assets depend on;

- The Group's business model for managing the asset; and
- The cash flow characteristics of the asset.

NOTES (CONTINUED)

7 MATERIAL ACCOUNTING POLICIES (CONTINUED)

7.7 Financial instruments - initial recognition (continued)

7.7.4 Measurement categories of financial assets and liabilities (cotinued)

Based on these factors, the Group classifies its financial assets into one of the following three measurement categories.

Amortized cost: Assets held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI') and that are not designated at FVPL are measured at amortized cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognized and measured. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Fair value through profit or loss (FVPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented in the profit or loss statement within 'net gains/ (losses) on financial assets at fair value through profit or loss' in the period in which it arises.

Fair value through other comprehensive income (FVOCI): Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest and are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortized cost which are recognized in profit or loss. Interest income from these financial assets is included in interest income using the effective interest rate method.

The business model assessment is not performed on an instrument-by-instrument basis, but at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The main consideration in determining the different business models across the group is whether the objectives of the business model are met primarily through holding the financial assets to collect contractual cash flows, through the sale of these financial assets, by managing assets and liabilities on a fair value basis, or through a combination of these activities.

The Group classifies the financial instruments into classes that reflect the nature of information and consider the characteristics of those financial instruments. The classification made can be seen in the table below:

NOTES (CONTINUED)

7 **MATERIAL ACCOUNTING POLICIES (CONTINUED)**

7.7 Financial instruments - initial recognition (continued)

7.7.4 Measurement categories of financial assets and liabilities

Category (as defined by IFRS 9)		Class (as determined by the Bank)		Subclass
Financial Assets	Amortized cost	Due from banks		
		Loans and advances to customers	Loans to individuals (personal lending)	Personal Loans
				Mortgage Loans
			Loans to corporate entities	Corporate Customers
			Loans to SMEs	SME Loans
			Loans to Microfinance	Microfinance Loans
		Credit cards		
		Other assets (excluding non-financial assets)		
		Investment in Debt securities	Debt instruments	Treasury Bill and Bonds (SPPI)
			Private Bonds	Private Bonds
		Cash and balances with the central bank		
	Fair value through other comprehensive income (FVOCI)	Equity investments designated at FVOCI		
		Debt instruments at FVOCI		
	Fair value through Profit or Loss (FVPL)	Financial assets designated at FVPL		
Financial liabilities	Financial liabilities at amortised cost	Deposits from Banks		
		Borrowings, issued bonds, subordinated debts, and other liabilities (excluding non-financial liabilities)		
		Deposits from customers	Retail customers	
			Corporate customers	
Off-balance sheet financial instruments	Loan commitments			
	Guarantees, acceptances and other financial liabilities			

7.8 Fair value measurement

The Group measures financial instruments such as equity investments and debt instruments at FVTPL and FVOCI investment securities at fair value at each reporting date. The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability if market participants act in their best economic interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

NOTES (CONTINUED)

7 MATERIAL ACCOUNTING POLICIES (CONTINUED)

7.8 Fair value measurement (continued)

- Level 1 financial instruments: Those are financial instruments traded in active markets. The determination of fair values of financial assets and financial liabilities is based on market prices or dealer price quotations without any deduction for transaction costs. This includes listed equity securities and debt instruments.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Indicators that a market is inactive are when there is a wide bid-offer spread, a significant increase in the bid-offer spread, or there are few recent transactions.

- Level 2 financial instruments: Those where the inputs that are used for valuation are significant and are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Bank will classify the instruments as Level 3.
- Level 3 financial instruments include one or more unobservable inputs that are significant to the measurement as a whole.

The fair value of financial instruments is generally measured on an individual basis. However, in cases where the Group manages a group of financial assets and liabilities based on its net market or credit risk exposure, the fair value of the group of financial instruments is measured on a net basis, however the underlying financial assets and liabilities are presented separately in the financial statements, unless they satisfy the offsetting criteria.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments, when necessary, based on the facts at the end of the reporting period.

Valuation Principles and Governance

The Group's fair value methodology and the governance over its models include several controls and other procedures to ensure appropriate measures to ensure its quality and adequacy. All new product initiatives, including their valuation methodologies, are subject to approvals by various functions of the Group, including the Risk Department and Finance. The responsibility of ongoing measurement resides with Finance, which reports to the Chief Financial Officer.

The fair value estimates are being validated by:

+ Benchmarking prices against observable market prices or other independent sources
+ Re-performing the model calculations
+ Evaluating and validating input parameters

Valuation techniques

For all other financial instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include the discounted cash flow method, comparison to similar instruments for which market observable prices exist, options pricing models, credit models and other relevant valuation models.

The Group periodically reviews its valuation techniques, including the adopted methodologies and model calibrations. However, the base models may not fully capture all factors relevant to the valuation of the Group's financial instruments such as credit risk, own credit and/or funding costs.

Therefore, the Group applies various techniques to estimate the credit risk associated with its financial instruments measured at fair value. These include a portfolio-based approach that estimates the expected net exposure per counterparty over the full lifetime of the individual assets, reflecting the credit risk of the individual counterparties for non-collateralized financial instruments.

The Group estimates the value of its credit from market observable data, such as secondary prices for its traded debt.

The Group evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments, when necessary, based on the facts at the end of the reporting period

NOTES (CONTINUED)

7 **MATERIAL ACCOUNTING POLICIES (CONTINUED)**

7.8 Fair value measurement (continued)

Transfers between levels

- The financial instruments are transferred from Level 1 to Level 2 when they cease to be actively traded during the year.
- The financial instruments are transferred from Level 2 to Level 1 when actively traded during the year.
- Transfers out of the level 3 portfolio arise when inputs that could significantly impact the instrument's valuation become market observable after previously being non-market observable.
- Transfers between levels of the fair value hierarchy are recognized by the Group at the end of the reporting period during which the change occurred.

Reporting and disclosures

For fair value disclosures, the Group has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

The fair value of a financial instrument is generally measured on an individual basis. However, when the Group manages a group of financial assets and liabilities based on its net market or credit risk exposure (as defined in IFRS 7), the bank can opt to measure the fair value of that group based on its net position. The financial statements present the underlying financial assets and liabilities separately unless they satisfy the offsetting criteria.

Gains or losses on the valuation of FVOCI are recognised in other comprehensive income.
Gains or losses on the valuation of FVPL are recognised in profit or loss.

7.9 Financial assets and liabilities per financial statement line

7.9.1 Loan and advances to banks, Loans and advances to customers, Debt instruments measured at amortized cost, Credit cards, financial assets measured at FVPL, Equity instrument measured at FVPL, Equity instrument measured at FVOCI.

The Group measures Loans and advances to banks, Loans and advances to customers, Debt instruments measured at amortized cost, Credit cards, financial assets measured at FVPL, Equity instruments measured at FVPL, Equity instruments measured at FVOCI only if both of the following conditions are met:

- The financial asset is held within a business model with the objective of holding financial assets to collect contractual cash flows.
- The contractual terms of the financial asset give rise to cash flows on specified dates solely payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below.

7.9.1.1 Business Model Assessment

The business model reflects how the Group manages the assets to generate cash flows. That is whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g., financial assets are held for trading purposes), the financial assets are classified as part of the 'other' business model and measured at FVPL.

The Group considers factors such as experience in collecting the cash flows for these assets, evaluating and reporting the asset's Performance to key management personnel, assessing and managing risks, and compensating managers when determining the business model for a Group of assets.

In considering whether the business objective of holding a group of financial assets is achieved primarily through collecting contractual cash flows, among other considerations, management monitors the frequency and significance of sales of financial assets out of these portfolios for purposes other than managing credit risk. For the purposes of performing the business model assessment, the Group only considers a transaction a sale if the asset is derecognised for accounting purposes. For example, a repurchase transaction where a financial asset is sold with the commitment to buy back the asset at a fixed price at a future date is not considered a sale transaction because substantially all the risks and rewards relating to the ownership of the asset have not been transferred and the asset is not derecognised from an accounting perspective.

If sales of financial assets are infrequent, the significance of these sales is considered by comparing the carrying amount of assets sold during the period and cumulatively to the total carrying amount of assets held in the business model. If sales are either infrequent or insignificant, these sales will not impact the conclusion that the business model for holding financial assets is to collect contractual cash flows. Determining whether sales are significant or frequent requires management to use its judgment. The significance and frequency of sales are assessed on a case-by-case basis at the business model level.

NOTES (CONTINUED)

7 MATERIAL ACCOUNTING POLICIES (CONTINUED)

7.9 Financial assets and liabilities per financial statement line (continued)

7.9.1.1 Business Model Assessment (continued)

The frequency is assessed on an annual basis, and sales of assets that take place once or less per annum are infrequent. If sales take place more than once per annum, it does not mean that the business models are not to collect contractual cash flows; rather, the reasons for the sales need to be more carefully considered. Management will consider the volume and number of sales relatives to the total assets in the business model to determine whether it is significant. The expected frequency, value and timing of sales are also important aspects of the Bank's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

Suppose cash flows after initial recognition are realised in a way that is different from the Group's original expectations. In that case, the Group does not change the classification of the remaining financial assets held in that business model. Still, it incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Securities held for trading are held principally to sell in the near term or are part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified as held for the trading business model and measured at FVPL.

7.9.1.2 The SPPI test

As a second step of its classification process, the Group assesses the contractual terms of the financial assets to identify whether they meet the SPPI test.

For this test, ' principal' is defined as the fair value of the financial asset at initial recognition. It may change over the asset's life (for example, if there are principal repayments or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgment and considers relevant factors such as the currency in which the financial asset is denominated and the period for which the interest rate is set. The Group assesses the contractual terms of the financial asset to identify whether they meet the SPPI test. Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement.

For the purpose of this test, the' principal' is defined as the fair value of the financial asset at initial recognition, which may change over the asset's life (for example, if there are principal repayments or amortization of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgment and considers relevant factors such as the currency in which the financial asset is denominated and the period for which the interest rate is set. Where the contractual terms introduce exposure to risk or volatility inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss. The SPPI test is applied on a portfolio basis for all loans and advances as the cash flow characteristics of these assets are standardized. Where the cash flow characteristics of an instrument are not standardized, then the SPPI test will be performed on an individual instrument at initial recognition.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in contractual cash flows unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

The Group may issue loans that include features that change the contractual cash flows based on the borrower meeting certain contractually specified environmental, social and governance (ESG) targets. These are known as ESG-linked (or sustainability-linked) loans. For example, the contractual interest rate is reduced if the borrower meets specific targets for reducing carbon emissions. In line with the policy outlined above, if the ESG feature is assessed as resulting in a de minimis exposure to risks or volatility in the contractual cash flows, then the ESG feature does not affect the classification of the loan. However, if the effect of the ESG feature is assessed as being more than de minimis, then further judgement is required about whether the feature does not introduce compensation for risks inconsistent with basic lending arrangements.

7.9.2 Financial assets or financial liabilities held for trading.

The Group classifies financial assets or liabilities as held for trading when they have been purchased or issued primarily for short-term profit-making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking.

Held for trading assets and liabilities are recorded and measured in the statement of financial position at fair value. Changes in fair value are recognised in net trading income. Included in this classification are debt securities and equities that have been acquired principally to sell or repurchase in the near term.

NOTES (CONTINUED)

7 MATERIAL ACCOUNTING POLICIES (CONTINUED)

7.9 Financial assets and liabilities per financial statement line (continued)

7.9.3 Debt instruments at FVOCI

The Group classifies debt instruments at FVOCI when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset meet the SPPI test

FVOCI debt instruments are subsequently measured at fair value, with gains and losses arising due to changes in fair value recognized in OCI. Interest income and foreign exchange gains and losses are recognized in profit or loss in the same manner as for financial assets measured at amortized cost as explained in note 7.2.2. The ECL calculation for debt instruments at FVOCI is presented in Note 7.15.3. On derecognition, cumulative gains or losses previously recognized in OCI are reclassified from OCI to profit or loss.

7.9.4 Equity instruments at FVOCI

Equity instruments are instruments that meet the definition of equity from the issuer's perspective: instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The Group's policy is to designate equity investments as FVOCI when not held for trading. Such classification is determined on an instrument-by-instrument basis. Gains and losses on these equity instruments are never recycled to profit. Dividends are recognized in profit or loss as other operating income when the right of the payment has been established. Equity instruments at FVOCI are not subject to an impairment assessment.

7.9.5 Debt issued and other borrowed funds

After initial measurement, debt issued, and other borrowed funds are subsequently measured at amortized cost. Amortized cost is calculated by considering costs that are an integral part of the EIR.

7.9.6 Financial assets and financial liabilities at fair value through profit or loss

Financial assets and liabilities in this category have been designated by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9. Management only designates an instrument at FVPL upon initial recognition when one of the following criteria is met.

Such designation is determined on an instrument-by-instrument basis:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognizing gains or losses on them on a different basis

Or

- Liabilities are part of a group of financial liabilities, which are managed and evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Financial assets and liabilities at FVPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss except for movements in fair value of liabilities designated at FVPL due to changes in the Group's own credit risk. Such changes in fair value are designated through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVPL Interest earned on assets mandatorily required to be measured at FVPL is recorded using the contractual interest rate.

Dividend income from equity instruments measured at FVPL is recorded in profit or loss as other operating income when the right to the payment has been established.

7.9.7 Financial guarantees, letters of credit and undrawn loan commitments

The Bank may issue financial guarantees, letters of credit and loan commitments.

Financial guarantees are initially recognised in the financial statements (within Provisions) at fair value, being the commission received. Subsequent to initial recognition, the Bank's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the income statement, and an ECL allowance.

The commission received is recognised in the income statement in Net fees and commission income on a straight-line basis over the life of the guarantee. Undrawn loan commitments and letters of credit are commitments under which the Bank is required to provide a loan with pre-specified terms to the customer throughout the commitment. Similar to financial guarantee contracts, these contracts are in the scope of the ECL requirements.

NOTES (CONTINUED)

7 MATERIAL ACCOUNTING POLICIES (CONTINUED)

7.9 Financial assets and liabilities per financial statement line (continued)

7.9.7 Financial guarantees, letters of credit and undrawn loan commitments (continued)

The nominal contractual value of financial guarantees, letters of credit and undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded in the statement of financial position. Acceptances and letters of credit are accounted for as off-balance sheet transactions and disclosed as contingent liabilities. The Bank has elected not to apply IFRS 17 Insurance contracts as permitted for financial guaranteed contracts since the Bank has not explicitly asserted that it considers such contracts to be insurance contracts.

7.10 Reclassification of financial assets and liabilities

A change in business model only occurs on rare occasions when the Group changes how it manages financial assets. Any change in the business model would result in a reclassification of the relevant financial assets from the start of the first reporting period following the change. Such changes are expected to be infrequent, and none occurred during the period. Financial liabilities are never reclassified.

7.11 Modifications of financial assets and financial liabilities

7.11.1 Modification of financial assets

The Group sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties rather than taking possession or enforcing the collection of collateral. A modification of a financial asset occurs when the contractual terms governing the cash flows of the financial asset are renegotiated or otherwise modified between its initial recognition and maturity.

A modification affects the amount and timing of the contractual cash flows immediately or later. If the terms of a financial asset are modified, then the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed expired. In this case, the original financial asset is derecognised, and a new financial asset is recognised at fair value plus any eligible transaction costs. To renegotiate or modify the contractual cash flows of loans to customers, the Bank assesses whether the new terms differ substantially from the original ones. The Bank does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- Whether any substantial new terms are introduced, such as a profit share/equity-based return, that substantially affect the loan's risk profile.
- Significant loan term extension when the borrower is not in financial difficulty.
- Significant change in the interest rate.
- Change in the currency the loan is denominated in.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

Suppose cash flows are modified when the borrower is in financial difficulties. In that case, the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. Suppose the Group plans to modify a financial asset in a way that would result in the forgiveness of cash flows. In that case, it first considers whether a portion of the asset should be written off before the modification takes place. This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

If the modification of a financial asset measured at amortised cost or FVOCI does not result in the derecognition of the financial asset, then the Group first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit or loss.

Any costs or fees incurred, and modification fees received adjust the gross carrying amount of the modified financial asset and are amortised over its remaining term.

7.11.2 Modification of financial liabilities

The Group derecognises a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised, and the consideration paid is recognised in profit or loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

NOTES (CONTINUED)

7 **MATERIAL ACCOUNTING POLICIES (CONTINUED)**

7.11.2 Modification of financial liabilities (continued)

A substantial modification of the terms occurs where the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

7.12 Derecognition of financial assets and liabilities

7.12.1 Derecognition due to substantial modification of terms and conditions

The Bank derecognizes a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognized as derecognition gains or losses to the extent that an impairment loss has not already been recorded. The newly recognized loans are classified as stage 1 for ECL measurement purposes unless the new loan is deemed to be POCI.

7.12.2 Derecognition other than substantial modification of terms and conditions

7.12.2.1 Financial assets

A financial asset is derecognized when the rights to receive cash flows from it have expired. The Group also derecognizes the financial asset if it has transferred it, and the transfer qualifies for derecognition.

The Group has transferred the financial asset if, and only if, either:

- The Group has transferred its contractual rights to receive cash flows from the financial asset or
- It retains the rights to the cash flows but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the original asset) but assumes a contractual obligation to pay those cash flows to one or more entities (the eventual recipients) when all the following three conditions are met:

- The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Group cannot sell or pledge the original asset other than as security to the eventual recipients.

The Group must remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents, including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Group has transferred substantially all the risks and rewards of the asset or
- The Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the assets.

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the assets in its entirety to an unrelated third party and can exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the assets, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognizes an associated liability. The transferred assets and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Group could be required to pay. If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Group would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

NOTES (CONTINUED)

7 MATERIAL ACCOUNTING POLICIES (CONTINUED)

7.11.2 Modification of financial liabilities (continued)

7.12.2.2 Financial liabilities

A financial liability is derecognised when the obligation under it is discharged, cancelled, or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

7.13 Forborne modified loans

The Group sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties rather than taking possession or enforcing the collection of collateral. The Group considers a loan forborne when such concessions or modifications are provided because of the borrower's present or expected financial difficulties, and the Group would not have agreed to them if the borrower had been financially healthy.

Indicators of financial difficulties include defaults on covenants or significant concerns raised by Credit analysts. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. It is the Group's policy to monitor forborne loans to help ensure that future payments continue to be likely to occur. If modifications are substantial, the loan is derecognised, as explained in Note 7.11. Once the terms have been renegotiated without this resulting in the derecognition of the loan, any impairment is measured using the original EIR as calculated before the modification of terms.

The Group also reassesses whether there has been a significant increase in credit risk, as set out in note 10.3.2.5 and whether the assets should be classified as Stage 3. Derecognition decisions and classification between Stage 2 and Stage 3 are determined on a case-by-case basis. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset until it is collected or written off. Once an asset has been classified as forborne, it will remain forborne for a minimum of 6 months for credit revolving facilities and 4 consecutive instalments for term loans as a probation period.

For the loan to be reclassified out of the forborne category, the customer must meet all the following criteria:

- All of its facilities have to be considered performing.
- The probation period of two years has passed from the date the forborne contract was considered performing
- Regular payments of more than an insignificant amount of principal or interest have been made during at least half of the probation period
- The customer does not have any contracts that are more than 30 days past due Details of forborne assets are disclosed in Note 10.3.5.

7.14 Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and an intention to settle on a net basis, realising the assets and settling the liabilities simultaneously.

Financial assets and liabilities are generally reported gross in the consolidated statement of financial position except when IFRS accounting standards netting criteria are met.

Income and expenses are presented on a net basis only when permitted under IFRS accounting standards or for gains and losses arising from a group of similar transactions, such as in the Group's trading activity.

7.15 Impairment of financial assets

7.15.1 Overview of the ECL principles

The Group recognises loss allowances for ECLs on the following financial instruments that are not measured at FVPL:

- Due from banks;
- Balances with central bank;
- Loans and advances to customers;
- Debt instrument at amortized cost;
- Debt instrument at FVOCI;
- Credit cards;
- Loan commitments issued;
- Financial guarantee and letter of credit; and
- Other assets (excluding non-financial assets).

NOTES (CONTINUED)

7 MATERIAL ACCOUNTING POLICIES (CONTINUED)

7.15 Impairment of financial assets (continued)

7.15.1 Overview of the ECL principles (continued)

Equity instruments are not subject to impairment under IFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit losses), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit losses (12-month ECL) as outlined in Note 7.15.2. The Group's policies for determining if there has been a significant increase in credit risk are set out in Note 10.3.2.5.

Except for POCI financial assets (which are considered separately below), ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e., ECL that results from those default events on the financial instrument that are possible within 12 months after the reporting date (referred to as Stage 1); or
- Lifetime ECL, i.e., ECL that results from all possible default events over the life of the financial instrument (referred to as Stage 2 and Stage 3).

A loss allowance for lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL. The Group apply low credit risk exemption for financial instruments with no significant increase in credit risk.

Both Lifetime ECL and 12-month ECL are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Group's policy for grouping financial assets measured on a collective basis is explained in Note 10.3.2.6.

The Group has established a policy to assess whether a financial instrument's credit risk has increased significantly since initial recognition at the end of each reporting period by considering the change in the risk of default occurring over the remaining life of the financial instrument. For the purposes of determining ECL, all facilities whose contractual payments are more than 30 days due but less than or equal to 90 days due are grouped in stage 2 as they are taken to have experienced a significant increase in credit risk.

As part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikeness to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as stage 3 for ECL calculations or whether stage 2 is appropriate. Based on the above process, the Group groups its loans into Stage 1, Stage 2, and Stage 3 as described below:

- *Stage 1:* When loans are first recognized, the Group recognizes an allowance based on a 12-month ECL. Stage 1 loans also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.
- *Stage 2:* When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the Lifetime ECL. Stage 2 loans also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 3.
- *Stage 3:* Loans considered credit-impaired (as outlined in Note 10.3.8) The Bank records an allowance for the Lifetime ECL.
- *POCI:* Purchased or originated credit-impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition, and interest income is subsequently recognised based on a credit-adjusted EIR. The ECL allowance is only recognised or released to the extent that there is a subsequent change in the expected credit losses.

For financial assets for which the Group has no reasonable expectations of recovering either the entire outstanding amount or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

7.15.2 Calculation of ECL

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Group under the contract and the cash flows that the Group expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

The Group calculates ECL by projecting the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD) for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e., the exposure has not been prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed up. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

NOTES (CONTINUED)

7 MATERIAL ACCOUNTING POLICIES (CONTINUED)

7.15 Impairment of financial assets (continued)

7.15.2 Calculation of ECL (continued)

The mechanics of the ECL calculations are outlined below, and the key elements are, as follows:

PD—The Probability of Default estimates the likelihood of default over a given time horizon. It is calibrated over up to 12 months from the reporting date (stage 1) or over the lifetime of the product (stage 2) and incorporates the impact of forward-looking economic assumptions that influence credit risk, such as interest rates, unemployment rates, and GDP forecasts.

The lifetime PD is developed by applying a maturity profile to the current 12-month PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

EAD – The *Exposure at Default* is an estimate of the exposure at a future default date, considering the expected change in exposure over the lifetime of the exposure. This incorporates the impact of drawdowns of committed facilities, repayments of principal and interest, amortisation, and prepayments, together with the impact of forward-looking economic assumptions where relevant. The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type.

+ For amortized products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over 12 months or a lifetime basis. This will also be adjusted for any expected overpayments made by the borrower. Early repayment/refinance assumptions are also incorporated into the calculation.
+ For revolving products, the exposure at default is predicted by taking the current drawn balance and adding a "credit conversion factor," which allows for the expected drawdown of the remaining limit by the time of default. Based on an analysis of the Group's recent default data, these assumptions vary by product type and current limit utilization band.

LGD—The Loss Given Default is an estimate of the loss arising when a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Group expects to receive. The 12-month and lifetime LGDs are determined based on the factors that impact the recoveries made post-default. These vary by product type.

+ For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.
+ Cash recovery from the defaulters.
+ For unsecured products, LGDs are typically set at the product level due to the limited differentiation in recoveries achieved across different borrowers. These LGDs are influenced by collection strategies, including contracted debt sales and price.

When estimating the ECL, the Group considers three scenarios (a base case, an upside, and a downside). Each of these is associated with different PDs, EADs and LGDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will be cured and the value of collateral or the amount that might be received for selling the asset.

Except for credit cards and other revolving facilities, for which the treatment is separately set out in Note 7.15.4, the maximum period for which the credit losses are determined is the contractual life of a financial instrument.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value. The Group measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics.

The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original effective interest rate, regardless of whether it is measured on an individual basis or a collective basis. The assumptions underlying the ECL calculation – such as how the maturity profile of the PDs and how collateral values change etc. – are monitored and reviewed on an annual basis.
The mechanics of the ECL method are summarised below:

Stage 1: The 12-month ECL is calculated as the portion of the Lifetime ECL that represents the ECL that results from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group calculates the 12-month ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD multiplied by the expected LGD and discounted by an approximation to the original EIR.

NOTES (CONTINUED)

7 MATERIAL ACCOUNTING POLICIES (CONTINUED)

7.15 Impairment of financial assets (continued)

7.15.2 Calculation of ECL (continued)

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the Lifetime ECL. The mechanics are like those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the instrument's lifetime. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3: For loans considered credit-impaired, the Group recognizes the Lifetime expected credit losses for these loans. The method is like that for Stage 2 assets, with the PD set at 100%.

POCI: POCI assets are financial assets that are credit impaired on initial recognition. The Bank only recognises the cumulative changes in lifetime ECL since initial recognition, based on a probability-weighting of the three scenarios, discounted by the credit-adjusted EIR.

Loan commitments and letters of credit: When estimating Lifetime ECL for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is the difference between the present value of the difference between the contractual cash flows that are due to the Group if the holder of the commitment draws down the loan and the cash flows that the Group expects to receive if the loan is drawn down. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan.

For credit cards and revolving facilities that include both a loan and an undrawn commitment, ECL is calculated and presented together with the loan. For loan commitments and letters of credit, the ECL is recognised within other Liabilities

Financial guarantee contracts: The ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument and any amounts that the Group expects to receive from the holder, the debtor, or any other party. The ECL related to financial guarantee contracts is recognised within the Provisions.

7.15.3 Debt instruments measured at fair value through OCI

The ECL for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets.

7.15.4 Credit cards and other revolving facilities

The Group's product offering includes a variety of corporate and retail overdraft and credit card facilities, in which the Group has the right to cancel and/or reduce the facilities within a notice period. The ongoing assessment of whether a significant increase in credit risk has occurred for revolving facilities is like other lending products. This is based on shifts in the customer's internal credit grade, but greater emphasis is also given to qualitative factors such as changes in usage. The interest rate used to discount the ECL for credit cards is based on the average effective interest rate that is expected to be charged over the expected period of exposure to the facilities. This estimation considers that many facilities are repaid in full each month and are consequently not charged interest.

7.15.5 Purchased or originated credit-impaired financial assets (POCI)

For POCI financial assets, the Group only recognises the cumulative changes in Lifetime ECL since initial recognition in the loss allowance.

7.15.6 Forward-looking economic information

In its ECL models, the Group relies on a broad range of forward-looking information as economic inputs, such as GDP growth, unemployment rates, inflation rates, lending rates, and money supply. The inputs and models used for calculating ECL may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. Detailed information about these inputs and sensitivity analysis are provided in Note 10.3.3.

Forward-looking economic information is also included in determining the 12-month and lifetime PD, EAD, and LGD. These assumptions vary by product type.

There were no changes in estimation techniques/ assumptions made during the reporting period.

NOTES (CONTINUED)

7 MATERIAL ACCOUNTING POLICIES (CONTINUED)

7.15 Impairment of financial assets (continued)

7.15.7 Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the consolidated statement of financial position as follows:

- financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: as a provision under other liabilities; and
- debt instruments measured at FVOCI: no loss allowance is recognised in the consolidated statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the cumulative changes in the fair value reserve.

7.15.8 Limitation of estimation techniques

The models applied by the Group may not always capture all characteristics of the market at a point in time as they cannot be recalibrated at the same pace as changes in market conditions. Interim adjustments are expected to be made until the base models are updated. Although the Group uses data that is as current as possible, models used to calculate ECLs are based on data that is up to date except for certain macroeconomic factors for which the data is updated once it is available.

7.16 Credit enhancements: collateral valuation and financial guarantees

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, and other non-financial assets. Collateral, unless repossessed, is not recorded on the Group's statement of financial position. Cash flows expected from credit enhancements which are not required to be recognised separately by IFRS accounting standards, and which are considered integral to the contractual terms of a debt instrument which is subject to ECL, are included in the measurement of those ECL.

On this basis, the fair value of collateral affects the calculation of ECL. Collateral is generally assessed at a minimum, at inception and re-assessed upon issuing an additional loan or restructuring a loan. However, some collateral, for example, cash or securities relating to margining requirements, is valued daily. To the extent possible, the Group uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as mortgage brokers or based on housing price indices.

Guarantees held are included in the measurement of loan ECL when either they are specified in the contractual terms of the loan or else are integral to the loan, in that they formed part of the basis on which the loan was extended. Guarantees that are not integral to the loan's contractual terms are accounted as separate units of accounts subject to ECL.

7.17 Collateral repossessed

The Group's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in, line with the Group's policy.

In its normal course of business, the Group engages external agents to recover funds from the repossessed assets, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the balance sheet.

7.18 Write-offs

Financial assets are written off either partially or in their entirety only when the Group has stopped pursuing recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance, which is then applied against the gross carrying amount. Any subsequent recoveries are credited to profit or loss.

The Group writes off non-performing financial assets that have been past due for more than four (4) consecutive quarters. The Group may write off financial assets in whole or in part when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include

- ceasing enforcement activity and
- where the Group's recovery method is foreclosing on collateral, and the value of the collateral is such that there is no reasonable expectation of recovering in full. The assessment is done for specific borrowers.

NOTES (CONTINUED)

7 MATERIAL ACCOUNTING POLICIES (CONTINUED)

7.19 Cure of non-performing financial assets including modified loans

An instrument is considered to no longer be SICR or in default (i.e., to have cured) when it has been established that the obligor is able to meet the requirements of the agreed terms and conditions. IFRS 9 allows credit exposures to migrate from higher credit risk categories to lower credit risk categories, that is, from stage 3 to stage 2 and from stage 2 to stage 1.

Under migration from stage 3 to stage 2, the Group shall consider the criteria for the upgrade of credit accommodation as follows:

- In the case of overdraft facilities, the account has satisfactorily performed for a minimum period of two consecutive quarters; and
- In the case of term loans, the obligor has timely paid four consecutive instalments.

These periods have been determined based on an analysis which considers the likelihood of a financial instrument returning to default status after cure using different possible cure definitions. On the other hand, credit exposures may migrate from stage 2 to stage 1 when there is a significant improvement of credit exposure. In determining whether an exposure should shift backwards from stage 2 to stage 1, The Bank shall consider the following;

- All outstanding payments on the credit facility are made on time, and there are no payments in arrears.
- There is an improvement in the quantitative and qualitative factors that caused a significant increase in credit risk.

Upgrade from stage 2 to stage 1 shall be subject to a monitoring period of 90 days for conventional loans and 30 days for Microfinance loans to confirm if the risk of default has decreased sufficiently before upgrading such exposure. For credit exposures that have cured, i.e., shifted from stage 2 to stage 1 or stage 3 to stage 2, interest income is calculated on the gross carrying amount of the asset at the beginning of the period before allowance for ECLs using the effective interest rate. The gross carrying amount of the exposure shall be the amortized cost at the end of the period less allowance for ECL computed.

7.20 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at calls with banks, other short-term term highly liquid investments with original maturities of three months or less, including cash and non-restricted balances with Central bank, Investment securities and amounts Due from banks that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. Cash and cash equivalents include the cash reserve requirement held with Central bank.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

7.21 Leases

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. The Group leases office space in various parts of the region. Rental contracts are typically made for fixed periods of five to ten years but may have extension options as described in (v) below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance costs. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable.
- variable lease payments that are based on an index or a rate.
- amounts expected to be payable by the lessee under residual value guarantees.
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option.
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option; and
- Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

NOTES (CONTINUED)

7 MATERIAL ACCOUNTING POLICIES (CONTINUED)

7.21 Leases (continued)

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Bank, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security, and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, use recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing, and.
- adjusts specific to the lease, such as term, country, currency, and security

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability.
- any lease payments made at or before the commencement date less any lease incentives received.
- any initial direct costs; and
- restoration costs

Critical judgements in determining the lease term

- Extension and termination options - Extension and termination options are included in a number of property lease contracts. These terms maximise operational flexibility in managing contracts.
- In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).
- For the leases of office space, the following factors are normally the most relevant:
- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).

Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset. Most extension options in offices and vehicle leases have not been included in the lease liability because the Group could replace the assets without significant cost or business disruption.

The lease term is reassessed if an option is exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs that affects this assessment and is within the control of the lessee.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

1) Right-of-use asset

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are amortized on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in note 7.24 Impairment of non-financial assets.

NOTES (CONTINUED)

7 MATERIAL ACCOUNTING POLICIES (CONTINUED)

7.21 Leases (continued)

Group as a lessee (continued)

2) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, or a change in the lease payments.

3) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets (i.e. those that have the value of TZS 2 million or below) recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component based on their relative stand-alone selling prices.

When the Group acts as a lessor, it determines at lease inception whether the lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for a major part of the economic life of the asset.

Currently, the Group is a Lessor of Operating Leases.

Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

7.21.1 Prepaid Leases

Prepaid leases relate to advance payments made for the right of occupancy of land held by the Bank. Initially prepaid leases are recognised at the amount paid to the Government to acquire the right of use of land. Directly attributable costs are added to the initial carrying amount. Subsequently, prepaid leases are amortised over the period of the leases which ranges between 66-99 years.

7.22 Property and equipment and motor vehicles

Recognition and measurement

Upon initial recognition Property and equipment and motor vehicles are recorded at a cost which includes expenditure that is directly attributable to the acquisition of the items.

Subsequently, motor vehicles are stated in the statement of financial position at revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The valuation is determined by independent valuers with reference to the market value of motor vehicles. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from it carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Any revaluation increase arising on the revaluation of such motor vehicles is recognized in other comprehensive income and cumulated in revaluation reserve in equity except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed.

NOTES (CONTINUED)

7 MATERIAL ACCOUNTING POLICIES (CONTINUED)

7.22 Property and equipment and motor vehicles (continued)

Recognition and measurement (continued)

A decrease in the carrying amount arising from the revaluation of such motor vehicles is recognized in profit or loss to the extent that it exceeds the balance, if any, held in a revaluation reserve relating to a previous revaluation of that asset. Excess depreciation arising from the revaluation is amortized over the remaining useful life of the revalued assets through a transfer from the revaluation reserve to retain earnings.

Land and buildings comprise mainly conventional branches and offices.

If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment. An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from its continued use. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. When revalued assets are sold, the amounts included in the revaluation surplus relating to those assets are transferred to retained earnings.

Depreciation

Depreciation of assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives as follows:

Bank buildings and prepaid leases	66 years
ICT equipment	5 years
Data Centre equipment	8 years
Generators	8 years
Motor vehicles:	
▪ Hardtop	10 years
▪ Other Motor vehicles	7 years
▪ Motorcycle	3 years
Office equipment	5 years
▪ Cash safe	10 years
Furniture and fittings:	
▪ Hardwood	10 years
▪ Softwood	5 years
Smart card equipment:	
▪ ATM machines	8 years
▪ POS	5 years
▪ Mobile phones	3 years
Security equipment	5 years
Leasehold improvement (ATM and Branches):	
▪ Leasehold for ATM	8 years
▪ Leasehold for Branches	10years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

NOTES (CONTINUED)

7 MATERIAL ACCOUNTING POLICIES (CONTINUED)

7.23 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight-line basis over their estimated useful lives. Amortization methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted where appropriate.

Acquired computer software licenses shall be capitalized based on the costs incurred to acquire and bring to use the specific software. These costs shall be amortized over their estimated useful lives (For fixed-term software based on a licensing period and for Perpetual software for ten (10) years).

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as it is incurred.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

The Group has no intangible assets with indefinite useful lives

7.24 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

For the purposes of assessing impairment, assets are grouped together into the smallest group that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets (Cash Generating Units or CGUs). The impairment test can also be performed on a single asset when the fair value less cost to sell or the value in use can be determined reliably.

The Group's corporate assets do not generate separate cash inflows and are used by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGUs to which the corporate assets are allocated.

Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

7.25 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation because of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The expense relating to any provision is presented in the income statement net of any reimbursement in other operating expenses. The unwinding of the discount is recognised as a finance cost.

Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed. However, when the Group is of the opinion that disclosing these estimates on a case-by-case basis would prejudice their outcome, then the Bank does not include detailed, case-specific disclosures in its financial statements. Further disclosures are provided in Note 60.

7.26.1 Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Bank operates and generates taxable income.

Current income tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income respectively and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. Detailed disclosures are provided in Note 24.

NOTES (CONTINUED)

7 MATERIAL ACCOUNTING POLICIES (CONTINUED)

7.26 Taxes (continued)

7.26.2 Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it becomes probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred taxes are recognised as income tax benefits or expenses in the income statement except for tax related to the fair value remeasurement of debt instruments at fair value through OCI, foreign exchange differences and the net movement on cash flow hedges, which are charged or credited to OCI.

These exceptions are subsequently reclassified from OCI to the income statement together with the respective deferred loss or gain. The Bank also recognises the tax consequences of payments and issuing costs, related to financial instruments that are classified as equity, directly in equity.

The Group only offsets its deferred tax assets against liabilities when there is both a legal right to offset its current tax assets and liabilities and it is the Bank's intention to settle on a net basis.

7.26.3 Uncertain Tax Positions

The group recognises liabilities for uncertain tax positions in accordance with the criteria defined within IAS 12 and IFRIC 23, based on objective estimates of the amount of tax that may be due, which is calculated, where relevant, with reference to expert advice received. Where payment is determined to be possible but not probable, the tax exposure is disclosed as a contingent liability. The group recognises probable liabilities based on objective estimates of the amount of tax that may be due. Where the final tax determination is different from the amounts that were initially recorded, the difference will impact the income tax and deferred income tax provisions in the period in which such determination is made.

7.26.4 Levies and similar charges

The Group recognises the liability arising from levies and similar charges such as City service levy paid quarterly to the local government authority, excise and stamp duty paid monthly to the Tanzania Revenue Authority (TRA). These charges are to be legally enforceable in the reporting period. A revision for levies is recognised when the condition that triggers the payment of the levy is met.

7.27 Equity instruments

Own equity instruments of the Bank which are acquired by it or by any of its subsidiaries (treasury shares) are deducted from equity. Consideration paid or received on the purchase, sale, issue or cancellation of the Bank's own equity instruments is recognised directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of own equity instruments.

When the Group holds its own equity instruments on behalf of its clients, those holdings are not included in the Bank's statement of financial position. Contracts on own shares that require physical settlement of a fixed number of own shares for a fixed consideration are classified as equity and added to or deducted from equity. Contracts on own shares that require net cash settlement or provide a choice of settlement are classified as trading instruments and changes in the fair value are reported in the income statement in 'Net trading income'.

NOTES (CONTINUED)

7 **MATERIAL ACCOUNTING POLICIES (CONTINUED)**

7.28 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. During the year, the Group had no borrowing costs eligible for capitalisation.

7.29 Financial liabilities

Financial liabilities are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method. Financial liabilities are derecognized when extinguished. Such financial liabilities include deposits from banks or customers, other liabilities, subordinate debts and borrowings.

7.30 Grants

Income-based grants are deferred in the balance sheet and released to the income statement to match the related expenditure that they are intended to compensate. Asset-based grants are deferred and matched with the depreciation on the asset for which the grant arises. Grants that involve recognized assets are presented in the balance sheet either as deferred income or by deducting the grant in arriving at the asset's carrying amount, in which case the grant is recognized as a reduction of depreciation.

7.30 Share capital and equity reserves

Ordinary shares are classified as 'share capital' in equity. Any premium received over and above the par value of the shares is classified as a 'share premium' in equity. Incremental costs directly attributable to the issue of new shares or options or to the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.
The reserves recorded in equity (OCI) on the Bank's statement of financial position include:

+ The cumulative net change in the fair value of debt instruments classified at FVOCI, less the allowance for ECL
+ The cumulative net change in fair value of equity instruments at FVOCI
+ Exchange differences on translation of foreign operations, which is used to record exchange
+ differences arising from the translation of the net investment in foreign operations.
+ Revaluation of gain on property and equipment.
+ Other capital reserve (further details are provided on note 56).

7.31 Earnings per share

The Group and Bank present basic and diluted earnings per share (EPS) in their financial statements. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group and Bank by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

7.32 Dividend income

Dividend income is recognized in profit or loss when the right to receive payment is established.
The presentation of dividend income in the consolidated statement of profit or loss depends on the classification and measurement of the equity investment, i.e.

+ for equity instruments designated at FVOCI dividend income is presented in other income; and
+ for equity instruments not designated at FVOCI and not held for trading, dividend income is presented as net income from other instruments at FVPL.

7.33 Dividend on ordinary shares

Dividends on ordinary shares are recognised as liabilities and deducted from equity when they are approved by the Bank's shareholders at the Annual General Meeting. Payment of dividends is subject to withholding tax at the enacted rate of 5%.

7.34 Legal and other claims

Provisions for legal claims are recognised when the Group has a present legal or constructive obligation because of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are several similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

NOTES (CONTINUED)

7 MATERIAL ACCOUNTING POLICIES (CONTINUED)

7.35 Contingencies and Commitments

Transactions are classified as contingencies where the Group's obligations depend on uncertain future events. Items are classified as commitments where the Group commits itself to future transactions if the items will result in the acquisition of assets.

7.36 Insurance Operations

7.36.1 Definition and classification of policyholder contracts

The Group issues contracts that transfer insurance risks as defined under IFRS 17 through its wholly owned subsidiary, CRDB Insurance Company Limited.

An insurance contract is a contract under which the insurer accepts significant insurance risk, from the policyholder by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. Such contacts may also transfer financial risk. The Group determines insurance risk as significant if, and only if, an insured event could cause the Group to pay additional amounts that are significant in any single scenario, excluding scenarios that have no commercial substance. The possibility of a loss is measured on a present-value basis.

The Group assesses whether it accepts significant insurance risk under the individual contract that it issues, i.e., not by groups of contracts, the outcome of which determines if the contract is within the scope of IFRS 17 or another IFRS accounting standard. In some cases, management applies judgment as to whether there are significant insurance risks under the contracts it issues. The Group considers its substantive rights and obligations, whether they arise from a contract, law or regulation when applying IFRS 17. CRDB Insurance Company Limited has insurance risk for General business.

7.36.2 Separating components from insurance and reinsurance contracts

The Group assesses its non-life insurance and reinsurance products to determine whether they contain distinct components which must be accounted for under another IFRS instead of under IFRS 17. After separating any distinct components, the Group applies IFRS 17 to all remaining components of the (host) insurance contract. Currently, the Group's products do not include any distinct components that require separation.

7.36.3 Level of aggregation

IFRS 17 requires an entity to determine the level of aggregation for applying its requirements. The level of aggregation for the Group is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of contracts with similar risks which are managed together.

Portfolios are further divided based on expected profitability at inception into three categories: onerous contracts, contracts with no significant risk of becoming onerous, and the remainder. This means that, for determining the level of aggregation, the Group identifies a contract as the smallest 'unit', i.e., the lowest common denominator. However, the Group makes an evaluation of whether a series of contracts need to be treated together as one unit based on reasonable and supportable information, or whether a single contract contains components that need to be separated and treated as if they were stand-alone contracts.

As such, what is treated as a contract for accounting purposes may differ from what is considered as a contract for other purposes (i.e., legal or management). IFRS 17 also requires that no group for level of aggregation purposes may contain contracts issued more than one year apart. The Group has elected to group together those contracts that would fall into different groups only because law or regulation specifically constrains its practical ability to set a different price or level of benefits for policyholders with different characteristics.

The portfolios are further divided by year of issue and profitability for recognition and measurement purposes. Hence, within each year of issue, portfolios of contracts are divided into three groups, as follows:

- A group of contracts that are onerous at initial recognition (if any)
- A group of contracts that, at initial recognition, have no significant possibility of becoming onerous subsequently (if any)
- A group of the remaining contracts in the portfolio (if any)

The profitability of groups of contracts is assessed by actuarial valuation models that take into consideration existing and new business. The Group assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. For contracts that are not onerous, the Group assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances.

The Group considers facts and circumstances to identify whether a group of contracts are onerous based on:

- Pricing information
- Results of similar contracts it has recognised.
- Environmental factors, e.g., a change in market experience or regulations

NOTES (CONTINUED)

7 MATERIAL ACCOUNTING POLICIES (CONTINUED)

7.36.3 Level of aggregation (continued)

The Group divides portfolios of reinsurance contracts held applying the same principles set out above, except that the references to onerous contracts refer to contracts on which there is a net gain on initial recognition. For some groups of reinsurance contracts held, a Group can comprise a single contract.

7.36.4 Cohorts

In addition to this required grouping above, the Group are not permitted to include contracts issued more than one year apart in the same group. The Group has elected to combine contracts in the same annual calendar year at initial recognition. The recognition and measurement requirements are then applied to these groups of contracts.

7.36.5 Measurement approaches for IFRS 17 insurance contracts

The measurement approaches refer to the models prescribed for valuing the IFRS 17 defined insurance contracts and impact how the amounts are recognised in the income statement over time. Insurance revenue is recognised throughout the contracts in a way that best reflects the delivery of the contracted obligations in the reporting period.

For all measurement approaches, the total insurance contract asset or liability is the sum of:

- The Liability for remaining coverage (LRC), the Group's obligation to investigate and pay valid claims under existing contracts for insured events that have not yet occurred (i.e. the obligation that relates to the unexpired portion of the insurance coverage) and pay amounts under existing insurance contracts that are not included as above, and relate to insurance contract services not yet provided, i.e. the obligations that relate to future provisions of insurance contract services, or other amounts that are not related to the future provision of insurance contract services and that have not been transferred to the Liability for incurred claims (LIC).
- The LIC, which is the Group's obligation to investigate and pay valid claims for insured events that have already occurred, including vents that have occurred but have not been reported and other incurred insurance expenses; and to pay amounts that relate to insurance contract services that have already been provided, or other amounts that are not related to the provision of insurance contract services and that are not included in the LRC.
- The asset for insurance acquisition cash flows is directly attributable to acquisition costs incurred by the group in establishing product lines prior to a group of insurance contracts being recognised.

All components of the LRC are grouped together in the applicable cohorts for initial and subsequent recognition. On initial recognition, the LRC for PAA contracts consists of:

- Fulfilment cash flows (FCF), comprising current estimates of future cash flows (within the boundary of the contract), an adjustment that reflects the time value of money and the financial risks related to future cash flows to the extent that financial risks are not included in the estimates of the FCF;
- An explicit risk adjustment (RA) for non-financial risk.

For all reinsurance contracts. the total reinsurance contract asset or liability is the sum of:

- The Assets for remaining coverage (ARC), if the contract is still in the coverage period; and
- The Amount recoverable on incurred claims (ARIC), if the insured event has occurred.

The measurement approaches used for insurance and reinsurance contracts are appropriate for the terms and conditions, and the characteristics of the insurance or reinsurance contract being measured. Consistent assumptions are used to measure the estimates used in measuring the groups of reinsurance contracts held with those estimates used to measure the groups of underlying insurance contracts. The allocation of contracts to each measurement approach is dictated by IFRS 17. However, there is an element of judgment in certain cases and a permitted simplification if prescribed eligibility criteria are met. Due to the short nature of contracts that the Group issues, it applies the PAA.

When applying IAS 21, The Effects of Changes in Foreign Exchange Rates (IAS 21), to a group of insurance contracts that generate cash flows in a foreign currency, the group treats the group of contracts as a non-monetary item.

NOTES (CONTINUED)

7 MATERIAL ACCOUNTING POLICIES (CONTINUED)

7.36 Insurance Operations (continued)

7.36.5 Measurement approaches for IFRS 17 insurance contracts (continued)

7.36.5.1 Premium Allocation Approach (PAA)

The PAA simplifies the General Measurement Model (GMM) approach for contracts with short boundaries, a coverage period of 12 months or less, or where they meet the PAA eligibility criteria (for both insurance and reinsurance contracts). The eligibility criteria are met if, at the inception of the group of contracts, it is expected that the simplification would produce a measurement of the LRC for that group of contracts that would not differ materially from that had the simplified measurement approach not been applied.

Profit for the period under the PAA approach is mainly determined with reference to the amount of expected premium receipts less expenses in the period. The key difference therefore is how the LRC is measured, with the PAA. This approach avoids the complexities associated with updating a CSM (as there is no CSM) and estimating future claims.

Revenue recognition for PAA measured contracts reflects the transfer of insurance contract services, which for the Group, is generally over the passage of time (unless other indicators are more representative of the service provided). Once a contract is eligible for the PAA, it is the Group's choice whether to elect it or not (an accounting policy election at inception of the contract). In order to be eligible for PAA, the coverage period must be one year or less or in certain cases with longer coverage period, if specific eligibility criteria can be met.

Although the calculation of the LRC differs from that used for those contracts measured under the GMM measurement approach, the LIC approach is the same for both measurement models.

7.36.6 Recognition

The Group recognises groups of insurance contracts it issues from the earliest of the following:

+ The beginning of the coverage period of the group of contracts.
+ The date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date.
+ For a group of onerous contracts, if facts and circumstances indicate that the group is onerous, The Group recognises a group of reinsurance contracts held it has entered into from the earlier of the following:

(i) The beginning of the coverage period of the group of reinsurance contracts held. (However, the Group delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date any underlying insurance contract is initially recognised if that date is later than the beginning of the coverage period of the group of reinsurance contracts held.

And

(ii) The date the Group recognises an onerous group of underlying insurance contracts if the Group entered into the related reinsurance contract held in the group of reinsurance contracts held at or before that date.

The Group adds new contracts to the group in the reporting period in which that contract meets one of the criteria set out above.

7.36.7 Contract boundary

The Group includes all the future cash flows within the boundary of each contract in the group to measure a group of insurance contracts. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the insurer can compel the policyholder to pay the premiums or in which the Insurer has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when:

(a) The Insurer has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflect those risks.

Or

(b) Both of the following criteria are satisfied:

+ The Insurer has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflect the risk of that portfolio.
+ The pricing of the premiums up to the date when the risks are reassessed does not consider the risks that relate to periods after the reassessment date A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognised. Such amounts relate to future insurance contracts.

NOTES (CONTINUED)

7 MATERIAL ACCOUNTING POLICIES (CONTINUED)

7.36 Insurance Operations (continued)

7.36.8 Insurance contracts – Initial measurement

The Group applies the premium allocation approach (PAA) to all the insurance contracts that it issues and reinsurance contracts that it holds, as:

(a) The coverage period of each contract in the group is one year or less, including insurance contract services arising from all premiums within the contract boundary.

Or

(b) For contracts longer than one year, the Group has modelled possible future scenarios and reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model. In assessing materiality, the Group has also considered qualitative factors such as the nature of the risk and the types of its lines of business.

The Group does not apply the PAA if, at the inception of the group of contracts, it expects significant variability in the fulfilment cash flows that would affect the measurement of the liability for the remaining coverage during the period before a claim is incurred. Variability in the fulfilment cash flows increases with, for example:

(a) The extent of future cash flows related to any derivatives embedded in the contracts.
(b) The length of the coverage period of the group of contracts

For a group of contracts that is not onerous at initial recognition, the Group measures the liability for remaining coverage as:

(a) The premiums, if any, received at initial recognition
(b) Minus any insurance acquisition cash flows at that date, with the exception of contracts which are one year or less where this is expensed,
(c) Plus, or minus any amount arising from the derecognition at that date of the asset recognised for insurance acquisition cash flows and
(d) Any other asset or liability previously recognised for cash flows related to the group of contracts that the Group pays or receives before the group of insurance contracts is recognised.

Given the short-term nature of insurance contracts (that is, all insurance contracts have a coverage period of one year or less), no allowance for the time value of money is made for the liability for remaining coverage. Where facts and circumstances indicate that contracts are onerous at initial recognition, the Group performs additional analysis to determine if a net outflow is expected from the contract.

Such onerous contracts are separately grouped from other contracts and the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Group for the liability for remaining coverage for such an onerous group, depicting the losses recognised. For additional disclosures on the loss component, please refer to Note 20.

The Group measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period:

+ Plus, premiums received in the period.
+ Minus insurance acquisition cash flows, with the exception of the property insurance product line for which the Group chooses to expense insurance acquisition cash flows as they occur.
+ Plus, any amounts relating to the amortisation of the insurance acquisition cash flows are recognised as an expense in the reporting period for the group.
+ Plus, any adjustment to the financing component, where applicable
+ Minus the amount recognised as insurance revenue for the services provided in the period
+ Minus any investment component paid or transferred to the liability for incurred claims

The Group estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows; they reflect current estimates from the perspective of the Group and include an explicit adjustment for non-financial risk (the risk adjustment). The Group does not adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims that are expected to be paid within one year of being incurred.

Where, during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Group for the liability for remaining coverage for such an onerous group, depicting the losses recognised. For additional disclosures on the loss component. Insurance acquisition cash flows are allocated on a straight-line basis as a portion of the premium to profit or loss (through insurance revenue).

NOTES (CONTINUED)

7 MATERIAL ACCOUNTING POLICIES (CONTINUED)

7.36 Insurance Operations (continued)

Insurance contracts – subsequent measurement

7.36.9 Reinsurance contracts held – initial measurement_

The Group measures its reinsurance assets for a group of reinsurance contracts that it holds on to the same basis as insurance contracts that it issues. However, they are adapted to reflect the features of reinsurance contracts held that differ from insurance contracts issued, for example, the generation of expenses or reduction in expenses rather than revenue. Where the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Group establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses.

7.36.10 Reinsurance contracts held – subsequent measurement

The subsequent measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued and has been adapted to reflect the specific features of reinsurance held.

Where the Group has established a loss-recovery component, the Group subsequently reduces the loss-recovery component to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs. With the exception of the property insurance product line, for which the Group chooses to expense insurance acquisition cash flows as they occur, the Group uses a systematic and rational method to allocate:

- Insurance acquisition cash flows that are directly attributable to a group of insurance contracts:

(i) to that group; and

(ii) to groups that include insurance contracts that are expected to arise from the renewals of the insurance contracts in that group.

- Insurance acquisition cash flows directly attributable to a portfolio of insurance contracts that are not directly attributable to a group of contracts, to groups in the portfolio.

Where insurance acquisition cash flows have been paid or incurred before the related group of insurance contracts is recognised in the statement of financial position, a separate asset for insurance acquisition cash flows is recognised for each related group.

The asset for insurance acquisition cash flow is derecognised from the statement of financial position when the insurance acquisition cash flows are included in the initial measurement of the related group of insurance contracts. The time bands when the Group expects to derecognise the above asset for insurance acquisition cash flows are disclosed in Note 49.

At the end of each reporting period, the Group revises amount of insurance acquisition cash flows allocated to groups of insurance contracts not yet recognised, to reflect changes in assumptions related to the method of allocation used.

After any re-allocation, the Group assesses the recoverability of the asset for insurance acquisition cash flows, if facts and circumstances indicate the asset may be impaired. When assessing the recoverability, the Group applies:

- An impairment test at the level of an existing or future group of insurance contracts; and
- An additional impairment test specifically covering the insurance acquisition cash flows allocated to expected future contract renewals.

If an impairment loss is recognised, the carrying amount of the asset is adjusted and an impairment loss is recognised in profit or loss. The Group recognises in profit or loss a reversal of some or all an impairment loss previously recognised and increases the carrying amount of the asset to the extent that the impairment conditions no longer exist or have improved.

7.36.12 Risk adjustment (RA)

The RA is an explicit, current adjustment to compensate the Group for bearing non-financial risk, that is, insurance risk, a deferral of margin to cover the risk of variation to the estimated cash flows. The risk adjustment is released over the contact duration in line with the reduction of the estimated risk. The group has adopted the confidence level approach to determine the amount of risk adjustment required. Risk adjustment is calculated based on the 75% confidence level.

NOTES (CONTINUED)

7 **MATERIAL ACCOUNTING POLICIES (CONTINUED)**

7.36 Insurance Operations (continued)

7.36.13 Risk adjustment – reinsurance

For reinsurance contracts, the risk adjustment for non-financial risk represents the amount of risk being transferred to the reinsurer.

7.36.14 Insurance Revenue

The insurance revenue for the period is the amount of expected premium receipts (excluding any investment component) allocated to the period. The Group allocates the expected premium receipts to each period of insurance contract services based on the passage of time. But if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then the allocation is made on the basis of the expected timing of incurred insurance service expenses.

The Group changes the basis of allocation between the two methods above as necessary if facts and circumstances change. The change is accounted for prospectively as a change in accounting estimate. For the periods presented, all revenue has been recognised on the basis of the passage of time.

7.36.15 Loss components

The Group assumes that no contracts are onerous at initial recognition unless facts and circumstances indicate otherwise. Where this is not the case, and if at any time during the coverage period, the facts and circumstances indicate that a group of insurance contracts is onerous, the Group establishes a loss component as the excess of the fulfilment cash flows that relate to the remaining coverage of the group over the carrying amount of the liability for remaining coverage of the group. Accordingly, by the end of the coverage period of the group of contracts, the loss component will be zero.

7.36.16 Loss-recovery components

Where the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts, or when further onerous underlying insurance contracts are added to a group, the Group establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the expected recovery of the losses.

A loss-recovery component is subsequently reduced to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

The Group calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Group expects to recover from the group of reinsurance contracts held. The Group uses a systematic and rational method to determine the portion of losses recognised on the group to insurance contracts covered by the group of reinsurance contracts held where some contracts in the underlying group are not covered by the group of reinsurance contracts held.

The loss-recovery component adjusts the carrying amount of the asset for remaining coverage.

7.36.17 Discount rates

Insurance contract liabilities are calculated by discounting expected future cash flows at a risk-free rate, plus an illiquidity premium where applicable. Risk-free rates are determined by reference to the yields of highly liquid government securities in the currency of the insurance contract liabilities. The illiquidity premium is determined by reference to be observable market rates.

The group does not adjust the liability for remaining coverage for the effect of discounting when the coverage period is less than one year. Additionally, the group does not adjust future cash flows in the liability for incurred claims for the time value of money and the effect of financial risk when those cash flows are expected to be paid in less than one year.

7.36.18 Insurance finance income and expense

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

+ The effect of the time value of money and changes in the time value of money; and
+ The effect of financial risk and changes in financial risk.

NOTES (CONTINUED)

7 MATERIAL ACCOUNTING POLICIES (CONTINUED)

7.36 Insurance Operations (continued)

7.36.19 Net income or expense from reinsurance contracts held

The Group presents separately on the face of the statement of profit or loss and other comprehensive income, the amounts expected to be recovered from reinsurers, and an allocation of the reinsurance premiums paid. The Group treats reinsurance cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the reinsurance contract held and excludes investment components and commissions from an allocation of reinsurance premiums presented on the face of the statement of profit or loss and other comprehensive income.

7.36.20 Presentation

The Group has presented separately, in the statement of financial position, the carrying amount of portfolios of insurance contracts issued that are assets, portfolios of insurance contracts issued that are liabilities, portfolios of reinsurance contracts held that are assets and portfolios of reinsurance contracts held that are liabilities.

Any assets for insurance acquisition cash flows recognised before the corresponding insurance contracts are included in the carrying amount of the related groups of insurance contracts allocated to the carrying amount of the portfolios of insurance contracts that they relate to.

The Group disaggregates the total amount recognised in the statement of profit or loss into an insurance service result, comprising insurance revenue and insurance service expense, and insurance finance income or expenses. The Group does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and includes the entire change as part of the insurance service result.

The Group separately presents income or expenses from reinsurance contracts held from the expenses or income from insurance contracts issued.

7.36.21 Insurance contracts – modification and derecognition

The Group derecognises insurance contracts when:

- The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired) or
- The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Group derecognises the initial contract and recognises the modified contract as a new contract.

When a modification is not treated as a derecognition, the Group recognises amounts paid or received for the modification with the contract as an adjustment to the relevant liability for remaining coverage.

7.37 Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount because of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided and recognised as employee benefit expenses in profit or loss. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

The Group also contributes to the statutory defined contribution in the various countries in which it operates. The Group's contribution to these schemes is recognised in the profit or loss.

Gratuity

Contract staff are entitled to gratuity payment at the completion of the contract. Provision is made for gratuity in line with the contracts. The gratuity is not a defined benefit arrangement. The estimated monetary liability for employees accrued annual leave entitlement at the balance sheet date is recognised as an expense accrual.

Termination benefits

Termination benefits are expensed at the earliest of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

NOTES (CONTINUED)

7 MATERIAL ACCOUNTING POLICIES (CONTINUED)

7.38 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses relating to transactions with any of the Group's other components, whose operating results are regularly reviewed by the Group's chief operating decision maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Operating segments are reported consistent with the internal reporting provided to the Group's Management Team, which is the Chief operating decision maker. The Group's is divided into three business segments and three geographic segments. Details of the Group's segments are provided under Note 9.

7.39 Islamic financing receivables

Islamic financing receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These products are carried at amortised cost less impairment.

Definitions:

The following terms are used in Islamic financing:

Murabaha

An agreement whereby the Group sells to a customer an asset, which the Group has purchased and acquired, based on a promise received from the customer to buy the asset purchased at a deferred selling price comprised of the cost of the asset and an agreed profit margin.

Istisna'a

A Sale Istisna'a agreement between the Group and a customer whereby the Group would sell to the customer a fully described property according to the agreed upon specifications. The Group would construct/develop the property either on its own or through a subcontractor and then hand it over to the customer on a fixed date for a deferred agreed price.

Ijara

Ijarah simply refers to a lease transaction. In an operation similar to Murabaha, the bank first buys the asset from a supplier then leases it to the client. However, in contrast to the Murabaha undertaking, the bank continues to own the asset. Upon the expiry of the lease, the client returns the asset to the bank. In the Islamic space, all leases are treated as operating leases. If the client wishes to own the asset at the end of the lease, then the parties need to enter into an additional contract. Usually, there will be either a sale or gift at maturity, with the end of the lease followed by ownership transfer. This is known as Ijarah Muntahiyah Bi Tamleek (lease ending with ownership). Some markets refer to it as Ijarah Thumma Bai (lease then sale) or Ijarah wa Iqtina (lease and acquisition).

Mudaraba

An agreement between two parties; wherein one of them provides the funds and is called Rab-Ul-Mal and the other provides efforts and expertise and is called the Mudarib and he is responsible for investing such funds in an enterprise or activity in return for pre-agreed percentage of the Mudaraba profit. In case of loss not attributable to any misconduct or negligence by the Mudarib, the Rab-Ul-Mal would bear the loss of his funds while the Mudarib would bear the loss of his efforts. However, in case of misconduct, negligence or violation of any of the terms and conditions of the Mudaraba agreement by the Mudarib, the Mudarib shall be responsible to make good the losses. The Group acts as Mudarib when accepting Mudaraba funds from depositors and as Rab-Ul- Mal when investing such funds on a Mudaraba basis.

Revenue recognition

Revenue is recognised on the above islamic products as follows:

Murabaha
The profit is quantifiable and contractually determined at the commencement of the contract. Profit is recognised on a time proportion basis over the life of the contract using an effective profit method on the balance outstanding.

Istisna'a

Istisna'a revenue and the associated profit margin (difference between the cash price to the customer and the Group total Istisna'a cost) are accounted for on a time proportion basis.

Ijara

Income from Ijara is recognised on an accrual basis over the period of the contract.

NOTES (CONTINUED)

7 MATERIAL ACCOUNTING POLICIES (CONTINUED)

7.39 Islamic financing receivables (continued)

Mudaraba

Income on Mudaraba financing is recognised on distribution by the Mudarib, whereas the losses are charged to the Group consolidated statement of income on their declaration by the Mudarib.

Profit equalisation reserve

A profit equalisation reserve refers to an amount appropriated from the income generated by assets belonging to profit-and-loss-sharing investors, set aside to smooth fluctuations in investment returns. It is used as a prudential mechanism to maintain a consistent or specified level of return, especially during periods of lower performance, by absorbing excess income in good periods and releasing it when returns fall below expectations.

Depositors' investment risk reserve

The Investment Risk Reserve represents the portion of funds set aside as a safeguard to absorb potential but unforeseen losses that may arise from investment activities. It serves as an allowance to ensure that the Bank remains financially resilient in the event that such unexpected losses materialize

7.41 Financial Reporting in Hyperinflationary Economies

The Group has assessed that the functional currency of its Burundi subsidiary is subject to the characteristics of a hyperinflationary economy, consistent with the indicators outlined in IAS 29 Financial Reporting in Hyperinflationary Economies. In line with IFRS requirements, the Group evaluated the effect of applying hyperinflationary restatement to the subsidiary's nonmonetary items, equity balances, and income and expenses using an appropriate general price index.

Although IAS 29 would normally require the financial statements of such a subsidiary to be restated to reflect current purchasing power, management concluded that the quantitative and qualitative impact of applying these adjustments for the current reporting period was immaterial to the Group financial statements.

Accordingly, the Group has not made hyperinflation adjustments in the consolidated financial statements for the period but continues to monitor inflationary trends and priceindex movements for ongoing compliance with IAS 29.

8 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated and bank's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

8.1. Significant Judgements

In applying the Group's accounting policies, management has made the following judgements, each have the most significant effects on the amounts recognised in the consolidated financial statements.

8.1.1 Impairment losses on financial assets

In determining the expected credit losses, the Bank makes the following judgements:

- Significant increase in credit risk (SICR) In assessing whether a significant increase in credit risk (SICR) has occurred for an exposure since initial recognition, the Bank considers both quantitative and qualitative information and analysis. In doing so, the Bank makes judgements about the appropriate indicators used as SICR triggers.
- The triggers the Bank has determined as appropriate include the 30-day backstop, movement in PD, and other qualitative factors, such as moving a customer/facility to the watch list or the account becoming forborne. See Note 10.3.2.5. for further details.
- Multiple economic scenarios The Group, in its measurement of ECL, makes judgements about the type and number of macroeconomic scenarios to reflect the Bank's exposure to credit risk. For example, the Group has determined that three (3) scenarios are appropriate-upside, base case, and downside. See Note 10.3.3. for further disclosures relating to the different scenarios.
- Definition of Default Significant judgment exists regarding when an asset is considered to have defaulted and the resulting definition of default against which parameters of the ECL model, such as PD, LGD, and EAD, are evaluated. See Note 10.3.2.1.
- Other judgements in the determination of ECL include
  - ✓ Development of ECL models, including the segmentation of products, the various formulas, and the choice of inputs, for example, which inputs are relevant for the particular exposures in particular regions.
  - ✓ The segmentation of financial assets when their ECL is assessed on a collective basis

NOTES (CONTINUED)

8 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

8.1. Significant Judgements (continued)

8.1.2 Fair value

Significant judgement is exercised in classifying fair value instruments as level 3 as their valuation is driven by significant unobservable inputs. The Group considers an instrument to be valued using significant unobservable inputs when more than 10% of the instrument's valuation is determined by unobservable inputs.

8.2. Significant estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

8 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

8.2. Significant estimates and assumptions

8.2.1 Impairment losses on financial assets

The measurement of impairment losses under IFRS 9 across all categories of financial assets in scope requires assumptions in the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by several factors, such as changes that can result in different levels of allowances.

The Group's ECL calculations are outputs of complex models with several underlying assumptions regarding the variable inputs and their interdependencies. Elements of the ECL calculation that involve assumptions and estimate uncertainty include:

+ The weightings assigned to the multiple economic scenarios to reflect the exposure to credit risk
+ The value of specific economic inputs included in the assessment, such as unemployment levels and collateral values, and the effect on PDs, EADs, and LGDs. See Note 10.3.3 for an analysis of the inputs to the ECL model.
+ The value of specific economic inputs included in the assessment, such as unemployment levels and collateral values, and the effect on PDs, EADs, and LGDs. See Note 10.3.3 for an analysis of the inputs to the ECL model.
+ In addition to the judgements outlined above regarding SICR triggers, qualitative criteria are assessed to determine if there has been a significant increase in credit risk. These supplementary factors (such as sectorial approaches) result in significant assumptions and estimation uncertainty.

The Group regularly reviews its models in the context of actual loss experience and adjusts when necessary. Refer to Note 10.3.3 for further details on ECLs and sensitivities.

8.2.2 Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but estimation is required to establish fair values where this is not feasible. Assumptions and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation, and volatility. For further details about determining fair value, please see Notes 7.8 and 11.

8.3. Other accounting judgements, estimates, and assumptions

8.3.1. Impact of climate risk on accounting judgments and estimates

Where appropriate, the Group considers climate-related matters in its estimates and assumptions, which may increase the inherent level of uncertainty. This assessment includes a wide range of possible impacts on the Bank due to physical and transition risks. The Bank and its customers are exposed to the physical risks of climate change and the risks of transitioning to a net-zero economy. These risks may involve refinancing and liquidity risks for certain customers in high-risk sectors where financial institutions may seek to reduce their exposures in the future. Even though climate-related risks might not currently significantly impact measurement, the Bank is closely monitoring relevant changes and developments.

NOTES (CONTINUED)

8 **SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)**

8.3. Other accounting judgements, estimates, and assumptions (contiued)

8.3.1. Impact of climate risk on accounting judgments and estimates (continued)

The items and considerations that are most directly impacted by climate-related matters are:

- *Expected credit losses (ECL):* Customers and portfolios exposed to climate risk may have a resultant deterioration in creditworthiness and a consequential impact on ECL. For example, the measurement of ECL may be affected by physical climate-related risks such as floods or outbreaks of fire, which may negatively affect a borrower's ability to repay the loan or result in a deterioration in the value of underlying collateral pledged. Transition risks may result from government or institutional policy changes, with consequential credit quality deterioration in sectors or countries affected.

The underlying Group collaterals held are not expected to be impacted by climate risk as the assets are not in high-risk geographical areas. Refer to Note 10.3.7.2 where the gross carrying amount, and allowance for ECL, per industry segment are disclosed. As a result of the factors outlined here, it was assessed that the magnitude of any impact of climate risk would not be material in the current reporting period.

8.3. Other accounting judgements, estimates, and assumptions (continued)

8.3.1. Impact of climate risk on accounting judgments and estimates (continued)

- *Classification of ESG-linked (or sustainability-linked) loans and bonds:* For loans and bonds with sustainability-linked features, the Bank determines whether the instrument passes the sole payments of principal and interest test by considering whether they provide commensurate compensation for basic lending risks, such as credit risk, or whether they do not introduce compensation for risks that are inconsistent with basic lending arrangements. Some features may be de minimis or non-genuine. Based on the size of the loan portfolio held by the Bank at 31 December 2025, the impact was assessed to be immaterial.
- *Fair value measurement:* The Bank has assumed that any climate change variables incorporated in fair value measurement are those that market participants would consider when pricing the asset or liability, in line with IFRS 13 Fair Value Measurement. Consequently, the Bank concluded that climate risk has been adequately reflected within the fair value of its assets and liabilities. Where prices are observable, the fair value is assumed to already incorporate the market's participants' view of climate risk variables. Where a proxy valuation approach has been used for unobservable prices, selecting the proxy includes considering climate risk factors where appropriate.

8.3.2 Deferred tax assets

The recognition of a deferred tax asset relies on assessing the probability and sufficiency of future taxable profits and reversals of existing taxable temporary differences. Judgment is required to determine the amount of deferred tax assets that can be recognised based on the likely timing and level of future taxable profits, together with future tax-planning strategies. The judgments take into consideration the effect of both positive and negative evidence, including historical financial performance, projections of future taxable income, and future reversals of existing taxable temporary differences.

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised.

The Bank has several lease contracts that include extension and termination options. The Bank applies judgment in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive to exercise either the renewal or termination.

After the commencement date, the Bank reassesses the lease term if a significant event or change in circumstances within its control affects its ability to exercise or not to exercise the option to renew or terminate (e.g., construction of significant leasehold improvements or significant customisation of the leased asset).

8.3.4 Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease; therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The IBR, therefore, reflects what the Group 'would have to pay, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make specific entity-specific estimates (such as the subsidiary's stand-alone credit rating).

NOTES (CONTINUED)

8 **SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)**

8.3. Other accounting judgements, estimates, and assumptions (contiued)

8.3.5 Effective interest rate (EIR) method

The Bank's EIR method recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans and deposits and recognises the effect of potentially different interest rates charged at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).In making this assessment, the Bank considers the extent of any changes to the contractual cash flows because of the transition and the factors that have given rise to the changes, with consideration of both quantitative and qualitative factors. This estimation, by nature, requires an element of judgement regarding the instruments' expected behaviour and life cycle, as well as expected changes to the Bank's base rate and other fee income/expense that are integral parts of the instrument.

8.3.6 Provisions and other contingent liabilities

The Group operates in a regulatory and legal environment that naturally has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration, and regulatory investigations and proceedings arising from the ordinary course of the Bank's business.

When the Bank can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Bank records a provision against the case. A contingent liability is disclosed when the probability of outflow is remote or likely, but a reliable estimate cannot be made. However, when the Bank believes that disclosing these estimates on a case-by-case basis would prejudice their outcome, then the Bank does not include detailed, case-specific disclosers in its financial statements.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Group considers several factors, including legal advice, the stage of the matter and historical evidence from similar incidents.

When the effect of the time value of money is material, the Group determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the income statement net of any reimbursement in other operating expenses.

8.3.7 Property, equipment, and intangible assets

Those charged with governance make critical estimates to determine the useful lives of property, equipment, and intangible assets and their residual values. The Group reviews the estimated useful lives of property, equipment, and useful lives at the end of each reporting period. Applicable useful rates are provided under Note 7.22.

8.3.8 Determination of control of another entity

The Group determines its control over another entity when the below conditions are fulfilled;

- It has power over the Subsidiary.
- It has exposure, or rights, to variable returns and
- ability to use power to affect returns.

Therefore, the entity will be consolidated into the financial statements of the Parent.
The presence of control is reassessed whenever relevant facts or circumstances change.

Presentations

- Non-controlling interest (NCI) will be presented within equity in the consolidated statement of the financial position, separate from the equity attributable to the parent's owners.
- A parent entity, in presenting consolidated financial statements, will allocate the profit or loss and total comprehensive income between the owners of the parent and the non-controlling interests.
- Changes in a parent's ownership interest in an entity that don't result in loss of control are treated as equity transactions. The changes will not impact the profit or loss, recognised assets (including goodwill), or liabilities.

Loss of control

When a Group loses control of a subsidiary, it will apply the following accounting approach:

- Derecognise all assets (including goodwill) and liabilities of the former subsidiary at their carrying amount,
- Derecognise the non-controlling interest,
- Recognise the received consideration at fair value,
- Recognise any retained investment in the former subsidiary at fair value,
- Recognise any resulting difference as a gain or loss in profit or loss attributable to the parent

NOTES (CONTINUED)

8 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

8.4 Insurance contracts

8.4.1 Unit of account - Insurance contracts aggregation

The Group defines a portfolio as insurance contracts subject to similar risks and managed together. Assessing which risks are similar and how contracts are managed requires judgment. The Group has determined that contracts within the same product lines (such as Motor Insurance, Fire insurance, Engineering insurance, etc.) are within the same portfolio as they have similar risks and are managed together.

Portfolios are further divided based on expected profitability at inception into three categories: onerous contracts, contracts with no significant risk of becoming onerous, and the remainder. Aggregating insurance contracts issued on initial recognition into groups of onerous contracts, groups of contracts with no significant possibility of becoming onerous, and groups of other contracts require significant judgment.

The Group measures all its insurance contracts using the PAA. In this case, the Group assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. For contracts that are not onerous, the Group assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances.

The Group considers facts and circumstances to identify whether a group of contracts are onerous based on:

- Pricing information
- Results of similar contracts it has recognised.
- Environmental factors, e.g., a change in market experience or regulations.

The Group divides portfolios of reinsurance contracts held applying the same principles set out above, except that the references to onerous contracts refer to contracts on which there is a net gain on initial recognition.

In 2025, the Group did not identify any facts or circumstances that might have indicated that a group of contracts measured under the PAA had become onerous. All contracts measured by the Group in 2024 under the PAA were determined to be non-onerous on initial recognition.

8.4.2 Liability for Incurred Claims

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques. The main assumption underlying these techniques is that a past claims development experience using market or other best available information can be used to project future claims development and, hence, ultimate claims costs. These methods extrapolate the development of paid and incurred losses using market data, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios.

Historical claims development is mainly analysed by accident years by significant product lines and claim types. Large claims are usually separately addressed, either by being reserved at face value of loss adjuster estimates or separately projected to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims' development data on which the projections are based.

Additional qualitative judgement is used to assess the extent to which past trends may not apply in future (e.g., to reflect one-off occurrences, changes in external levels of claims inflation, legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) to arrive at the estimated ultimate cost of claims that present the probability-weighted expected value outcome from the range of possible outcomes, taking account of all the uncertainties involved.

Estimates of salvage recoveries and subrogation reimbursements are considered an allowance in measuring ultimate claims costs. Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement, and changes in foreign currency exchange rates.

8.4.3 Assessment of directly attributable cash flows:

The Group uses judgment in assessing whether cash flows are directly attributable to a specific portfolio of insurance contracts. Insurance acquisition cash flows are included in the measurement of a group of insurance contracts only if they are directly attributable to the individual contracts in a group, or to the group itself, or the portfolio of insurance contracts to which the group belongs.

When estimating fulfilment cash flows, the Group also allocates fixed and variable overhead fulfilment cash flows directly attributable to the fulfilment of insurance contracts.

NOTES (CONTINUED)

9 SEGMENT INFORMATION

IFRS 8 requires that the Group's organisational structure be divided into identifiable business segments, each of which is reported separately in the internal management reporting system. In this case, the Group's business segments are Corporate Banking, Retail Banking, and Treasury. These segments are distinct divisions of the Group's operations, each with activities and performance metrics. By analysing the financial performance of each business segment, the Group can gain valuable insights into the strengths and weaknesses of its operations, enabling it to make informed decisions about future investments and strategic initiatives.

Segments	Descriptions
Corporate Banking	Includes services and products to corporate and high net worth individuals, including deposits, letters of credit, guarantees, lending and other products and dealing with financial institutions.
Retail Banking	Includes services and products to individuals and small and medium enterprises, including deposits and lending.
Treasury	This includes treasury services, investment management services, and asset management activities related to dealings, managing, and custody of securities.

The Executive Management Committee monitors the operating results of its business units separately to make decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profits or losses and is measured consistently with operating profits or losses in the consolidated financial statements.

Operating segments are reported in a manner consistent with the internal reporting. All transactions between business segments are conducted on an arm's length basis, with intra-segment revenue and costs eliminated in the parent. Income and expenses directly associated with each segment are included in determining business segment performance.

Segment information has been prepared per the "management approach", which requires the presentation of segments based on the internal reports about components of the entity, which are regularly reviewed by the Executive committee, who are the chief operating decision makers to allocate resources to segments and to assess their performance. The agreed allocation basis between segments was not changed during the year.

NOTES (CONTINUED)

9 SEGMENT INFORMATION (CONTINUED)

9.1 Profit segments

An analysis of the profit or loss statement, including total assets and liabilities, is as follows:

GROUP

TZS' Million 31 December 2025	Corporate Banking	Retail Banking	Treasury	Total
External operating income				
Interest income calculated using the effective interest method	781,292	861,702	333,047	1,976,041
Other Interest and Similar Income	-	-	483	483
Interest expense calculated using the effective interest method	(215,936)	(256,410)	(105,109)	(577,455)
Other interest and similar expenses	(915)	(4,343)	(561)	(5,819)
Net interest income	564,441	600,949	227,860	1,393,250
Income from Islamic financing & investment products	-	22,816	-	22,816
Distribution on Islamic deposits and profit paid to Sukuk holders	-	(7,898)	-	(7,898)
Net income from Islamic financing and investment products	-	14,918	-	14,918
Net interest income and net income from Islamic financing and investment products	564,441	615,867	227,860	1,408,168
Fees and commission income	123,856	455,752	19,706	599,314
Fees and commission expense	(7,184)	(79,473)	(1,107)	(87,764)
Net fees and commission income	116,672	376,279	18,599	511,550
Insurance revenue	-	41,444	-	41,444
Insurance service expenses	-	(22,959)	-	(22,959)
Insurance service result before reinsurance contracts held	-	18,485	-	18,485
Net expense/income from reinsurance contracts held	-	(14,288)	-	(14,288)
Insurance service result	-	4,197	-	4,197
Net Insurance Investment income	-	2,903	-	2,903
Insurance service result	-	7,100	-	7,100
Net foreign exchange income	-	-	96,040	96,040
Credit loss expense on financial assets	(74,808)	(77,710)	(1,071)	(153,589)
Net gains on financial assets at FVPL	-	-	1,900	1,900
Net gains on derecognition of financial assets measured at FVCOI	-	-	7,836	7,836
Other operating income	(4)	4,725	118	4,839
Net operating income	606,301	926,261	351,282	1,883,844
Operating expenses	(38,334)	(274,030)	(7,345)	(319,709)
Depreciation	(8,174)	(59,664)	(2,420)	(70,258)
Amortisation	(3,916)	(21,799)	(578)	(26,293)
Employee benefit expenses	(47,592)	(379,090)	(4,782)	(431,464)
Impairment other assets	(876)	(4,436)	(297)	(5,609)
Total operating expenses	(98,892)	(739,019)	(15,422)	(853,333)
Profit before tax	507,409	187,242	335,860	1,030,511
Income tax expense	(148,673)	(54,863)	(98,409)	(301,945)
Profit for the year	358,736	132,379	237,451	728,566
Asset and liability				
Segment assets*	6,405,596	7,393,414	3,625,111	17,424,121
Unallocated asset	-	-	-	4,884,815
Total assets	6,405,596	7,393,414	3,625,111	22,308,936
Segment liabilities**	5,460,471	8,637,814	5,064,820	19,163,105
Unallocated liabilities				362,010
Total liabilities	5,460,471	8,637,814	5,064,820	19,525,115

NOTES (CONTINUED)

9 SEGMENT INFORMATION (CONTINUED)

9.1 Profit segments (continued)

An analysis of the profit or loss statement, including total assets and liabilities, is as follows:

GROUP

TZS' Million 31 December 2024	Corporate Banking	Retail Banking	Treasury	Total
External operating income				
Interest income calculated using the effective interest method	497,416	752,989	277,972	1,528,377
Interest expense calculated using the effective interest method	(126,417)	(144,656)	(145,790)	(416,863)
Other interest and similar expenses	(693)	(3,614)	(448)	(4,755)
Net interest income	**370,306**	**604,719**	**131,734**	**1,106,759**
Income from Islamic financing and investment products	-	12,449	-	12,449
Distribution on Islamic deposits and profit paid to Sukuk holders	-	(1,031)	-	(1,031)
Net income from Islamic financing and investment products	-	11,418	-	11,418
Net interest income and net income from Islamic financing and investment products	**370,306**	**616,137**	**131,734**	**1,118,177**
Fees and commission income	97,806	430,723	10,396	538,925
Fees and commission expense	(804)	(79,615)	(5,594)	(86,013)
Net fees and commission income	**97,002**	**351,108**	**4,802**	**452,912**
Insurance revenue	-	14,351	-	14,351
Insurance service expenses	-	(4,867)	-	(4,867)
Insurance service result before reinsurance contracts held	-	9,484	-	9,484
Net expense/income from reinsurance contracts held	-	(4,942)	-	(4,942)
Insurance service result	-	4,542	-	4,542
Insurance service result	**-**	**4,542**	**-**	**4,542**
Net foreign exchange income	-	-	31,534	31,534
Credit loss expense on financial assets	(46,264)	(49,670)	747	-95,187
Net gains on financial assets at FVPL	-	1,346	210	1,556
Net losses on equity investment at FVPL	-	-	(2,145)	(2,145)
Net gains on derecognition of financial assets measured at FVOCI	-	-	5,510	5,510
Other operating income	181	947	337	1,465
Net operating income	**421,225**	**924,410**	**172,729**	**1,518,364**
Operating expenses	(26,916)	(228,960)	(16,911)	(272,787)
Depreciation	(6,915)	(49,023)	(3,009)	(58,947)
Amortisation	(2,492)	(21,004)	(1,821)	(25,317)
Employee benefit expenses	(39,755)	(320,982)	(19,711)	(380,448)
Impairment other assets	(336)	(1,650)	(83)	(2,069)
Total operating expenses	**(76,414)**	**(621,619)**	**(41,535)**	**(739,568)**
Profit before tax	344,811	302,791	131,194	778,796
Income tax expense	(100,641)	(88,376)	(38,292)	(227,309)
Profit for the year	**244,170**	**214,415**	**92,902**	**551,487**
Asset and liability				
Segment assets*	4,678,269	5,456,204	5,682,371	15,816,844
Unallocated asset	-	-	-	881,907
Total assets	**4,678,269**	**5,456,204**	**5,682,371**	**16,698,751**
Segment liabilities**	5,466,896	4,747,804	2,955,735	13,170,435
Unallocated liabilities				452,680
Total liabilities	**5,466,896**	**4,747,804**	**2,955,735**	**13,623,115**

NOTES (CONTINUED)

9 SEGMENT INFORMATION (CONTINUED)

9.1 Profit segments (continued)

An analysis of the profit or loss statement, including total assets and liabilities, is as follows:

BANK

TZS' Million 31-Dec-25	Corporate Banking	Retail Banking	Treasury	Total
External Operating income				
Interest income Calculated using the Effective Interest Method	701,318	844,299	264,274	1,809,891
Other Interest and Similar Income			483	483
Interest expense Calculated using the Effective Interest Method	(175,890)	(250,210)	(82,990)	(509,090)
Other Interest and Similar expense	(397)	(3,340)	(143)	(3,880)
Net interest income	**525,031**	**590,749**	**181,624**	**1,297,404**
Income from Islamic financing and investment products	-	22,816	-	22,816
Distribution on Islamic deposits and profit paid to Sukuk holders	-	(7,898)	-	(7,898)
Net income from Islamic financing and investment products	**-**	**14,918**	**-**	**14,918**
Net interest income	**525,031**	**605,667**	**181,624**	**1,312,322**
Fee and Commission income	115,731	440,174	16,873	572,778
Fee and Commission expense	**-**	**(79,132)**	**(6,001)**	**(85,133)**
Net Fee and Commission income	**115,731**	**361,042**	**10,872**	**487,645**
Net foreign exchange income			**88,843**	**88,843**
Credit Loss expense on financial assets	**(66,031)**	**(75,351)**	**(1,073)**	**(142,455)**
Net gains/(losses) on financial assets at fair value through profit or loss	**-**	**-**	**881**	**881**
Net gains/(losses) on derecognition of financial assets measured at fair value through OCI	**-**	**-**	**8,856**	**8,856**
Other Operating income	**-**	**4,681**	**13,754**	**18,435**
Net Operating Income	**574,731**	**896,039**	**303,757**	**1,774,527**
Operating expenses	(28,736)	(242,000)	(10,329)	(281,065)
Depreciation	(6,691)	(56,346)	(2,404)	(65,441)
Amortisation	(2,381)	(20,051)	(856)	(23,288)
Employee benefit expenses	(40,844)	(343,961)	(14,680)	(399,485)
Impairment Other Assets	(639)	(3,959)	-	(4,598)
Total Operating Expenses	**(79,291)**	**666,317)**	**(28,269)**	**(773,877)**
Profit Before Tax	**495,440**	**229,722**	**275,488**	**1,000,650**
Income Tax Expense	**(147,789)**	**(68,526)**	**(82,178)**	**(298,493)**
Profit for the year	**347,651**	**161,196**	**193,310**	**702,157**
Asset and Liability				
Segment assets*	6,084,233	7,068,663	2,718,720	15,871,616
Unallocated Asset				4,891,800
Total Assets	**6,084,233**	**7,068,663**	**2,718,720**	**20,763,416**
Segment liabilities**	5,208,878	8,528,198	3,973,361	17,710,437
Unallocated liabilities				414,745
Total Liabilities	**5,208,878**	**8,528,198**	**3,973,361**	**18,125,182**

NOTES (CONTINUED)

9 SEGMENT INFORMATION (CONTINUED)

An analysis of the profit or loss statement, including total assets and liabilities, is as follows:

BANK

TZS' Million 31 December 2024	Corporate Banking	Retail Banking	Treasury	Total
External operating income				
Interest income calculated using the effective interest method	434,730	736,106	239,181	1,410,017
Interest expense calculated using the effective interest method	(96,468)	(139,879)	(137,769)	(374,116)
Other interest and similar expense	(349)	(2,939)	(125)	(3,413)
Net interest income	337,913	593,288	101,287	1,032,488
Income from Islamic financing and investment products	-	12,449	-	12,449
Distribution on Islamic deposits and profit paid to sukuk holders	-	(1,031)	-	(1,031)
Net income from Islamic financing and investment products	-	11,418	-	11,418
Net interest income and net income from Islamic financing and investment products	**337,913**	**604,706**	**101,287**	**1,043,906**
Fee and commission income	95,409	423,444	10,372	529,225
Net Fee and commission income	**95,325**	**344,688**	**5,673**	**445,686**
Net foreign exchange income	-	-	15,732	15,732
Credit loss expense on financial assets	(43,625)	(49,001)	747	(91,879)
Net gains on financial assets at fair value through profit or loss	-	-	210	210
Net losses on equity investment at fair value through profit or loss	-	-	(2,145)	(2,145)
Net gains on derecognition of financial assets measured at fair value through other comprehensive income	-	-	5,510	5,510
Other operating income	-	1,309	11,132	12,441
Net operating Income	**389,613**	**901,702**	**138,146**	**1,429,461**
Operating expenses	(24,543)	(208,078)	(8,821)	(241,442)
Depreciation	(5,711)	(47,702)	(2,053)	(55,466)
Amortisation	(2,371)	(20,348)	(853)	(23,572)
Employee benefit expenses	(37,978)	(305,751)	(10,581)	(354,310)
Impairment other assets	(253)	(1,566)	-	(1,819)
Total operating expenses	**(70,856)**	**(583,445)**	**(22,308)**	**(676,609)**
Profit before tax	318,757	318,257	115,838	752,852
Income tax expense	(95,302)	(95,152)	(34,633)	(225,087)
Profit for the year	**223,455**	**223,105**	**81,205**	**527,765**
Asset and liability				
Segment assets*	4,549,429	5,308,480	4,852,073	14,709,982
Unallocated asset				788,971
Total assets	**4,549,429**	**5,308,480**	**4,852,073**	**15,498,953**
Segment liabilities**	5,466,896	4,747,804	2,955,735	13,170,435
Unallocated liabilities				452,680
Total liabilities	**5,466,896**	**4,747,804**	**2,955,735**	**13,623,115**

NOTES (CONTINUED)

9 SEGMENT INFORMATION (CONTINUED)

9.2 Geographical information

Geographically, the Group operates in the United Republic of Tanzania, the Republic of Burundi, and the Republic of DRC. The financial performance and financial position of the Group by the geographic segment is as follows:

GROUP In TZS' Million	Tanzania	Burundi	Congo	Consolidation adjustment	Total
31 December 2025					
External operating income					
Interest income calculated using the effective Interest Method	**1,799,411**	**172,303**	**22,357**	**(18,030)**	**1,976,041**
Other Interest and Similar Income	**483**	**-**	**-**		**483**
Interest expense calculated using the effective Interest Method	**(509,091)**	**(82,262)**	**(4,132)**	**18,030**	**(577,455)**
Other interest and similar expense	**(3,973)**	**(454)**	**(1,392)**		**(5,819)**
Net interest income	**1,286,830**	**89,587**	**16,833**	**-**	**1,393,250**
Income from Islamic financing and investment products	**22,816**	**-**	**-**	**-**	**22,816**
Distribution on Islamic deposits and profit paid to sukuk holders	**(7,898)**	**-**	**-**	**-**	**(7,898)**
Net income from Islamic financing and investment products	**14,918**	**-**	**-**	**-**	**14,918**
Net interest income	**1,301,748**	**89,587**	**16,833**	**-**	**1,408,168**
Fee and commission income	**585,196**	**14,288**	**3,097**	**(3,267)**	**599,314**
Fee and commission expense	**(85,141)**	**(5,491)**	**(399)**	**3,267**	**(87,764)**
Net Fee and commission income	**500,055**	**8,797**	**2,698**	**-**	**511,550**
Insurance revenue	**41,444**	**-**	**-**	**-**	**41,444**
Insurance service expenses	**(22,959)**	**-**	**-**	**-**	**(22,959)**
Insurance service result before reinsurance contracts held	**18,485**				**18,485**
Net expense/income from reinsurance contracts held	**(14,288)**				**(14,288)**
Insurance service result	**4,197**	**-**	**-**	**-**	**4,197**
Net insurance investment income	**2,903**	**-**	**-**	**-**	**2,903**
Insurance service result	**7,100**	**-**	**-**	**-**	**7,100**
Net foreign exchange income	**88,844**	**8,118**	**(922)**	**-**	**96,040**
Credit loss expense on financial assets	**(142,454)**	**(9,941)**	**(1,194)**	**-**	**(153,589)**
Net gains on derecognition of financial assets measured at FVOCI	**1,900**	**-**	**-**	**-**	**1,900**
Net gains on derecognition of financial assets measured at FVOCI	**7,836**	**-**	**-**	**-**	**7,836**
Other operating income	**25,447**	**(10)**	**-**	**(20,598)**	**4,839**
Net operating income	**1,790,476**	**96,551**	**17,415**	**(20,598)**	**1,883,844**
Operating expenses	**(288,060)**	**(29,242)**	**(9,372)**	**6,965**	**(319,709)**
Depreciation	**(65,062)**	**(2,248)**	**(2,948)**	**-**	**(70,258)**
Amortisation	**(23,774)**	**(861)**	**(1,658)**	**-**	**(26,293)**
Employee benefit expenses	**(402,255)**	**(17,488)**	**(11,721)**	**-**	**(431,464)**
Impairment other assets	**(4,597)**	**(894)**	**(118)**	**-**	**(5,609)**
Total operating expenses	**(783,748)**	**(50,733)**	**(25,817)**	**6,965**	**(853,333)**
Profit before tax	**1,006,728**	**45,818**	**(8,402)**	**(13,633)**	**1,030,511**
Income tax expense	**(300,423)**	**(1,277)**	**(245)**	**-**	**(301,945)**
Profit for the year	**706,305**	**44,541**	**(8,647)**	**(13,633)**	**728,566**
Asset and liability					
Segment assets*	**20,801,796**	**2,311,238**	**330,488**	**(1,134,586)**	**22,308,936**
Total assets	**20,801,796**	**2,311,238**	**330,488**	**(1,134,586)**	**22,308,936**
Segment liabilities**	**18,151,738**	**2,156,807**	**229,305**	**(1,012,735)**	**19,525,115**
Total liabilities	**18,151,738**	**2,156,807**	**229,305**	**(1,012,735)**	**19,525,115**

NOTES (CONTINUED)

9 SEGMENT INFORMATION (CONTINUED)

9.2 Geographical information (continued)

GROUP In TZS' Million	Tanzania	Burundi	Congo	Consolidation adjustment	Total
31 December 2024					
External operating income					
Interest income calculated using the effective Interest Method	1,410,017	113,660	8,872	(4,172)	1,528,377
Interest expense calculated using the effective Interest Method	(374,117)	(46,734)	(184)	4,172	(416,863)
Other interest and similar expense	(3,515)	(303)	(937)		(4,755)
Net interest income	1,032,385	66,623	7,751	-	1,106,759
Income from Islamic financing and investment products	12,449	-	-	-	12,449
Distribution on Islamic deposits and profit paid to sukuk holders	(1,031)	-	-	-	(1,031)
Net income from Islamic financing and investment products	11,418	-	-	-	11,418
Net interest income	1,043,803	66,623	7,751	-	1,118,177
Fee and commission income	531,086	8,268	1,213	(1,642)	538,925
Fee and commission expense	(84,059)	(3,378)	(218)	1,642	(86,013)
Net Fee and commission income	447,027	4,890	995	-	452,912
Insurance revenue	14,351	-	-	-	14,351
Insurance service expenses	(4,867)	-	-	-	(4,867)
Insurance service result before reinsurance contracts held	9,484				9,484
Net expense/income from reinsurance contracts held	(4,942)				(4,942)
Insurance service result	4,542	-	-	-	4,542
Net insurance investment income	-	-	-	-	-
Insurance service result	4,542	-	-	-	4,542
Net foreign exchange income	15,732	11,414	4,388	-	31,534
Credit loss expense on financial assets	(91,880)	(3,307)	-	-	(95,187)
Net gains on derecognition of financial assets measured at FVOCI	1,556	-	-	-	1,556
Net losses on financial assets FVPL	(2,145)	-	-	-	(2,145)
Net gains on derecognition of financial assets measured at FVOCI	5,510	-	-	-	5,510
Other operating income	16,024	378	165	(15,102)	1,465
Net operating income	1,440,169	79,998	13,299	(15,102)	1,518,364
Operating expenses	(246,787)	(22,731)	(7,395)	4,126	(272,787)
Depreciation	(55,694)	(1,258)	(1,995)	-	(58,947)
Amortisation	(23,658)	(634)	(1,025)	-	(25,317)
Employee benefit expenses	(358,384)	(12,806)	(9,258)	-	(380,448)
Impairment other assets	(1,818)	(161)	(90)	-	(2,069)
Total operating expenses	(686,341)	(37,590)	(19,763)	4,126	(739,568)
Profit before tax	753,828	42,408	(6,464)	(10,976)	778,796
Income tax expense	(225,050)	(2,157)	(102)	-	(227,309)
Profit for the year	528,778	40,251	(6,566)	(10,976)	551,487
Asset and liability					
Segment assets*	15,719,420	1,492,395	184,540	(697,604)	16,698,751
Total assets	15,719,420	1,492,395	184,540	(697,604)	16,698,751
Segment liabilities**	13,637,962	1,374,673	103,295	(590,425)	14,525,505
Total liabilities	13,637,962	1,374,673	103,295	(590,425)	14,525,505

**Segment assets mainly include loans and advances to customers, and Debt instruments. The amounts for these items are shown in the statement of financial position.*

***Segment liabilities mainly include deposits from customers, Deposits, and balances due to other Banks and Borrowings. The amounts for these items are shown in the statement of financial position.*

NOTES (CONTINUED)

9 SEGMENT INFORMATION (CONTINUED)

9.2 Geographical information (continued)

Cash flows from operating, investing, and financing activities for the geographical segments are as follows:

Year ended 31 December 2025 In TZS' Million	Tanzania	Burundi	Congo	Total
Net cash from operating activities	**482,107**	**(527,743)**	**(63,858)**	**(109,494)**
Net cash used in investing activities	**(86,706)**	**(28,190)**	**(8,541)**	**(123,437)**
Net cash used in financing activities	**609,917**	**-**	**-**	**609,917**
	1,005,318	**(555,933)**	**(72,399)**	**376,986**
Net increase in cash and cash equivalents	**1,005,318**	**(555,933)**	**(72,399)**	**376,986**
Cash and cash equivalents at 1 Jan	**3,114,907**	**(173,345)**	**(20,692)**	**2,920,870**
Effect of exchange rate change in cash and cash equivalent	**58,396**	**2,204**	**869**	**61,469**
Cash and cash equivalent at 31 December	**4,178,621**	**(727,074)**	**(92,222)**	**3,359,325**

Year ended 31 December 2024	Tanzania	Burundi	Congo	Total
Net cash from operating activities	1,159,588	(60,741)	22,290	1,121,137
Net cash used in investing activities	(93,812)	(11,578)	(4,956)	(110,346)
Net cash used in financing activities	465,956	-	-	465,956
	1,531,732	(72,319)	17,334	1,476,747
Net increase in cash and cash equivalents	1,531,732	(72,319)	17,334	1,476,747
Cash and cash equivalents at 1 January*	1,556,026	(102,786)	(40,668)	1,412,572
Effect of exchange rate change in cash and cash equivalent	27,149	1,760	2,642	31,551
Cash and cash equivalent at 31 December	3,114,907	(173,345)	(20,692)	2,920,870

*The opening balance has been restated to reflect the access of 20% of the required statutory minimum reserve (SMR).

In computing the above segment information.

- Interest Income, Interest Expense and Loan Impairment charges segmentation computation has been changed from a systematic allocation basis using an agreed internal allocation basis to specific identification from the individual segments.
- Expenses have been identified explicitly with individual segments or using agreed internal allocation. Retail (branch) overhead cost has been transferred to Corporate and Treasury due to Retail segment support to corporate and treasury business through the branch network, whose costs are assumed to be shared at 5 and 10 per cent of retail (Administrative and staff overhead) between treasury and corporate segment, respectively.
- Assets and liabilities have been either specifically identified with individual segment or allocated to segment on a systematic basis using an agreed internal allocation basis.
  - ✓ Cash, Bank Balances, Debt instruments and Due from banks have been allocated to Treasury.
  - ✓ Loans and advances and Deposits have been allocated to Corporate and Retail Segments.
- Unallocated assets include Sundry debtors, bills receivables, Bank card stock, advance payment for capital expenditures, prepayments, receivables from mobile phone companies, tax-related accounts and due from related parties. Unallocated liabilities include bills payables, dividends payable, accrued expenses, deferred income, sundry creditors, credit outstanding, unclaimed customers balances and due to related parties.
- Inter-segment transactions have been generally based on transfer pricing measures as determined by the Management.
- In 2025 or 2024, no revenues from transactions with a single external customer amounted to 10% or more of the Group's revenues.
- Currently, it is not possible to segregate revenues from external customers for each product and service as the information is not available, and the cost to develop would be excessive.
- The measurement methods used to determine the reported segment profit or loss did not change from prior periods.

NOTES (CONTINUED)

10 RISK MANAGEMENT

10.1 Risk Management Framework

The group is committed to meeting stakeholders' expectations in mitigating risks through a robust enterprise-wide risk management framework. The framework ensures that risks are identified, quantified, managed, and monitored to achieve an optimal-risk reward profile. Our enterprise risk management framework has well-defined internal structures, adequate processes, systems, and policies, which monitor and help to mitigate existing and prospective risks or threats of damage, injury, liability, loss, and any other negative occurrence that may arise from external or internal vulnerabilities, and which may be avoided through preventive action.

We strongly believe that preventing risks enhances shareholder value because it allows us to manage risks proactively and intelligently, which maximises the group's potential for earnings, ensures stability and takes measures to protect the business against unexpected losses. Primarily, our risk management aims to safeguard solvency by preserving high asset quality, efficient operations and prudent capital management, resulting in sustained earnings that augment core capital, enabling regulatory compliance, and enhancing market reputation and stakeholder support.

10.1.1 Introduction and risk profile

CRDB Group is based in Tanzania and has operations in Burundi as well. While risk is inherent in the Group's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement, and monitoring, and subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability, and each employee is accountable for the risk exposures relating to his or her responsibilities.

The Group has a General Risk Control and Management framework adapted to its business model, organisation, and the geographical areas in which it operates. The Group operates within the framework of the control and risk management strategy defined by the Bank's Risk Management Committee and adapts to an economic and regulatory environment, addressing management globally and adapting to circumstances at any time.

The framework establishes a risk management system adapted to the Bank's risk profile and strategy. The risks inherent in the business that make up the risk profile of the Group are referred to as Principal Risks, which include credit risk, market risk, operation risk, compliance risk, Information Technology ("IT") Risk, funding risk, strategic risk, and reputation risk which account for most of the total risks faced by the bank and the Group at large:

10.1.2 Risk Management Structure

The Board of Directors is responsible for the overall risk management approach and for approving the risk management strategies and principles. The Board has appointed the Risk Committee members, who are responsible for monitoring the overall risk process within the Bank. The Risk Committee has the overall responsibility for developing the risk strategy and implementing principles, frameworks, policies, and limits.

The Risk Committee manages risk decisions, monitors risk levels, and reports to the main Board. The Risk Department is responsible for implementing and maintaining risk-related procedures to ensure an independent control process is maintained. The department works closely with and reports to the Risk Committee to ensure that procedures are compliant with the overall framework.

The Risk department monitors compliance with risk principles, policies, and limits across the Bank. Each department within the Bank has its own unit, which is responsible for controlling risks, including monitoring the actual risk of exposures against authorised limits and assessing risks of new products and structured transactions.

The risk department also ensures the complete capture of the risks in its risk measurement and reporting systems. A Group Risk Profile report is produced monthly. The same covers all the principal risk inputs into the report for each risk type managed by the relevant Group Risk owner, with the overall report being coordinated and produced by the Group Risk and Compliance department. The Bank's Treasury manages its assets, liabilities, and overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Bank.

The Bank's policy is that risk management processes throughout the Bank are audited annually by the Internal Audit function, which examines both the adequacy of the procedures and the Bank's compliance with them. Internal Audit discusses the results of all risk assessments conducted during the year with management and reports its findings and recommendations to the Board. In addition, the group maintains a risk register that is regularly reviewed by the Board.

10.1.3 Risk mitigation and risk culture

As part of its overall risk management, the Group monitors current and forecasted economic variables such as economic growth, inflation, foreign exchange trends, interest rates, and loan book performance and determines their impact on its strategies. To remain effective, the Group sets limits to monitor risk exposures to different economic sectors and risk areas, which are continuously monitored to ensure that appropriate actions are taken timely to address them. We promote a strong risk culture where employees at all levels are responsible for managing and escalating risks and are empowered and encouraged to act as risk managers.

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.1.3 Risk mitigation and risk culture (continued)

We expect employees to exhibit behaviours that support a strong risk culture in line with our Code of Conduct. This expectation continues to be reinforced through communications campaigns and mandatory employee training courses. In addition, our Board members and senior management frequently communicate the importance of a strong risk culture to support a consistent tone from the top.

10.1.4 Risk measurement and reporting systems

The Group's risks are measured using a method that reflects the expected loss likely to arise in normal circumstances and unexpected losses, which estimates the actual loss based on statistical models. The models use probabilities derived from historical experience, adjusted to reflect the economic environment. The Bank also runs worst-case scenarios that would arise if extreme events which are unlikely to occur do occur. Monitoring and controlling risks are primarily performed based on limits established by the Bank. These limits reflect the business strategy and market environment of the Bank as well as the level of risk that the Bank is willing to accept.

Risk reports are submitted regularly to senior management committees and the Board to keep them apprised of the Group's risk profile. A Group Risk Profile report, produced monthly, covers all the significant risk inputs for each risk type that is tabled to the Board Risk Committee for quarterly review and auctioning. Similarly, there is a process to report and monitor intercompany risk exposures through Group ALCO. It is the Bank's policy to ensure that robust risk awareness is embedded in its organizational risk culture. Employees are expected to take ownership and be accountable for the risks the Bank is exposed to that they decide to take on. The Bank's continuous training and development emphasizes that employees are made aware of the Bank's risk appetite, and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Bank's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

10.1.5 Risk governance and risk management strategies and systems

Our risk governance frameworks, policies and appetite provide the principles and guidance for the Group's risk management activities. They guide our key decisions for capital management, strategic planning and budgeting and performance management to ensure that the risk dimension is appropriately and sufficiently considered. The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. As part of its governance structure, the Board of Directors has embedded a comprehensive risk management framework for identifying, measuring, controlling (setting risk mitigations) and monitoring of the Group's risks.

The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees/stakeholders understand their roles and obligations. The Board's Credit Committee, Governance, Human Resource, Risk Management Committee, and Audit Committee are responsible for monitoring compliance with the Group's risk management policies and procedures, and review of the adequacy of risk management framework in relation to the risks faced by the Group. These committees are assisted in these functions by various management committees which undertake both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Board.

The Group's Risk Management Framework is implemented through a 'three lines of defence' model which defines clear responsibilities and accountabilities and ensures effective independent oversight and assurance activities take place covering key decisions.

***First Line of Defence – The Risk Owner*:** The business and support units have primary responsibility for implementing and executing effective controls to manage the risks arising from their business activities. This includes establishing adequate managerial and supervisory controls to ensure compliance with risk policies, appetite, limits, and controls and to highlight control breakdowns, inadequacy of processes and unexpected risk events.

***Second Line of Defence – Risk Oversight*:** The Risk and Compliance department, which is a centralized function, headed by the Director of Risk and Compliance, provide the Second Line of Defence. It supports the Group's strategy of balancing growth with stability by establishing risk frameworks, policies, appetite, and limits within which the business functions must operate. They are also responsible for the independent review and monitoring of the Group's risk profile and for highlighting any significant vulnerabilities and risk issues to the respective senior management committees. The independence of risk and control oversight functions from business functions ensures that the necessary checks and balances are in place.

***Third Line of Defence – Independent Audit*:** The Group's internal auditors conduct risk-based audits covering all aspects of the First and Second Lines of Defence to provide independent assurance to the Audit Committee (AC) and the Board, on the effectiveness of the risk management and control structure, policies, frameworks, systems, and processes.

The major risks to which the Group is exposed, including non-financial risks, are credit risk, operational risk, compliance risk, reputation risk, business risk, strategic risk, market risk, liquidity risk and capital risk.

A combination of these risks occurring concurrently would be the most likely cause of significant loss. The Group's approach to managing risk on a holistic basis therefore ensures that risks are not managed in isolation.

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.1.5 Risk governance and risk management strategies and systems (continued)

Combined assurance

The Group has implemented a combined assurance framework, which requires coordinated control activities across the three lines of defense for an effective control oversight. This has maximized oversight, minimized duplication of efforts, and optimized overall assurance provided to executives and Board of Directors about the overall control environment of the Group.

10.1.6 Excessive risk concentration

Concentrations arise when several counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political, or other conditions. Concentrations indicate the relative sensitivity of the Bank's performance to developments affecting a particular industry or geographical location. To avoid excessive concentrations of risk, the Bank's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. We perform regular assessments of emerging risks and in-depth reviews on industry trends to provide a forward-looking view on developments that could impact on the Group's portfolio.

10.2 Risk of spill-over from our Subsidiaries

The Group has two subsidiaries operating in Burundi and Congo. Any risks, uncertainties, or negative events resulting from the subsidiary's activities can have an impact on the Group's operations. Each subsidiary's Board is responsible for managing the significant risks, including Credit, Concentration, Market, Operational, Liquidity, Technology, Reputation, Compliance, and others. The Group Risk Management Committee periodically reviews these risks and provides guidance on risk management practices as required. To ensure a comprehensive assessment of risk for the entire group, stress testing is carried out by integrating the stress tests of all subsidiaries.

10.3 Credit risk

Credit risk is the risk that the Group will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits. There is also credit risk in the off-balance sheet financial instruments, such as loan commitments, letters of credit and guarantees. The credit risk management and control are centralised under the credit risk management team of the Bank and reported to the Board of Directors and management regularly.

The Group has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. Counterparty limits are established using a credit risk classification system, which assigns each counterparty a risk rating. Risk ratings are subject to regular revision. The credit quality review process aims to allow the Group to assess the potential loss because of the risks to which it is exposed and take corrective actions.

Climate risk considerations

The effect of climate risk on credit risk was assessed, and the impact in the current year was determined to not be material at 31 December 2025. Refer to Note 8.1 for further details on the judgements made as part of this assessment.

10.3.1 Credit–related commitments risks

The Bank makes available to its customers guarantees that may require that the Bank makes payments on their behalf and enters commitments to extend credit lines to secure their liquidity needs. Letters of credit and guarantees (including standby letters of credit) commit the Bank to make payments on behalf of customers in the event of a specific act, generally related to the import or export of goods. Such commitments expose the Bank to similar risks to loans and are mitigated by the same control processes and policies. Guarantees and standby letters of credit carry the same credit risk as loans. Documentary and commercial letters of credit – which are written undertakings on behalf of a customer authorising a third party to draw drafts on a Bank up to a stipulated amount under specific terms and conditions – are collateralised by the underlying shipments of goods to which they relate and therefore carry less risk than a direct loan.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Group and Bank are potentially exposed to loss in amounts equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Group and Bank monitor the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.3 Credit risk (continued)

10.3.2 Impairment assessment

10.3.2.1 Definition of default and credit-impaired assets

IFRS 9 does not define default but requires the definition to be consistent with the definition used for internal credit risk management purposes. The Group considers a financial asset as 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

Loans and advances to customers, credit cards, loan commitments and financial guarantees

Quantitative criteria-The borrower is more than 90 days past due on its contractual payments.

Qualitative criteria-The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

- the borrower is in long-term forbearance
- the borrower is deceased/insolvent
- the borrower is in breach of financial covenant(s)
- an active market for that financial asset has disappeared because of financial difficulties
- concessions have been made by the lender relating to the borrower's financial difficulty
- it is becoming probable that the borrower will enter Bankruptcy
- payment deferral /extension of payment period

Due from banks and Cash and Balances with Central Bank

For Due from banks, below are considered as default when they occur:

- When repayment of interest and principal are not done on time as per contractual schedules to the extent of more than 30 days delay
- When a counterparty is taken under management by Statutory Manager
- When a counterparty license has been revoked by the Central bank
- When the counterparty is declared bankrupt by responsible bodies like Registration, Insolvency or court.

Debt instruments

For Debt instruments, below are considered as default when they occur;

Quantitative and qualitative criteria;

- When repayment of interest and principal are not done on time as per contractual schedules to the extent of more than 30 days delay.
- When repayments of interest and principal are not done on time as per contractual schedules and that such delays considered are not those caused by operational issues
- When the government is downgraded to below rating "C" status by international rating agency such as Moody's, S & P, or Fitch.
- When the Government is declared default/bankrupt by responsible agencies i.e. World Bank, IMF etc.

It may not be possible to identify a single discrete event, instead, the combined effect of several events may have caused financial assets to become credit impaired. The Group assesses whether debt instruments that are financial assets measured at amortised cost or FVOCI are credit-impaired at each reporting date. To assess if sovereign and corporate debt instruments are credit impaired,

the Group considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding. It is the Group's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when the customer has met certain criteria. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.3 Credit risk (continued)

10.3.2 Impairment assessment (continued)

10.3.2.1 Definition of default and credit-impaired assets (continued)

Other financial assets

For other financial assets, below are considered as default when they occur;

Quantitative and qualitative criteria;

- The Group considers other financial assets in default when contractual payments are over 90 days past due.
- The Group may also consider other financial assets to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before considering any credit enhancements held by the Group.

10.3.2.2 Group's internal ratings scale and PD estimation process

Loans and advances to customers, credit cards, loan commitments and financial guarantees

The Group and Bank has its internal credit rating tools tailored in accordance with the Bank of Tanzania (BOT) guidelines that reflect its assessment of the probability of default of individual counterparties. Customers are segmented into five rating classes. The Group's rating scale, which is shown below, reflects the range of default probabilities defined for each rating class.

Group rating	Description of the grade	Stage	PD Range		Number of days past due
1	Current	Stage 1	0.05%	28.89%	0
2	Current	Stage 1	0.05%	38.15%	1-30
3	Especially mentioned 1	Stage 2	0.05%	48.39%	31-60
4	Especially mentioned 2	Stage 2	0.05%	58.79%	61-90
5	Substandard, Doubtful, Loss	Stage 3	100%	100%	91 and above

The PDs obtained as above are then adjusted for IFRS 9 ECL calculations to incorporate forward looking information. This is repeated for each economic scenario as appropriate.

The PD range applies to all segments of the loan portfolio.

Due from banks, nostro balances and debt instruments

For internal monitoring, Due from banks, nostro balances and debt instruments are rated into four categories/ staging based on their financial position. Additionally, qualitative characteristics is taken into consideration when scoring a counterparty. Counterparts with history of default are usually rated as High risk and dealing limits are cancelled.
Due from banks, nostro balances and debt instruments (Continued)

Group's rating	Score	PD range	Staging
Defaulted	0.0%-0.5%	100.0%	Stage 3
High	0.6%-1.9%	2.1%-4.0%	Stage 2
Medium	2.0% – 8.0%	0.06%-2.0%	Stage 1
Low	>8.0%	0.03%-0.05%	Stage 1

The Due from banks, nostro balances and debt instruments as at 31 December 2025, are all low risk.

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.3 Credit risk (continued)

10.3.2 Impairment assessment

10.3.2.1 Definition of default and credit-impaired assets

Other financial assets (receivables)

The internal ratings of other financial assets are based on their financial position. Additionally, qualitative characteristics is taken into consideration when scoring a counterparty. Counterparts with history of default are usually rated as High risk and dealing limits are cancelled.

Group's rating	Days past due	Loss rate	Staging
Current	0-30	0.0%-0.2%	Stage 1
Especially mentioned 1	31-60	0.3%- 1.57%	Stage 2
Especially mentioned 2	61-90	1.58%- 4.71%	Stage 2
Substandard and Doubtful	91-180	4.72%-7.58%	Stage 3
Loss	181 Or more	100%	Stage 3

Off balance sheet facilities

The internal PD ratings for off-balance sheet facilities are same as for on balance sheet facilities.

10.3.2.3 Exposure at default

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Bank assesses the possible default events within 12 months for the calculation of the 12-month ECL. However, if a Stage 1 loan that is expected to default in the 12 months from the balance sheet date and is also expected to cure and subsequently default again, then all linked default events are considered.

For Stage 2, Stage 3 and POCI financial assets, the exposure at default is considered for events over the lifetime of the instruments. The Bank determines EADs by modelling the range of possible exposure outcomes at various points in time, corresponding the multiple scenarios. The IFRS 9 PDs are then assigned to each economic scenario based on the outcome of Bank's models.

10.3.2.4 Loss given default

The credit risk assessment is based on a standardised LGD assessment framework that results in a certain LGD rate. These LGD rates consider the expected EAD in comparison to the amount expected to be recovered or realised from any collateral held. The Bank segments its loans into smaller homogeneous portfolios, based on key characteristics that are relevant to the estimation of future cash flows. The applied data is based on historically collected loss data and involves a wider set of transaction characteristics (e.g., product type, wider range of collateral types) as well as borrower characteristics. Further recent data and forward-looking economic scenarios are used to determine the IFRS 9 LGD rate for each group of financial instruments.

The Bank estimates regulatory and IFRS 9 LGDs on a different basis. Under IFRS 9, LGD rates are estimated for the Stage 1, Stage 2, Stage 3 and POCI IFRS 9 segment of each asset class. The inputs for these LGD rates are estimated and, where possible, calibrated through back testing against recent recoveries. These are repeated for each economic scenario as appropriate.

10.3.2.5 Significant increase in credit risk

The Group continuously monitors all assets subject to ECL. To determine whether an instrument or a portfolio of instruments is subject to 12-month ECL or Lifetime ECL, the Bank assesses whether there has been a significant increase in credit risk since initial recognition.

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Bank considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Bank's historical experience and expert credit assessment and including forward-looking information.

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.3 Credit risk (continued)

10.3.2 Impairment assessment

10.3.2.5 Significant increase in credit risk (continued)

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- The remaining lifetime PD as at the reporting date, with
- The remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure

The Bank uses two criteria for determining whether there has been a significant increase in credit risk:

- A quantitative test based on movement in PD
- Qualitative indicators

The Bank considers debt instrument assets, credit cards, loan commitments and financial guarantee contracts to have experienced a significant increase in credit risk when one or more of the following quantitative or qualitative criteria have been met:

Loans and advances to customers, credit cards, loan commitments and financial guarantees

Quantitative criteria

Based on quantitative review for the purpose of the expected credit losses calculations, loans and advances, loan commitments and financial guarantees shall be classified as follows;

1. **0 – 30 days to be classified as Stage 1**; Loans and advances, loan commitments and financial guarantees which are performing according to contracted terms and conditions with low credit risk at the reporting date with 12-month expected credit losses being recognised.
2. **31 – 90 days to be classified as Stage 2;** Loans and advances, loan commitments and financial guarantees which have had significant increase in credit risk since initial recognition but do not have objective evidence of credit loss event with lifetime expected credit losses being recognized.
3. **90 days or more to be classified as Stage 3;** Loans and advances, loan commitments and financial guarantees which have objective evidence of impairment at the reporting date with lifetime expected credit losses being recognized (credit-impaired assets).

Qualitative criteria

For Personal Loans if the borrower meets one or more of the following criteria:

- Short-term forbearance or restructuring.
- Adverse changes of external data from credit references agencies.

For Corporate and SME portfolios, if the borrower is on the Watch list and/or the instrument meets one or more of the following criteria:

- Significant adverse changes in business, financial and/or economic conditions in which the borrower operates.
- Actual or expected forbearance or restructuring.
- Actual or expected significant adverse change in operating results of the borrower.

Significant change in collateral value which is expected to increase risk of default.
Early signs of cash flow/liquidity problems such as delay in servicing of trade creditors/loans.
Adverse changes of external data from credit references agencies
Significant adversely changes in political, regulatory and technological environment of the borrowers or in its business activities.

The Group monitors all financial assets that are subject to assess whether there has been a significant increase in credit risk since initial recognition. When there is a significant increase in credit risk (SICR) since initial recognition is identified, a financial asset is moved from stage 1 to 'Stage 2' but is not yet deemed to be credit impaired. If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'.

The table below summarises the 'three-stage' model for impairment based on changes in credit quality since initial recognition.

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.2 Impairment assessment

10.3.2.5 Significant increase in credit risk (continued)

	Stage 1 (performing loans)	Stage 2 (under performing loans)	Stage 3 (non-performing loans)
Credit risk	Financial instruments with low credit risk at the reporting date or which have not had SICR	Financial instruments which have had a significant increase in credit risk since initial recognition but do not have objective evidence of a credit loss event.	Financial assets that have objective evidence of impairment at the reporting date
Recognition of expected credit losses	12 Month expected credit losses are recognized.	Lifetime expected credit losses are recognised.	Lifetime expected credit losses are recognized.
Recognition of interest	Interest revenue is calculated on the gross carrying amount of the asset.	Interest revenue is calculated on the gross carrying amount of the asset.	Interest revenue is calculated based on the amortized cost net of the loss provision, (net carrying amount).

Due from banks, Cash and Balances with Central Bank and other financial assets

Below are quantitative and qualitative factors considered as indicators of significant increase in credit risk;

- The counterparty is more than 15 days past due for Due from banks, Cash and Balances with Central Bank on its contractual payments and more than 30 days past due for other financial assets.
- Significant counterparty management restructuring due to continues bad performance of the company.
- Significant adverse change in the regulatory, economic or technology of the borrower that results in a significant change in the borrower's ability to meet its debt obligations.
- Significant reductions in financial support from a parent company that resulted to significant adverse change of operating results of the counterparty.

Debt instruments

Below are quantitative and qualitative factors considered as indicators of significant increase in credit ris

- The counterparty is more than 15 days past due on its contractual payments.
- The Government has received a low credit rating i.e. "C" by the international rating agencies;
- The Government has initiated debt restructuring process.

10.3.2.6 Grouping of instruments for losses measured on a collective basis

For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed into segments and sub-segments to account for the differences in risk between segments and sub segments into smaller homogeneous portfolio based on combination of internal and external characteristics of the loan and based on shared risk characteristics, such that risk exposures within a Group are homogeneous.

Furthermore, the sectoral sub-segments are consolidated into segments as per the nature of the activity and similarity in characteristics to arrive at a homogeneous pool. The appropriateness of groupings is monitored and reviewed on a periodic basis by the Credit Risk team.

The default definition has been applied consistently for all the segments to model the probability of default (PD), exposure at default (EAD) and loss given default (LGD) throughout the Group's expected loss calculations.

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.3 Credit risk (continued)

10.3.3 Analysis of inputs to the ECL model under multiple economic scenarios

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio. These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Expert judgment has also been applied in this process. Forecasts of these economic variables (the "base economic scenario") are provided by the Group's economics team on a quarterly basis and provide the best estimate view of the economy over the next five years. After five years, to project the economic variables out for the full remaining lifetime of each instrument, a mean reversion approach has been used, which means that economic variables tend to either a long run average rate (e.g., For unemployment) or a long run average growth rate (e.g., GDP) over a period of two to five years. The impact of these economic variables on the PD, EAD and LGD has been determined by performing statistical regression analysis to understand the impact changes in these variables have had historically on default rates and on the components of LGD and EAD.

In addition to the base economic scenario, the Group's economics team also provide other possible scenarios along with scenario weightings. The number of other scenarios used is set based on the analysis of each major product type to ensure non-linearity's are captured. The number of scenarios and their attributes are reassessed at each reporting date. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement, taking account of the range of possible outcomes each chosen scenario is representative of. The assessment of SICR is performed using the lifetime PD under each of the base, and the other scenarios, multiplied by the associated scenario weighting, along with qualitative and backstop indicators.

This determines whether the whole financial instrument is in stage 1, stage 2, or stage 3 and hence whether 12-month or lifetime ECL should be recorded. Following this assessment, the Group measures ECL as either a probability weighted 12-month ECL (stage 1), or a probability weighted lifetime ECL (stages 2 and 3). These probability weighted ECLs are determined by running. Each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting (as opposed to weighting the inputs). As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearity's and asymmetries within the Group's different portfolio to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

The Group and Bank assess on a forward-looking basis the expected credit losses (ECL') associated with its debt instrument assets carried at amortized cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Group recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes.
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions, and forecasts of future economic conditions.

Note 7.15 provides more detail of how the expected credit loss allowance is measured.

Main macro-economic factors

The table below presents the key macroeconomic factors used to assess the forward-looking impact on the expected credit loss (ECL) provisions for financial assets. These factors are considered among the most significant determinants of the Group's expected credit loss. The variables may change from year to year based on their correlation with the inputs used for ECL assessments. Each scenario base case, upside, and downside is presented for each identified period.

Tanzania

Macroeconomic variable	Average	Maximum	Minimum
Consumption private rate %	**10.66**	**11.16**	**9.68**
Government expenditure rate %	**18.68**	**19.05**	**18.36**
Imports, goods & services, nominal rate %	**7.51**	**11.21**	**3.35**
Gross value-added in-service rate %	**6.46**	**7.20**	**6.08**
Fuel price real %	**(0.01)**	**0.43**	**(0.65)**
Domestic Demand Real %	**10.66**	**11.16**	**9.68**

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.3 Credit risk (continued)

10.3.3 Analysis of inputs to the ECL model under multiple economic scenarios (continued)

During the year, the Group revised the macroeconomic variables applied in its IFRS 9 ECL models. The 2024 set comprising GDP (PPP) real growth, GDP at current prices and exchange rates, real fuel prices, real exports, nominal GDP, and real domestic demand was replaced in 2025 with variables such as private consumption growth, government expenditure growth, nominal imports of goods and services, gross value added in services, real fuel prices (assumed stable), and real domestic demand. This update reflects a methodological enhancement, with the new variables chosen for their stronger statistical correlation with the model's credit-risk input, PD.

31 December	Assigned weight	2025	2026	2027	2028	2029
	%	%	%	%	%	%
Consumption private rate						
Base Case	68.20%	**19.05**	**18.94**	**18.40**	**18.36**	**18.65**
Upside	10.60%	**20.39**	**20.41**	**19.87**	**19.83**	**20.12**
Downside	21.20%	**17.71**	**17.72**	**17.18**	**17.14**	**17.43**
Government expenditure rate %						
Base Case	68.20%	**6.54**	**7.20**	**6.26**	**6.21**	**6.08**
Upside	10.60%	**7.46**	**8.37**	**7.43**	**7.38**	**7.25**
Downside	21.20%	**5.62**	**6.37**	**5.43**	**5.38**	**5.25**
Fuel price rate						
Base Case	68.20%	**(0.65)**	**(0.23)**	**0.03**	**0.37**	**0.43**
Upside	10.60%	**(6.63)**	**(7.39)**	**(7.13)**	**(6.79)**	**(6.73)**
Downside	21.20%	**5.33**	**5.12**	**5.38**	**5.72**	**5.78**
Consumption private rate						
Base Case	68.20%	**9.68**	**10.37**	**11.12**	**10.99**	**11.16**
Upside	10.60%	**10.70**	**11.72**	**12.47**	**12.34**	**12.51**
Downside	21.20%	**8.66**	**9.44**	**10.19**	**10.06**	**10.23**
Imports, goods & services, nominal rate						
Base Case	68.20%	**11.21**	**3.35**	**4.19**	**7.68**	**11.11**
Upside	10.60%	**(11.71)**	**(19.28)**	**(18.44)**	**(14.95)**	**(11.52)**
Downside	21.20%	**34.13**	**25.79**	**26.63**	**30.12**	**33.55**

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.3 Credit risk (continued)

10.3.3 Analysis of inputs to the ECL model under multiple economic scenarios (continued)

BURUNDI

Macroeconomic variable	Average	Maximum	Minimum
GVA in industry real rate %	1.87	3.16	(0.65)
Lending rate %	14.65	15.50	14.25

31 December	Assigned weight	2025	2026	2027	2028	2029
	%	%	%	%	%	%
GVA in industry real rate*						
Base Case	68.20%	(0.65)	2.10	1.76	2.99	3.16
Upside	10.60%	5.33	7.45	7.11	8.34	8.51
Downside	21.20%	(6.63)	(3.88)	(4.2)2	(2.99)	(2.82)
**Lending rate ** **						
Base Case	68.20%	15.50	15.00	14.25	14.25	14.25
Upside	10.60%	14.23	13.66	12.91	12.91	12.91
Downside	21.20%	16.77	17.08	16.33	16.33	16.33

CONGO

Macroeconomic variable	Average	Maximum	Minimum
Inflation rate %	10.01	17.73	7.80
GDP nominal rate %	13.61	17.90	12.27

31 December	Assigned weight	2025	2026	2027	2028	2029
	%	%	%	%	%	%
Inflation rate*						
Base Case	68.20%	17.73	8.71	7.80	7.87	7.93
Upside	10.60%	12.12	3.67	2.76	2.83	2.89
Downside	21.20%	23.34	15.86	14.95	15.02	15.08
GDP nominal rate**						
Base Case	68.20%	17.90	13.25	12.30	12.27	12.33
Upside	10.60%	25.57	21.10	20.15	20.12	20.18
Downside	21.20%	10.23	5.58	4.63	4.60	4.66

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.3 Analysis of inputs to the ECL model under multiple economic scenarios (continued)

Analysis of inputs to the ECL model under multiple economic scenarios relating to loan and advances (which include credit cards under personal segment) and off-balance sheet.

The Bank has assessed the impact of climate risks, macroeconomic and geopolitical uncertainties at the end of the reporting period, with no material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Furthermore, the Bank has performed a sensitivity analysis of the macro-economic variables to the expected credit loss and disclosed only the GDP which is the most sensitive to the bank's performance.

Macroeconomic variable	Average	Maximum	Minimum
GDP PPP real rate %	0.14	0.14	0.13
GDP current prices and exchange rate %	11.68	14.38	10.86
Fuel price real %	(0.01)	0.43	(0.65)
Exports real rate %	8.51	26.71	0.30
GDP nominal rate %	7.61	10.46	1.99
Domestic Demand Real %	5.47	6.50	5.08

The most significant period-end assumptions used for the ECL estimate are set out below;

31 December	Assigned weight	2025	2026	2027	2028	2029
	%	%	%	%	%	%
GDP PPP real rate*						
Base Case	68.20%	0.13	0.13	0.14	0.14	0.14
Upside	10.60%	0.14	0.14	0.15	0.15	0.15
Downside	21.20%	0.12	0.13	0.14	0.14	0.14
**GDP current prices and exchange rate ** **						
Base Case	68.20%	14.38	11.14	10.86	10.93	11.08
Upside	10.60%	16.62	14.80	14.52	14.59	14.74
Downside	21.20%	12.14	8.79	8.51	8.58	8.73
Fuel price rate**						
Base Case	68.20%	(0.65)	(0.23)	0.03	0.37	0.43
Upside	10.60%	(6.63)	(7.39)	(7.13)	(6.79)	(6.73)
Downside	21.20%	5.33	5.12	5.38	5.72	5.78
GDP nominal rate**						
Base Case	68.20%	1.99	8.64	10.46	9.31	7.64
Upside	10.60%	2.88	10.75	12.57	11.42	9.75
Downside	21.20%	1.10	5.84	7.66	6.51	4.84
Domestic Demand Real Rate**						
Base Case	68.20%	5.37	6.50	5.30	5.11	5.08
Upside	10.60%	7.41	8.51	7.31	7.12	7.09
Downside	21.20%	3.33	4.50	3.30	3.11	3.08
Export Real Rate**						
Base Case	68.20%	26.71	4.46	0.30	4.08	6.99
Upside	10.60%	39.43	19.66	15.50	19.28	22.19
Downside	21.20%	13.99	(6.92)	(11.08)	(7.30)	(4.39)

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.3 Analysis of inputs to the ECL model under multiple economic scenarios (continued)

BURUNDI

31 December	Assigned weight	2025	2026	2027	2028	2029
	%	%	%	%	%	%
GVA in industry real rate*						
Base Case	68.20%	(0.65)	2.10	1.76	2.99	3.16
Upside	10.60%	5.33	7.45	7.11	8.34	8.51
Downside	21.20%	(6.63)	(3.88)	(4.22)	(2.99)	(2.82)
Lending rate **						
Base Case	68.20%	15.50	15.00	14.25	14.25	14.25
Upside	10.60%	14.23	13.66	12.91	12.91	12.91
Downside	21.20%	16.77	17.08	16.33	16.33	16.33

* GDP Growth are expressed as an annual percentage change
** These rates are expressed as a percentage as at the end of the forecast year.
*** The value that producers have added to the goods and services they have bought.
**** The monetary value of final goods and services bought by the final users/ consumers in a country in a given period of time.

The weightings assigned to each economic scenario during the year was 68.2%,10.6 % and 21.2% for "base", "upside" and "downside" respectively.

Analysis of inputs to the ECL model under multiple economic scenarios relating to loan and advances (which include credit cards under personal segment) and off-balance sheet.

The Bank has assessed the impact of macro-economic and other qualitative assessment considerations at the end of the reporting period, no material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Furthermore, the Bank has performed sensitivity analysis of the macro-economic variables to the expected credit loss and disclosed only the GDP which is the most sensitive to the banks.

GROUP

- An increase of 10% decreases ECL rate by 0.44%, hence decreased ECL by 0.44%
- A decrease of 10% increases ECL rate by 0.89%, hence increases ECL by 0.89%

Sensitivity Analysis	2025		2024	
	Expected loss allowance			
In TZS' Million	Higher end	Lower end	Higher end	Lower end
31 December				
Corporate	**103,927**	**103,163**	58,350	57,755
SME	**45,319**	**44,772**	30,669	30,421
Microfinance	**5,792**	**6,631**	5,332	5,281
Mortgage	**420**	**421**	345	217
Personal loans	**92,958**	**92,809**	51,991	48,907
Off-balance sheet exposures	**14,605**	**11,740**	10,163	8,563
Total expected loss allowance	**263,021**	**259,536**	156,850	151,144

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.3 Analysis of inputs to the ECL model under multiple economic scenarios (continued)

BANK

- An increase of 10% decreases ECL rate by 0.4%, hence decreased ECL by 0.4%
- A decrease of 10% increases ECL rate by 0.87%, hence increases ECL by 0.87%

Sensitivity Analysis	2025		2024	
	Expected loss allowance			
In TZS' Million	Higher end	Lower end	Higher end	Lower end
31 December				
Corporate	**102,200**	**101,502**	56,927	56,373
SME	**43,914**	**43,418**	30,244	30,001
Microfinance	**1,781**	**2,669**	1,296	1,288
Mortgage	**420**	**421**	345	217
Personal loans	**90,606**	**90,470**	51,068	47,993
Off-balance sheet exposures	**12,284**	**9,547**	10,149	8,551
Total expected loss allowance	**251,205**	**248,027**	150,029	144,423

Under current and forecasted economic conditions, cash and balances with the central bank, other assets, debt instruments, and due from banks are not expected to be materially sensitive to changes in macroeconomic assumptions and therefore have not been included in this sensitivity analysis. Instead, ECL for these instruments is more sensitive to obligor-specific factors and recovery strategies that are independent of macroeconomic factors.

The following tables outline the impact of multiple scenarios on the allowance. This table shows both the contribution to the total ECL of each probability-weighted scenario in addition to the total incremental effect on ECL of applying multiple economic scenarios compared to the ECL that would have resulted from applying a 100% weighting to the base case scenario:

(a) ECL for each scenario based on the probability allocation

GROUP

31 December 2025 In TZS million	Corporate	SME	Micro finance	Mortgage	Personal	Off-balance sheet	Total
Gross exposure	**6,565,884**	**2,379,581**	**259,684**	**100,220**	**4,666,131**	**6,343,007**	**20,314,507**
ECL							
Upside (10.6%)	**11,016**	**4,838**	**637**	**45**	**9,771**	**1,350**	**27,657**
Base (68.2%)	**70,880**	**31,128**	**4,102**	**287**	**62,864**	**8,685**	**177,946**
Downside (21.2%)	**22,033**	**9,676**	**1,275**	**89**	**19,541**	**2,700**	**55,314**
	103,929	**45,642**	**6,014**	**421**	**92,176**	**12,734**	**260,916**
Effect of multiple economic scenarios	**93**	**362**	**31**	**1**	**541**	**701**	**1,729**

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.3 Credit risk (continued)

10.3.3 Analysis of inputs to the ECL model under multiple economic scenarios (continued)

(a) ECL for each scenario based on the probability allocation (continued)

GROUP

31 December 2024 In TZS million	Corporate	SME	Micro finance	Mortgage	Personal	Off-balance sheet	Total
Gross exposure	5,018,922	1,270,496	229,316	78,258	3,907,171	5,337,468	15,841,631
ECL							
Upside (10.6%)	6,151	3,238	562	26	5,228	985	16,190
Base (68.2%)	39,573	20,829	3,618	170	33,535	6,343	104,068
Downside (21.2%)	12,302	6,472	1,125	53	10,457	1,973	32,382
	58,026	30,539	5,305	249	49,220	9,301	152,640
Effect of multiple economic scenario	138	27	21	4	252	728	1,170

BANK

31 December 2024 In TZS million	Corporate	SME	Micro finance	Mortgage	Personal	Off-balance sheet	Total
Gross exposure	**6,186,291**	**2,261,649**	**237,719**	**100,220**	**4,529,486**	**6,163,331**	**19,478,696**
ECL							
Upside (10.6%)	**10,783**	**4,627**	**236**	**45**	**9,519**	**1,111**	**26,321**
Base (68.2%)	**69,375**	**29,770**	**1,520**	**287**	**61,245**	**7,145**	**169,342**
Downside (21.2%)	**21,565**	**9,254**	**473**	**89**	**19,038**	**2,221**	**52,640**
	101,723	**43,651**	**2,229**	**421**	**89,802**	**10,477**	**248,303**
Effect of multiple economic scenario	**82**	**356**	**23**	**1**	**526**	**685**	**1,673**

BANK

31 December 2024 In TZS million	Corporate	SME	Micro finance	Mortgage	Personal	Off-balance sheet	Total
Gross exposure	4,805,890	1,246,690	198,682	78,258	3,802,537	5,276,517	15,408,574
ECL							
Upside (10.6%)	6,002	3,193	137	26	5,131	984	15,473
Base (68.2%)	38,616	20,541	880	170	32,909	6,334	99,450
Downside (21.2%)	12,005	6,383	274	53	10,262	1,970	30,947
	56,623	30,117	1,291	249	48,302	9,288	145,870
Effect of multiple economic scenario	119	25	-1	4	246	727	1,120

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.3 Credit risk (continued)

10.3.3 Analysis of inputs to the ECL model under multiple economic scenarios (continued)

The following tables outline the impact on ECL from applying a 100% weighting to each scenario:

(b) ECL under each case assuming 100% weight for each probability scenario

GROUP							
31 December 2025							
In TZS' million	**Corporate**	**SME**	**Micro finance**	**Mortgage**	**Personal**	**Off-balance sheet**	**Total**
Upside	**103,006**	**42,420**	**5,950**	**409**	**89,640**	**8,566**	**249,991**
Base	**103,929**	**45,642**	**6,014**	**421**	**92,176**	**12,734**	**260,916**
Downside	**103,914**	**47,503**	**6,448**	**434**	**96,237**	**17,072**	**271,608**
Proportion of assets in stage 2							
Upside	**0.20%**	**2.23%**	**4.45%**	**11.30%**	**11.25%**	**5.41%**	**4.80%**
Base	**0.24%**	**2.65%**	**4.53%**	**12.13%**	**11.62%**	**4.85%**	**5.05%**
Downside	**0.29%**	**3.09%**	**4.57%**	**12.86%**	**11.83%**	**4.24%**	**5.24%**

31 December 2024							
In TZS' million	**Corporate**	**SME**	**Micro finance**	**Mortgage**	**Personal**	**Off-balance sheet**	**Total**
Upside	103,006	42,420	5,950	409	89,640	8,566	249,991
Base	103,325	44,667	6,184	420	92,338	12,030	258,964
Downside	103,914	47,503	6,448	434	96,237	17,072	271,608
Proportion of assets in stage 2							
Upside	0.20%	2.23%	4.45%	11.30%	11.25%	5.41%	4.80%
Base	0.24%	2.65%	4.53%	12.13%	11.62%	4.85%	5.05%
Downside	0.29%	3.09%	4.57%	12.86%	11.83%	4.24%	5.24%

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.3 Credit risk (continued)

10.3.3 Analysis of inputs to the ECL model under multiple economic scenarios (continued)

31 December 2025							
In TZS' million	Corporate	SME	Micro finance	Mortgage	Personal	Off-balance sheet	Total
Upside	**101,400**	**41,111**	**2,032**	**409**	**87,397**	**6,481**	**238,830**
Base	**101,723**	**43,651**	**2,229**	**421**	**89,802**	**10,477**	**248,303**
Downside	**102,148**	**46,066**	**2,406**	**434**	**93,791**	**14,674**	**259,519**
Proportion of assets in stage 2							
Upside	**0.15%**	**2.07%**	**2.15%**	**11.30%**	**7.76%**	**7.15%**	**4.80%**
Base	**0.19%**	**2.52%**	**2.22%**	**12.13%**	**11.70%**	**5.96%**	**5.05%**
Downside	**0.23%**	**2.97%**	**2.25%**	**12.86%**	**11.90%**	**4.93%**	**5.24%**

31 December 2024							
In TZS' million	Corporate	SME	Micro finance	Mortgage	Personal	Off-balance sheet	Total
Upside	54,818	29,473	1,280	228	45,758	6,483	138,040
Base	56,504	30,092	1,292	245	48,056	8,561	144,750
Downside	58,360	30,760	1,302	272	51,279	11,914	153,887
Proportion of assets in stage 2							
Upside	11.49%	1.41%	0.35%	3.03%	3.49%	14.26%	7.44%
Base	13.16%	1.69%	0.43%	3.33%	6.17%	13.71%	8.36%
Downside	14.86%	2.00%	0.52%	3.52%	6.52%	12.36%	9.17%

Under current and forecasted economic conditions, stage 3 instruments are not expected to be materially sensitive to changes in macroeconomic assumptions and therefore have not been included in this sensitivity analysis. Instead, ECL on stage 3 instruments is more sensitive to idiosyncratic obligor-specific factors and recovery strategies that are independent of macroeconomic factors.

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.3 Analysis of inputs to the ECL model under multiple economic scenarios (continued)

10.3.3.1 Summary of credit risk

31 December 2025	Loans and advances to customers								
GROUP	**Corporate**	**SME**	**Micro**	**Mortgage**	**Personal**	**Total**	**Credit card**	**Other financial assets[1]**	**Off-balance sheet exposure**
In TZS' million									
Gross carrying amount									
Stage 1	6,249,762	2,215,769	230,213	94,793	4,523,578	13,314,115	2,887	5,181,509	6,310,012
Stage 2	158,872	62,008	9,428	2,358	47,247	279,913	463	-	30,532
Stage 3	157,250	101,804	20,043	3,069	95,306	377,472	437	-	2,463
Total	6,565,884	2,379,581	259,684	100,220	4,666,131	13,971,500	3,787	5,181,509	6,343,007
ECL									
Stage 1	2,498	9,262	1,460	17	8,437	21,674	54	18,486	11,729
Stage 2	5,713	1,236	311	52	10,730	18,042	242	-	609
Stage 3	95,718	35,144	4,243	352	73,009	208,466	436	-	396
Total	103,929	45,642	6,014	421	92,176	248,182	732	18,486	12,734
Amortized cost									
Stage 1	6,247,264	2,206,507	228,753	94,776	4,515,141	13,292,441	2,833	5,163,023	6,298,283
Stage 2	153,159	60,772	9,117	2,306	36,517	261,871	221	-	29,923
Stage 3	61,532	66,660	15,800	2,717	22,297	169,006	1	-	2,067
Total	6,461,955	2,333,939	253,670	99,799	4,573,955	13,723,318	3,055	5,163,023	6,330,273
Coverage ratio2									
Stage 1	0.0%	0.42%	0.63%	0.02%	0.19%	0.2%	1.87%	0.36%	0.19%
Stage 2	3.6%	1.99%	3.30%	2.21%	22.71%	6.4%	52.27%	0.00%	1.99%
Stage 3	60.9%	34.52%	21.17%	11.47%	76.60%	55.2%	99.77%	0.00%	16.08%
Total	1.6%	1.92%	2.32%	0.42%	1.98%	1.8%	19.33%	0.36%	0.20%
Impairment charge									
Stage 1	(125)	6,485	(47)	(34)	685	6,964	7	3,257	3,798
Stage 2	(9,589)	664	205	43	7,515	(1,162)	234	-	(697)
Stage 3	55,617	7,954	551	163	34,756	99,041	385	-	332
Total	45,903	15,103	709	172	42,956	104,843	626	3,257	3,433
Cost of risk[3]									
Stage 1	(0.02%)	0.29%	(0.02%)	(0.04%)	0.02%	0.05%	0.24%	0.06%	0.1%
Stage 2	(6.04%)	1.07%	2.17%	1.82%	15.91%	(0.42%)	50.54%	0.00%	(2.3%)
Stage 3	10.79%	7.81%	2.75%	5.31%	36.47%	13.43%	88.10%	0.00%	13.5%
Total	0.70%	0.63%	0.27%	0.17%	0.92%	0.75%	16.53%	0.06%	0.1%

[4]Total cost of risk for the Group 0.4%

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.3 Analysis of inputs to the ECL model under multiple economic scenarios (continued)

10.3.3.1 Summary of credit risk (continued)

31 December 2024	Loans and advances to customers								
GROUP	**Corporate**	**SME**	**Micro**	**Mortgage**	**Personal**	**Total**	**Credit card**	**Other financial assets[1]**	**Off-balance sheet exposure**
In TZS' million									
Gross carrying amount									
Stage 1	4,455,204	1,165,818	211,515	76,742	3,799,436	9,708,715	2,004	3,110,877	5,281,958
Stage 2	442,491	37,703	5,970	318	32,672	519,154	33	-	55,192
Stage 3	121,227	66,975	11,831	1,198	75,063	276,294	71	-	318
Total	5,018,922	1,270,496	229,316	78,258	3,907,171	10,504,163	2,108	3,110,877	5,337,468
ECL									
Stage 1	2,623	2,777	1,507	51	7,752	14,710	47	15,229	7,931
Stage 2	15,302	572	106	9	3,215	19,204	8	-	1,306
Stage 3	40,101	27,190	3,692	189	38,253	109,425	51	-	64
Total	58,026	30,539	5,305	249	49,220	143,339	106	15,229	9,301
Amortized cost									
Stage 1	4,452,581	1,163,041	210,008	76,691	3,791,684	9,694,005	1,957	3,095,648	5,274,027
Stage 2	427,189	37,131	5,864	309	29,457	499,950	25	-	53,886
Stage 3	81,126	39,785	8,139	1,009	36,810	166,869	20	-	254
Total	4,960,896	1,239,957	224,011	78,009	3,857,951	10,360,824	2,002	3,095,648	5,328,167
Coverage ratio[2]									
Stage 1	0.1%	0.2%	0.7%	0.1%	0.2%	0.2%	2.3%	0.5%	0.2%
Stage 2	3.5%	1.5%	1.8%	2.8%	9.8%	3.7%	24.2%	-	2.4%
Stage 3	33.1%	40.6%	31.2%	15.8%	51.0%	39.6%	71.8%	-	20.1%
Total	1.2%	2.4%	2.3%	0.3%	1.3%	1.4%	5.0%	0.5%	0.2%
Impairment charge									
Stage 1	(11,385)	(699)	1,324	(8)	2,288	(8,480)	30	1,320	7,494
Stage 2	(1,240)	(1,161)	35	(29)	388	(2,007)	(12)	-	1,303
Stage 3	63,187	18,476	2,383	(374)	14,032	97,704	(147)	-	51
Total	50,562	16,616	3,742	(411)	16,708	87,217	(129)	1,320	8,848
Cost of risk[3]									
Stage 1	(0.3%)	(0.1%)	0.6%	0.0%	0.1%	(0.1%)	1.5%	0%	0.1%
Stage 2	(0.3%)	(3.1%)	0.6%	(9.1%)	1.2%	(0.4%)	(36.4%)	-	2.4%
Stage 3	52.1%	27.6%	20.1%	(31.2%)	18.7%	35.4%	(207.0%)	-	16.0%
Total	1.0%	1.3%	1.6%	(0.5%)	0.4%	0.8%	(6.1%)	0%	0.2%

[4]Total cost of risk for the Group 0.5%

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.3 Analysis of inputs to the ECL model under multiple economic scenarios (continued)

10.3.3.1 Summary of credit risk (continued)

31 December 2025	Loans and advances to customers								
BANK	**Corporate**	**SME**	**Micro**	**Mortgage**	**Personal**	**Total**	**Credit card**	**Other financial assets[1]**	**Off-balance sheet exposure**
In TZS' million									
Gross carrying amount									
Stage 1	5,894,324	2,114,847	220,848	94,793	4,394,852	12,719,664	2,887	4,365,290	6,130,336
Stage 2	151,317	57,426	7,569	2,358	43,178	261,848	463	-	30,532
Stage 3	140,650	89,376	9,302	3,069	91,456	333,853	437	-	2,463
Total	6,186,291	2,261,649	237,719	100,220	4,529,486	13,315,365	3,787	4,365,290	6,163,331
ECL									
Stage 1	827	8,614	838	17	8,100	18,396	54	17,872	9,472
Stage 2	5,656	1,139	94	52	10,508	17,449	242	-	609
Stage 3	95,240	33,898	1,297	352	71,194	201,981	436	-	396
Total	101,723	43,651	2,229	421	89,802	237,826	732	17,872	10,477
Amortized cost									
Stage 1	5,893,497	2,106,233	220,010	94,776	4,386,752	12,701,268	2,833	4,347,418	6,120,864
Stage 2	145,661	56,287	7,475	2,306	32,670	244,399	221	-	29,923
Stage 3	5,410	55,478	8,005	2,717	20,262	131,872	1	-	2,067
Total	6,084,568	2,217,998	235,490	99,799	4,439,684	13,077,539	3,055	4,347,418	6,152,854
Coverage ratio[2]									
Stage 1	0.01%	0.41%	0.38%	0.02%	0.18%	0.14%	1.87%	0.41%	0.15%
Stage 2	3.74%	1.98%	1.24%	2.21%	24.34%	6.66%	52.27%	0.00%	1.99%
Stage 3	67.71%	37.93%	13.94%	11.47%	77.85%	60.50%	99.77%	0.00%	16.08%
Total	1.64%	1.93%	0.94%	0.42%	1.98%	1.79%	19.33%	0.41%	0.17%
Impairment charge									
Stage 1	(392)	6,055	801	(34)	410	6,840	7	2,897	1,554
Stage 2	(9,646)	593	88	43	7,338	(1,584)	234	-	(697)
Stage 3	55,138	6,886	49	163	33,752	95,988	385	-	332
Total	45,100	13,534	938	172	41,500	101,244	626	2,897	1,189
Cost of risk[3]									
Stage 1	(0.01%)	0.29%	0.36%	(0.04%)	0.01%	0.05%	0.24%	0.07%	0.0%
Stage 2	(6.37%)	1.03%	1.16%	1.82%	16.99%	(0.60%)	50.54%	0.00%	(2.3%)
Stage 3	39.20%	7.70%	0.53%	5.31%	36.91%	28.75%	88.10%	0.00%	13.5%
Total	0.73%	0.60%	0.39%	0.17%	0.92%	0.76%	16.53%	0.07%	0.0%

[4]Total cost of risk for the Bank 0.4%

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.3 Analysis of inputs to the ECL model under multiple economic scenarios (continued)

10.3.3.1 Summary of credit risk (continued)

31 December 2024	Loans and advances to customers								
BANK	**Corporate**	**SME**	**Micro**	**Mortgage**	**Personal**	**Total**	**Credit card**	**Other financial assets[1]**	**Off-balance sheet exposure**
In TZS' million									
Gross carrying amount									
Stage 1	4,243,560	1,145,356	184,329	76,742	3,700,628	9,350,615	2,004	2,666,433	5,221,007
Stage 2	441,687	35,980	5,434	318	30,007	513,426	33	-	55,192
Stage 3	120,643	65,354	8,919	1,198	71,902	268,016	71	-	318
Total	4,805,890	1,246,690	198,682	78,258	3,802,537	10,132,057	2,108	2,666,433	5,276,517
ECL									
Stage 1	1,219	2,559	37	51	7,690	11,556	47	14,975	7,918
Stage 2	15,302	546	6	9	3,170	19,033	8	-	1,306
Stage 3	40,102	27,012	1,248	189	37,442	105,993	51	-	64
Total	56,623	30,117	1,291	249	48,302	136,582	106	14,975	9,288
Amortized cost									
Stage 1	4,242,341	1,142,797	184,292	76,691	3,692,938	9,339,059	1,957	2,651,458	5,213,089
Stage 2	426,385	35,434	5,428	309	26,837	494,393	25	-	53,886
Stage 3	80,541	38,342	7,671	1,009	34,460	162,023	20	-	254
Total	4,749,267	1,216,573	197,391	78,009	3,754,235	9,995,475	2,002	2,651,458	5,267,229
Coverage ratio[2]									
Stage 1	0.03%	0.22%	0.02%	0.07%	0.21%	0.12%	2.35%	0.56%	0.15%
Stage 2	3.46%	1.52%	0.11%	2.83%	10.56%	3.71%	24.24%	-	2.37%
Stage 3	33.24%	41.33%	13.99%	15.78%	52.07%	39.55%	71.83%	-	-
Total	1.18%	2.42%	0.65%	0.32%	1.27%	1.35%	5.03%	0.56%	0.18%
Impairment charge									
Stage 1	(12,788)	(907)	(115)	(8)	2,243	(11,575)	30	1,070	7,481
Stage 2	(1,243)	(1,137)	(64)	(29)	429	(2,044)	(12)	-	1,303
Stage 3	66,165	18,322	(12)	(374)	13,440	97,541	(147)	-	51
Total	52,134	16,278	(191)	(411)	16,112	83,922	(129)	1,070	8,835
Cost of risk[3]									
Stage 1	(0.3%)	(0.1%)	(0.1%)	0.0%	0.1%	(0.1%)	1.5%	0.04%	0.1%
Stage 2	(0.3%)	(3.2%)	(1.2%)	(9.1%)	14.3%	(0.4%)	(36.4%)	-	2.4%
Stage 3	54.8%	28.0%	(0.1%)	(31.2%)	18.7%	36.4%	(207.0%)	-	16.0%
Total	1.1%	1.3%	(0.1%)	(0.5%)	0.4%	0.8%	(6.1%)	0.04%	0.2%

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.3 Analysis of inputs to the ECL model under multiple economic scenarios (continued)

10.3.3.1 Summary of credit risk (continued)

[4]Total cost of risk for the Bank 0.5%

[1]Other financial assets subject to impairment" include due from banks, debt instruments at amortised cost, debt instruments at FVOCI and other assets (receivables)
[2]The coverage ratio is calculated as the total ECL allowance divided by gross carrying amount
[3]The cost of risk ratio is calculated as the impairment charge for the year divided by assets' gross carrying amount.
[4]Total cost of risk for the Group is calculated as the total ECL charge divided by loans and advances to customers, other financial assets and off-balance sheet as disclosed above.

10.3.3.2 Risk concentration in gross carrying amounts and corresponding ECL by segment, industry, and geographical location

The analysis is presented below:

GROUP												
31 December 2025	Gross Carrying amount				Allowances for ECL				ECL Coverage			
Segment	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Corporate	**6,249,762**	**158,872**	**157,250**	**6,565,884**	**2,498**	**5,713**	**95,718**	**103,929**	**0%**	**4%**	**61%**	**2%**
SME	**2,215,769**	**62,008**	**101,804**	**2,379,581**	**9,262**	**1,236**	**35,144**	**45,642**	**0%**	**2%**	**35%**	**2%**
Microfinance	**230,213**	**9,428**	**20,043**	**259,684**	**1,460**	**311**	**4,243**	**6,014**	**1%**	**3%**	**21%**	**2%**
Mortgage	**94,793**	**2,358**	**3,069**	**100,220**	**17**	**52**	**352**	**421**	**0%**	**2%**	**11%**	**0%**
Personal	**4,523,578**	**47,247**	**95,306**	**4,666,131**	**8,437**	**10,730**	**73,009**	**92,176**	**0%**	**23%**	**77%**	**2%**
Total	**13,314,115**	**279,913**	**377,472**	**13,971,500**	**21,674**	**18,042**	**208,466**	**248,182**	**0%**	**6%**	**55%**	**2%**
Industry												
Agriculture	**3,138,380**	**128,180**	**164,936**	**3,431,496**	**6,769**	**595**	**104,435**	**111,799**	**0%**	**0%**	**63%**	**3%**
Financial institutions	**36,826**	**166**	**105**	**37,097**	**193**	**2**	**19**	**214**	**1%**	**1%**	**18%**	**1%**
Hotels and restaurants	**107,314**	**633**	**4,731**	**112,678**	**88**	**40**	**472**	**600**	**0%**	**6%**	**10%**	**1%**
Individuals	**4,415,336**	**48,956**	**96,740**	**4,561,032**	**9,217**	**10,754**	**73,331**	**93,302**	**0%**	**22%**	**76%**	**2%**
Manufacturing	**674,707**	**1,021**	**5,257**	**680,985**	**55**	**1**	**10**	**66**	**0%**	**0%**	**0%**	**0%**
Others	**2,047,398**	**39,503**	**45,408**	**2,132,309**	**3,551**	**761**	**15,270**	**19,582**	**0%**	**2%**	**34%**	**1%**
Trading	**2,228,961**	**53,493**	**44,518**	**2,326,972**	**1,508**	**5,720**	**14,183**	**21,411**	**0%**	**11%**	**32%**	**1%**
Transport & communication	**666,273**	**7,961**	**14,697**	**688,931**	**293**	**169**	**746**	**1,208**	**0%**	**2%**	**5%**	**0%**
Total	**13,315,195**	**279,913**	**376,392**	**13,971,500**	**21,674**	**18,042**	**208,466**	**248,182**	**0%**	**6%**	**55%**	**2%**
Region												
Tanzania	**11,994,776**	**261,848**	**333,853**	**12,590,477**	**18,396**	**17,449**	**201,981**	**237,826**	**0%**	**7%**	**60%**	**2%**
Burundi	**1,210,413**	**15,787**	**28,503**	**1,254,703**	**3,099**	**593**	**5,512**	**9,204**	**0%**	**4%**	**19%**	**1%**
Congo	**108,926**	**2,278**	**15,116**	**126,320**	**179**	**-**	**973**	**1,152**	**0%**	**0%**	**6%**	**1%**
Total	**13,314,115**	**279,913**	**377,472**	**13,971,500**	**21,674**	**18,042**	**208,466**	**248,182**	**0%**	**6%**	**55%**	**2%**

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.3 Analysis of inputs to the ECL model under multiple economic scenarios (continued)

10.3.3.2 Risk concentration in gross carrying amounts and corresponding ECL by segment, industry and geographical location (continued)

The analysis is presented below:

GROUP												
In TZS' Million												
31 December 2024	Gross Carrying amount				Allowances for ECL				ECL Coverage			
Segment	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Corporate	4,455,204	442,491	121,227	5,018,922	2,623	15,302	40,101	58,026	0.1%	3.5%	33.1%	1.2%
SME	1,165,818	37,703	66,975	1,270,496	2,777	572	27,190	30,539	0.2%	1.5%	40.6%	2.4%
Microfinance	211,515	5,970	11,831	229,316	1,507	106	3,692	5,305	0.7%	1.8%	31.2%	2.3%
Mortgage	76,742	318	1,198	78,258	51	9	189	249	0.1%	2.8%	15.8%	0.3%
Personal	3,799,436	32,672	75,063	3,907,171	7,752	3,215	38,253	49,220	0.2%	9.8%	51.0%	1.3%
Total	9,708,715	519,154	276,294	10,504,163	14,710	19,204	109,425	143,339	0.2%	3.7%	39.6%	1.4%
Industry												
Agriculture	2,051,526	156,835	115,154	2,323,515	3,066	14,527	20,618	38,211	0.1%	9.3%	17.9%	1.6%
Financial institutions	96,744	525	168	97,437	812	41	39	892	0.8%	7.8%	23.2%	0.9%
Hotels and restaurants	67,419	47,084	5,935	120,438	64	276	5,065	5,405	0.1%	0.6%	85.3%	4.5%
Individuals	3,661,350	32,689	75,055	3,769,094	7,739	3,236	38,245	49,220	0.2%	9.9%	51.0%	1.3%
Manufacturing	784,603	93,939	3,638	882,180	68	282	439	789	0.0%	0.3%	12.1%	0.1%
Others	1,390,978	159,504	32,467	1,582,949	1,331	410	20,281	22,022	0.1%	0.3%	62.5%	1.4%
Trading	1,386,332	27,357	42,004	1,455,693	1,351	424	23,200	24,975	0.1%	1.5%	55.2%	1.7%
Transport and communication	269,763	1,221	1,873	272,857	279	8	1,538	1,825	0.1%	0.7%	82.1%	0.7%
Total	9,708,715	519,154	276,294	10,504,163	14,710	19,204	109,425	143,339	0.2%	3.7%	39.6%	1.4%
Region												
Tanzania	8,959,089	513,426	268,016	9,740,531	11,556	19,033	105,993	136,582	0.1%	3.7%	39.5%	1.4%
Burundi	743,918	5,728	8,278	757,924	3,154	171	3,432	6,757	0.4%	3.0%	41.5%	0.9%
Total	5,708	-	-	5,708	-	-	-	-	0.0%	0.0%	0.0%	0.0%

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.3 Analysis of inputs to the ECL model under multiple economic scenarios (continued)

10.3.3.2 Risk concentration in gross carrying amounts and corresponding ECL by segment, industry and geographical location (continued)

The analysis is presented below:

BANK												
In TZS' Million												
31 December 2025	Gross Carrying amount				Allowances for ECL				ECL Coverage			
Segment	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Corporate	5,894,324	151,317	140,650	6,186,291	827	5,656	95,240	101,723	0%	4%	68%	2%
SME	2,114,847	57,426	89,376	2,261,649	8,614	1,139	33,898	43,651	0%	2%	38%	2%
Microfinance	220,848	7,569	9,302	237,719	838	94	1,297	2,229	0%	1%	14%	1%
Mortgage	94,793	2,358	3,069	100,220	17	52	352	421	0%	2%	11%	0%
Personal	4,394,852	43,178	91,456	4,529,486	8,100	10,508	71,194	89,802	0%	24%	78%	2%
Total	**12,719,664**	**261,848**	**333,853**	**13,315,365**	**18,396**	**17,449**	**201,981**	**237,826**	**0%**	**7%**	**60%**	**2%**
Agriculture	2,693,889	126,444	153,608	2,973,941	6,230	398	101,558	108,186	0%	0%	66%	4%
Financial institutions	758,871	150	83	759,104	192	-	13	205	0%	0%	16%	0%
Hotels & restaurants	88,563	382	4,628	93,573	82	9	472	563	0%	2%	10%	1%
Individuals	4,261,124	42,897	91,548	4,395,569	8,069	10,470	71,150	89,689	0%	24%	78%	2%
Manufacturing	532,636	195	-	532,831	53	1	-	54	0%	1%	0%	0%
Others	1,880,073	37,372	38,717	1,956,162	2,381	736	14,265	17,382	0%	2%	37%	1%
Trading	2,157,337	49,290	40,276	2,246,903	1,108	5,666	13,777	20,551	0%	11%	34%	1%
Transport and communication	347,171	5,118	4,993	357,282	281	169	746	1,196	0%	3%	15%	0%
Total	**12,719,664**	**261,848**	**333,853**	**13,315,365**	**18,396**	**17,449**	**201,981**	**237,826**	**0%**	**7%**	**60%**	**2%**

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.3 Analysis of inputs to the ECL model under multiple economic scenarios (continued)

10.3.3.2 Risk concentration in gross carrying amounts and corresponding ECL by segment, industry and geographical location

The analysis is presented below;

BANK												
In TZS' Million												
31 December 2024	Gross Carrying amount				Allowances for ECL				ECL Coverage			
Segment	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Segment	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Corporate	4,243,560	441,687	120,643	4,805,890	1,219	15,302	40,102	56,623	0.0%	3.5%	33.2%	1.2%
SME	1,145,356	35,980	65,354	1,246,690	2,559	546	27,012	30,117	0.2%	1.5%	41.3%	2.4%
Microfinance	184,329	5,434	8,919	198,682	37	6	1,248	1,291	0.0%	0.1%	14.0%	0.6%
Mortgage	76,742	318	1,198	78,258	51	9	189	249	0.1%	2.8%	15.8%	0.3%
Personal	3,700,628	30,007	71,902	3,802,537	7,690	3,170	37,442	48,302	0.2%	10.6%	52.1%	1.3%
Total	**9,350,615**	**513,426**	**268,016**	**10,132,057**	**11,556**	**19,033**	**105,993**	**136,582**	**0.1%**	**3.7%**	**39.5%**	**1.3%**
Industry												
Agriculture	1,672,244	156,186	111,452	1,939,882	1,493	14,426	18,177	34,096	0.1%	9.2%	16.3%	1.8%
Financial institutions	464,370	525	84	464,979	43	41	10	94	0.0%	7.8%	11.9%	0.0%
Hotels & restaurants	66,769	47,084	5,935	119,788	55	276	5,065	5,396	0.1%	0.6%	85.3%	4.5%
Individuals	3,567,160	30,028	71,902	3,669,090	7,669	3,191	37,442	48,302	0.2%	10.6%	52.1%	1.3%
Manufacturing	697,306	93,134	3,623	794,063	44	281	434	759	0.0%	0.3%	12.0%	0.1%
Others	1,327,292	159,375	32,386	1,519,053	1,245	411	20,274	21,930	0.1%	0.3%	62.6%	1.4%
Trading	1,330,987	25,873	40,761	1,397,621	851	399	23,053	24,303	0.1%	1.5%	56.6%	1.7%
Transport and communication	224,487	1,221	1,873	227,581	156	8	1,538	1,702	0.1%	0.7%	82.1%	0.7%
Total	**9,350,615**	**513,426**	**268,016**	**10,132,057**	**11,556**	**19,033**	**105,993**	**136,582**	**0.1%**	**3.7%**	**39.6%**	**1.4%**

10.3.3.3 Analysis of stage 2 loans reflecting the criteria for inclusion in stage 2

An analysis of stage 2 balances at the reporting date reflecting the reasons for inclusion in stage 2 by class of loans and advances to customers (gross carrying amount and corresponding ECL) is presented below. For the purposes of this analysis, where balances satisfy more than one criterion for determining a significant increase in credit risk, the corresponding gross carrying amount and ECL have been assigned in the order of the categories presented, for example, accounts with PD deterioration may also trigger backstops, but are only reported under "PD movement". The indicators of significant increases in credit risk (SICR) are explained in Note 10.3.2.5.

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.3 Analysis of inputs to the ECL model under multiple economic scenarios (continued)

10.3.3.3 Analysis of Stage 2 loans reflecting the criteria for inclusion in Stage 2 (Continued)

In TZS' Million GROUP 31-Dec-25	Corporate	ECL	SME	ECL	Micro-finance	ECL	Mortgage	ECL	Personal	ECL	Credit card	ECL	Off-bal sheet exposures	ECL	Total Gross Carrying amount	ECL
Less than 30 Days past due																
- Forbearance support provided	12	1	3,083	174	-	-	-	-	40	13	-	-	-	-	3,135	188
- Other qualitative reasons	143,623	5,626	14,106	499	298	-	205	2	11,662	1,668	-	-	15,821	416	185,715	8,211
More than 30 days past due	15,237	86	44,819	563	9,130	311	2,153	50	35,545	9,049	463	242	14,711	193	122,058	10,494
Total	**158,872**	**5,713**	**62,008**	**1,236**	**9,428**	**311**	**2,358**	**52**	**47,247**	**10,730**	**463**	**242**	**30,532**	**609**	**310,908**	**18,893**
31 December 2024																
Less than 30 Days past due																
- Forbearance support provided	173,471	4,055	5,887	-	-	-	-	-	54	28	-	-	41,456	957	220,868	5,040
- Other qualitative reasons	251,948	10,922	4,341	68	74	1	-	-	16,615	1,074	-	-	12,744	326	285,722	12,391
More than 30 days past due	17,072	325	27,475	504	5,896	105	318	9	16,003	2,113	33	8	992	23	67,789	3,087
Total	442,491	15,302	37,703	572	5,970	106	318	9	32,672	3,215	33	8	55,192	1,306	574,379	20,518

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.3 Analysis of inputs to the ECL model under multiple economic scenarios (continued)

10.3.3.3 Analysis of Stage 2 loans reflecting the criteria for inclusion in Stage 2 (Continued)

In TZS' Million BANK 31-Dec-25	Corporate	ECL	SME	ECL	Micro-finance	ECL	Mortgage	ECL	Personal	ECL	Credit card	ECL	Off-bal sheet exposures	ECL	Total Gross Carrying amount	ECL
Less than 30 Days past due																
- Forbearance support provided	12	1	3,083	175	-	-	-	-	40	13	-	-	-	-	3,135	189
- Other qualitative reasons	143,509	5,626	13,192	465	131	-	205	2	11,575	1,892	-	-	15,821	416	184,433	8,401
More than 30 days past due	7,796	29	41,151	499	7,438	94	2,153	50	31,563	8,603	463	242	14,711	193	104,812	9,468
Total	**151,317**	**5,656**	**57,426**	**1,139**	**7,569**	**94**	**2,358**	**52**	**43,178**	**10,508**	**463**	**242**	**30,532**	**609**	**292,380**	**18,058**
31 December 2024																
Less than 30 Days past due																
- Forbearance support provided	173,471	4,055	5,887	-	-	-	-	-	54	28	-	-	41,456	957	220,868	5,040
- Other qualitative reasons	251,968	10,922	4,376	69	131	1	-	-	16,616	1,071	-	-	12,744	326	285,835	12,389
More than 30 days past due	16,248	325	25,717	477	5,303	5	318	9	13,337	2,071	33	8	992	23	61,948	2,918
Total	**441,687**	**15,302**	**35,980**	**546**	**5,434**	**6**	**318**	**9**	**30,007**	**3,170**	**33**	**8**	**55,192**	**1,306**	**568,651**	**20,347**

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.3 Analysis of inputs to the ECL model under multiple economic scenarios (continued)

10.3.3.4 Analysis of stage 3 loans

An analysis of stage 3 loans is presented below. The table shows loans less than 90 days past due and loans greater than 90 days past due by portfolio and stage, thus presenting the loans classified as stage 3 due to aging and those identified at an early stage due to other criteria. Stage 3 exposures are further analysed to indicate those that are no longer credit impaired but in a cure period that precedes a transfer back to stage 2.

In TZS' Million GROUP 31-Dec-25	Corporate	ECL	SME	ECL	Micro-finance	ECL	Mortgage	ECL	Personal	ECL	Credit card	ECL	Off-bal sheet exposures	ECL	Total Gross Carrying amount	ECL
Less than 90 days DPD	4,641	3,459	41,505	16,381	556	55	575	53	20,132	14,123	-	-	2,330	376	69,739	34,447
More than 90 days DPD	152,609	92,259	60,299	18,763	19,487	4,188	2,494	299	75,174	58,886	437	436	133	20	310,196	174,415
Total	157,250	95,718	101,804	35,144	20,043	4,243	3,069	352	95,306	73,009	437	436-	2,463	396	379,935	208,862
No longer impaired but in cure period	10,705	2,580	15,428	3,670	424	42	238	22	13,540	9,582	-	-	544	85	40,879	15,981
Other	146,545	93,138	86,376	31,474	19,619	4,201	2,831	330	81,766	63,427	437	436	1,919	311	339,056	192,881
31 December 2024																
Less than 90 days DPD	92,331	23,251	19,667	11,034	872	94	16	1	12,235	7,562	-	-	279	56	125,400	41,998
More than 90 days DPD	28,896	16,850	47,308	16,156	10,959	3,598	1,182	188	62,828	30,691	71	51	39	8	151,212	67,491
Total	**121,227**	**40,101**	**66,975**	**27,190**	**11,831**	**3,692**	**1,198**	**189**	**75,063**	**38,253**	**71**	**51**	**318**	**64**	**276,612**	**109,489**
No longer impaired but in cure period	2,900	2,043	9,587	3,324	458	49	16	1	9,807	4,941	-	-	205	41	22,973	10,399
Other	118,327	38,058	57,388	23,866	11,373	3,643	1,182	188	65,256	33,312	71	51	113	23	253,639	99,090

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.3 Analysis of inputs to the ECL model under multiple economic scenarios (continued)

10.3.3.4 Analysis of stage 3 loans (continued)

In TZS' Million BANK 31-Dec-25	Corporate	ECL	SME	ECL	Micro-finance	ECL	Mortgage	ECL	Personal	ECL	Credit card	ECL	Off-bal sheet exposures	ECL	Total Gross Carrying amount	ECL
Less than 90 days DPD	17,455	3,307	40,989	16,338	556	55	575	53	20,068	14,074	-	-	2,330	376	81,973	34,203
More than 90 days DPD	123,195	91,933	48,390	17,560	8,746	1,242	2,494	299	71,388	57,120	437	436	133	20	254,346	168,174
Total	140,650	95,240	89,379	33,898	9,302	1,297	3,069	352	91,456	71,194	437	436	2,463	396	336,319	202,377
No longer impaired but in cure period	10,705	2,580	15,428	3,670	424	42	238	22	13,540	9,582	-	-	544	85	40,879	15,981
Other	129,945	92,660	73,951	30,228	8,878	1,255	2,831	330	77,916	61,612	437	436	1,919	311	295,440	186,396
31 December 2024																
Less than 90 days DPD	105,081	23,250	32,940	11,034	872	94	16	1	18,032	7,478	-	-	279	56	157,220	41,913
More than 90 days DPD	28,256	16,852	45,543	15,978	9,116	1,154	1,269	188	59,970	29,964	71	51	39	8	144,193	64,193
Total	**133,337**	**40,102**	**78,483**	**27,012**	**9,988**	**1,248**	**1,285**	**189**	**78,002**	**37,442**	**71**	**51**	**318**	**64**	**301,413**	**106,106**
No longer impaired but in cure period	2,900	2,043	9,587	3,324	458	49	16	1	9,807	4,941	-	-	205	41	22,973	10,399
Other	130,437	38,057	68,896	23,688	9,530	1,199	1,269	188	68,195	32,552	71	51	113	23	278,440	95,707

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.3 Credit risk (continued)

10.3.4 Model adjustments

Assessment and impact on ECL measurement.

The Bank's models have been constructed and calibrated using historical trends and correlations as well as forward looking economic scenarios. Given the degree of uncertainty surrounding the current economic environment, and the potential limitations on reliable data to model the impact on the banking book, as well as operational and timing challenges in incorporating the latest available macroeconomic inputs into the ECL models, the use of judgmental adjustments was applied.

Management overlays

Management overlays are made to incorporate uncertainties resulting from macro-economic and other qualitative assessment considerations. The significant overlay relates to Stage 3 loans. Additional information and sensitivity analysis in respect of the inputs to the ECL model under multiple economic scenarios is provided in Note 10.3.3.
The Bank has incorporated all the relevant information calibrated in the model and applying management overlay. The below were among the factors which were taken into consideration:

- Changes to the economic outlook and the impact on macroeconomic scenarios and assumptions.
- Qualitative assessment in considering portfolio level credit risk analysis by accelerate provision to some customers on a case-by-case basis.
- Extension of payment term on modified financial assets.
- Assessment on significant increase in credit risk.

The Group has put in place a robust control in determining management overlays in the ECL computation. These controls involve regular reviews and approval of material overlay adjustment by senior management team.

Post-model adjustments and management overlays made in estimating the reported ECL for the Group as at 31 December 2025 are set out in the following table:

In TZS' Million	Modelled ECL	Management overlays	Total ECL	Adjustment as a % of total ECL
Corporate lending	101,671	2,258	103,929	2%
SME lending	41,395	4,247	45,642	9%
Microfinance lending	5,679	335	6,014	6%
Mortgage lending	414	7	421	2%
Personal lending	90,755	1,421	92,176	2%
Credit Card	721	11	732	2%
Off-balance sheet	12,587	147	12,734	1%
Total	**253,222**	**8,426**	**261,648**	**3%**

Overlay adjustments are reassessed and adjusted where required at every reporting date.
There was no overlay done for subsidiaries in the ECL assessment
No model adjustments/overlays were done for ECL relating to other financial instruments.

Management overlays made in estimating the reported ECL for the Group as at 31 December 2024 are set out in the following table:

In TZS' Million	Modelled ECL	Management overlays	Total ECL	Adjustment as a % of total ECL
Corporate lending	55,731	2,295	58,026	4%
SME lending	27,903	2,636	30,539	9%
Mortgage lending	5,118	187	5,305	4%
Microfinance lending	249	-	249	0%
Personal lending	49,192	28	49,220	0%
Credit Card	98	8	106	8%
Off-balance sheet	9,301	-	9,301	0%
Total	147,592	5,154	152,746	3%

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.3 Credit risk (continued)

10.3.5 Forborne and modified loans

Restructuring of loans with borrowers who are facing financial difficulty, which resulted in modification loss, has decreased during the year to TZS 5.3 billion (2024: TZS 6.4 billion).

Restructuring is a qualitative indicator of default and credit impairment, and expectations of restructuring are relevant to assessing whether there is a significant increase in credit risk. Following restructuring, a customer needs to demonstrate consistently good payment behaviour over a period before the exposure is no longer considered to be in default/credit-impaired or the PD is considered to have decreased such that the loss allowance reverts to being measured at an amount equal to 12-month ECLs.

During the year ended 31 December 2025 the bank restructured credit facilities for specific customers with liquidity constraints arising from business operations. The gross carrying amount of restructured loans which resulted into modification loss was TZS198,670 billion arising from business operations. All restructures were done within the regulatory and credit policy requirements.

The table below include stage 2 and 3 assets which were modified during the period with the related modification loss suffered by the Group and Bank.

Amount in TZS' Million	2025	2024
Amortised costs of financial assets that result into modification loss during the period (carrying amount)	198,670	212,942
Net modification gain/(loss)	5,273	6,412

The table below shows the gross carrying amount of previously modified financial assets for which loss allowance has changed to 12-month ECL measurement during the period for the Group and Bank.

31 December 2025			Amount in TZS' Million	
	Post modification		Pre-modification	
	Gross carrying amount	Corresponding ECL	Gross carrying amount	Corresponding ECL
Facilities that have been cured since modification and are now measured using 12-month ECL (Stage 1)	99,953	5,617	94,221	1,979
Facilities that reverted to (Stage 2/3) Lifetime ECL having once cured	47,072	7,352	115,749	4,906

31 December 2024			Amount in TZS' Million	
	Post modification		Pre-modification	
	Gross carrying amount	Corresponding ECL	Gross carrying amount	Corresponding ECL
Facilities that have been cured since modification and are now measured using 12-month ECL (Stage 1)	107,953	6,874	114,168	2,379
Facilities that reverted to (Stage 2/3) Lifetime ECL having once cured	67,072	8,364	125,950	5,507

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.6 Analysis of risk concentration

The following tables break down the Group's and Bank's main credit exposure as categorised by industry sector and geographical sectors as of 31 December 2025.

(a) Industry sectors

GROUP

In TZS' Million 31 December 2025	Financial institutions	Manufacturing	Government	Trading	Transport and communication	Hotel and restaurant	Agriculture	Individuals	Others	Total
Financial assets										
Balances with central bank*	**1,711,796**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,711,796**
Due from banks	**1,574,698**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,574,698**
Debt Instruments at FVOCI	**-**	**-**	**496,938**	**-**	**-**	**-**	**-**	**-**	**-**	**496,938**
Credit card		**-**	**-**	**-**	**-**	**-**	**-**	**3,055**	**-**	**3,055**
Loans and advances to customers										
- Corporate	**18,567**	**640,962**	**-**	**1,302,237**	**519,077**	**44,654**	**2,683,697**	**21,136**	**1,231,625**	**6,461,955**
- SME	**13,262**	**38,186**	**-**	**809,072**	**159,684**	**58,266**	**619,180**	**7,858**	**628,431**	**2,333,939**
- Microfinance	**4,964**	**1,772**	**-**	**193,407**	**8,961**	**9,158**	**16,806**	**13**	**18,589**	**253,670**
- Mortgage	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**537**	**99,262**	**99,799**
- Personal	**90**	**-**	**-**	**845**	**-**	**-**	**15**	**4,438,186**	**134,819**	**4,573,955**
Debt Instrument at amortized costs	**-**	**-**	**2,868,316**	**-**	**-**	**-**	**-**	**-**	**-**	**2,868,316**
Other assets**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**357,007**	**357,007**
	3,323,377	**680,920**	**3,365,254**	**2,305,561**	**687,722**	**112,078**	**3,319,698**	**4,470,785**	**2,469,733**	**20,735,128**
Off-Balance sheet items										
Guarantees	**108,224**	**22,428**	**-**	**330,980**	**8,894**	**-**	**78,614**	**1,256**	**2,259,637**	**2,810,033**
Letters of credit	**18,567**	**27,549**	**-**	**1,426,502**	**128,742**	**-**	**332,138**	**-**	**115,992**	**2,049,490**
Commitment to extend credit	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,470,750**	**1,470,750**
	126,791	**49,977**	**-**	**1,757,482**	**137,636**	**-**	**410,752**	**1,256**	**3,846,379**	**6,330,273**

*Cash and balances with central Bank do not include cash in hand

**Other assets (excludes prepayments, stock, and advanced payment for capital expenditure as they are not financial assets).

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.6 Analysis of risk concentration (continued)

(a) Industry sectors (continued)

GROUP

In TZS' Million 31 December 2025	Financial institutions	Manufacturing	Government	Trading	Transport and communication	Hotel and restaurant	Agriculture	Individuals	Others	Total
Financial assets										
Balances with central bank*	1,817,018	-	-	-	-	-	-	-	-	1,817,018
Due from banks	924,538	-	-	-	-	-	-	-	-	924,538
Debt Instruments at FVOCI	-	-	135,291	-	-	-	-	-	-	135,291
Credit card		-	-	-	-	-	-	2,002	-	2,002
Loans and advances to customers										-
- Corporate	62,496	868,122	-	740,663	179,420	72,823	2,029,082	509	1,007,781	4,960,896
- SME	8,941	11,427	-	528,344	84,009	34,640	244,747	-	327,849	1,239,957
- Microfinance	19,906	1,841	-	160,933	7,603	7,568	11,477	66	14,617	224,011
- Mortgage	-	-	-	-	-	-	-	-	78,009	78,009
- Personal	5,201	-	-	779	-	-	-	3,719,299	132,672	3,857,951
Debt Instrument at amortized costs	-	-	1,948,028	-	-	-	-	-	-	1,948,028
Other assets**	-	-	-	-	-	-	-	-	103,804	103,804
	2,838,100	881,390	2,083,319	1,430,719	271,032	115,031	2,285,306	3,721,876	1,664,732	15,291,505
Off-Balance sheet items										
Guarantees	21,303	47,211	-	223,444	7,531	35	27,902	398	2,481,672	2,809,496
Letters of credit	97,942	59,716	-	813,024	24,911	-	302,139	261	149,163	1,447,156
Commitment to extend credit	-	-	-	-	-	-	-	-	1,071,515	1,071,515
	119,245	106,927	-	1,036,468	32,442	35	330,041	659	3,702,350	5,328,167

*Cash and balances with central Bank do not include cash in hand
**Other assets (excludes prepayments, stock, and advanced payment for capital expenditure as they are not financial assets).

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.6 Analysis of risk concentration (continued)

(a) Industry sectors (continued)

BANK

In TZS' Million 31 December 2025	Financial institutions	Manufacturing	Government	Trading	Transport and communication	Hotel and restaurant	Agriculture	Individuals	Others	Total
Financial assets										
Balances with central bank*	**1,537,820**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,537,820**
Due from banks	**1,746,854**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,746,854**
Debt Instruments at FVOCI	**-**	**-**	**496,938**	**-**	**-**	**-**	**-**	**-**	**-**	**496,938**
Credit card		**-**	**-**	**-**	**-**	**-**	**-**	**3,055**	**-**	**3,055**
Loans and advances to customers										
- Corporate	**740,747**	**505,307**	**-**	**1,266,590**	**200,034**	**27,074**	**2,247,187**	**-**	**1,097,629**	**6,084,568**
- SME	**13,262**	**25,698**	**-**	**767,720**	**147,091**	**56,778**	**618,490**	**428**	**588,531**	**2,217,998**
- Microfinance	**4,890**	**1,772**	**-**	**192,042**	**8,961**	**9,158**	**78**	**-**	**18,589**	**235,490**
- Mortgage	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**537**	**99,262**	**99,799**
- Personal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,304,915**	**134,769**	**4,439,684**
Debt Instrument at amortized costs	**-**	**-**	**2,057,978**	**-**	**-**	**-**	**-**	**-**	**-**	**2,057,978**
Other assets**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**278,406**	**278,406**
	4,043,573	**532,777**	**2,554,916**	**2,226,352**	**356,086**	**93,010**	**2,865,755**	**4,308,935**	**2,217,186**	**19,198,590**
Off-Balance sheet items										
Guarantees	**108,224**	**22,428**	**-**	**330,388**	**8,894**	**-**	**78,614**	**1,256**	**2,234,260**	**2,784,064**
Letters of credit	**18,567**	**27,549**	**-**	**1,426,502**	**128,742**	**-**	**332,138**	**-**	**115,992**	**2,049,490**
Commitment to extend credit	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,319,300**	**1,319,300**
	126,791	**49,977**	**-**	**1,756,890**	**137,636**	**-**	**410,752**	**1,256**	**3,669,552**	**6,152,854**

*Cash and balances with central Bank do not include cash in hand
**Other assets (excludes prepayments, stock, and advanced payment for capital expenditure as they are not financial assets).

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.6 Analysis of risk concentration (continued)

(a) Industry sectors (continued)

BANK

In TZS' Million 31 December 2024	Financial institutions	Manufacturing	Government	Trading	Transport and communication	Hotel and restaurant	Agriculture	Individuals	Others	Total
Financial assets										
Balances with central bank*	1,629,511	-	-	-	-	-	-	-	-	1,629,511
Due from banks	918,759	-	-	-	-	-	-	-	-	918,759
Debt Instruments at FVOCI	-	-	135,291	-	-	-	-	-	-	135,291
Credit card		-	-	-	-	-	-	2,002	-	2,002
Loans and advances to customers										-
- Corporate	450,409	780,820	-	700,710	135,112	72,324	1,661,562	-	948,330	4,749,267
- SME	8,886	10,643	-	511,658	83,164	34,499	244,223	-	323,500	1,216,573
- Microfinance	5,589	1,841	-	160,172	7,603	7,568	-	-	14,618	197,391
- Mortgage	-	-	-	-	-	-	-	-	78,009	78,009
- Personal	-	-	-	779	-	-	-	3,620,787	132,669	3,754,235
Debt Instrument at amortized costs	-	-	1,507,906	-	-	-	-	-	-	1,507,906
Other assets**	-	-	-	-	-	-	-	-	90,840	90,840
	3,013,154	793,304	1,643,197	1,373,319	225,879	114,391	1,905,785	3,622,789	1,587,966	14,279,784
Off-Balance sheet items										
Guarantees	21,303	47,211	-	222,653	7,531	35	27,902	398	2,480,632	2,807,665
Letters of credit	97,942	59,716	-	813,024	24,911	-	302,139	261	149,163	1,447,156
Commitment to extend credit	-	-	-	-	-	-	-	-	1,012,408	1,012,408
	119,245	106,927	-	1,035,677	32,442	35	330,041	659	3,642,203	5,267,229

*Cash and balances with central Bank do not include cash in hand
**Other assets (excludes prepayments, stock, and advanced payment for capital expenditure as they are not financial assets).

For these tables, the Group and Bank have allocated exposures to regions based on the country of domicile of its counterparties.

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.6 Analysis of risk concentration (continued)

(b) Geographical sectors

GROUP

In TZS' Million 31 December 02025	Tanzania	Europe	America	Burundi	Congo	Others	Total
Financial assets							
Balances with central bank*	1,711,796	-	-	-		-	1,711,796
Due from banks	75,998	121,569	1,011,805	21,408	1,458	342,460	1,574,698
Debt Instruments at FVOCI	496,938	-	-	-		-	496,938
Credit card	3,055	-	-	-		-	3,055
Loans and advances to customers							
- Corporate	5,084,668	-	-	1,252,119	125,168	-	6,461,955
- SME	2,333,939	-	-	-		-	2,333,939
- Microfinance	253,670	-	-	-		-	253,670
- Mortgage	99,799	-	-	-		-	99,799
- Personal	4,573,955	-	-	-		-	4,573,955
Debt instrument at amortized cost	2,868,316	-	-	-		-	2,868,316
Other assets**	357,007	-	-	-		-	357,007
	17,859,141	121,569	1,011,805	1,273,527	126,626	342,460	20,735,128
Off balance sheet items							
Guarantees	2,810,033	-	-	-	-	-	2,810,033
Letters of credit	2,049,490	-	-	-	-	-	2,049,490
Commitment to extend credit	1,470,750	-	-	-	-	-	1,470,750
	6,330,273	-	-	-	-	-	6,330,273

*Cash and balances with central Bank do not include cash in hand
**Other assets (excludes prepayments, stock, and advanced payment for capital expenditure as they are not financial assets).

For these tables, the Group and Bank have allocated exposures to regions based on the country of domicile of its counterparties.

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.6 Analysis of risk concentration (continued)

(b) Geographical sectors (continued)

GROUP

In TZS' Million 31 December 2024	Tanzania	Europe	America	Burundi	Congo	Others	Total
Financial assets							
Balances with central bank*	1,817,018	-	-	-	-	-	1,817,018
Due from banks	41,073	257,323	346,796	39,405	-	239,941	924,538
Debt Instruments at FVOCI	135,291	-	-	-	-	-	135,291
Credit card	2,002	-	-	-	-	-	2,002
Loans and advances to customers							-
-Corporate	4,204,021	-	-	751,167	5,708	-	4,960,896
- SME	1,239,957	-	-	-	-	-	1,239,957
- Microfinance	224,011	-	-	-	-	-	224,011
- Mortgage	78,009	-	-	-	-	-	78,009
- Personal	3,857,951	-	-	-	-	-	3,857,951
Debt instrument at amortized cost	1,948,028	-	-	-	-	-	1,948,028
Other assets**	103,804	-	-	-	-	-	103,804
	13,651,165	257,323	346,796	790,572	5,708	239,941	15,291,505
Off balance sheet items							
Guarantees	2,809,496	-	-	-	-	-	2,809,496
Letters of credit	1,447,156	-	-	-	-	-	1,447,156
Commitment to extend credit	1,071,515	-	-	-	-	-	1,071,515
	5,328,167	-	-	-	-	-	5,328,167

*Cash and balances with central Bank do not include cash in hand
**Other assets (excludes prepayments, stock, and advanced payment for capital expenditure as they are not financial assets).

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.6 Analysis of risk concentration (continued)

(b) Geographical sectors (continued)

BANK

In TZS' Million 31 December 2025	Tanzania	Europe	America	Burundi	Others	Total
Financial assets						
Balances with central bank*	**1,537,820**	**-**	**-**	**-**	**-**	**1,537,820**
Due from banks	**75,998**	**121,569**	**1,010,481**	**240,238**	**298,568**	**1,746,854**
Debt Instruments at FVOCI	**496,938**	**-**	**-**	**-**	**-**	**496,938**
Credit card	**3,055**	**-**	**-**	**-**	**-**	**3,055**
Loans and advances to customers						**-**
- Corporate	**5,359,681**	**-**	**-**	**724,887**	**-**	**6,084,568**
- SME	**2,217,998**	**-**	**-**	**-**	**-**	**2,217,998**
- Microfinance	**235,490**	**-**	**-**	**-**	**-**	**235,490**
- Mortgage	**99,799**	**-**	**-**	**-**	**-**	**99,799**
- Personal	**4,439,684**	**-**	**-**	**-**	**-**	**4,439,684**
Debt instrument at amortized cost	**2,057,978**	**-**	**-**	**-**	**-**	**2,057,978**
Other assets**	**278,406**	**-**	**-**	**-**	**-**	**278,406**
	16,802,847	**121,569**	**1,010,481**	**965,125**	**298,568**	**19,198,590**
Off balance sheet items						
Guarantees	**2,784,064**	**-**	**-**	**-**	**-**	**2,784,064**
Letters of credit	**2,049,490**	**-**	**-**	**-**	**-**	**2,049,490**
Commitment to extend credit	**1,319,300**	**-**	**-**	**-**	**-**	**1,319,300**
	6,152,854	**-**	**-**	**-**	**-**	**6,152,854**

*Cash and balances with central Bank do not include cash in hand
**Other assets (excludes prepayments, stock, and advanced payment for capital expenditure as they are not financial assets).

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.6 Analysis of risk concentration (continued)

(b) Geographical sectors (continued)

BANK

In TZS' Million 31 December 2024	Tanzania	Europe	America	Burundi	Others	Total
Financial assets						
Balances with central bank*	1,629,511	-	-	-	-	1,629,511
Due from banks	41,073	257,323	346,796	103,929	169,638	918,759
Debt Instruments at FVOCI	135,291	-	-	-	-	135,291
Credit card	2,002	-	-	-	-	2,002
Loans and advances to customers						-
- Corporate	4,357,741	-	-	391,526	-	4,749,267
- SME	1,216,573	-	-	-	-	1,216,573
- Microfinance	197,391	-	-	-	-	197,391
- Mortgage	78,009	-	-	-	-	78,009
- Personal	3,754,235	-	-	-	-	3,754,235
Debt instrument at amortized cost	1,507,906	-	-	-	-	1,507,906
Other assets**	90,840	-	-	-	-	90,840
	13,010,572	257,323	346,796	495,455	169,638	14,279,784
Off balance sheet items						
Guarantees	2,807,665	-	-	-	-	2,807,665
Letters of credit	1,447,156	-	-	-	-	1,447,156
Commitment to extend credit	1,012,408	-	-	-	-	1,012,408
	5,267,229	-	-	-	-	5,267,229

*Cash and balances with central Bank do not include cash in hand
**Other assets (excludes prepayments, stock, and advanced payment for capital expenditure as they are not financial assets).

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.6 Analysis of risk concentration (continued)

(c) Credit quality per segments, industry and asset classes

GROUP
In TZS' Million

31 December 2025	Stage 1	Stage 2	Stage 3	Total
Financial assets				
Balance with central bank*	**1,711,796**	**-**	**-**	**1,711,796**
Due from banks	**1,574,698**	**-**	**-**	**1,574,698**
Debt instruments at FVOCI	**496,938**	**-**	**-**	**496,938**
Credit card	**2,833**	**221**	**1**	**3,055**
Loans and advances				
Corporate	**6,247,264**	**153,159**	**61,532**	**6,461,955**
SME	**2,206,507**	**60,772**	**66,660**	**2,333,939**
Microfinance	**228,753**	**9,117**	**15,800**	**253,670**
Mortgage	**94,776**	**2,306**	**2,717**	**99,799**
Personal loans	**4,515,141**	**36,517**	**22,297**	**4,573,955**
Debt instruments at amortised cost	**2,868,316**	**-**	**-**	**2,868,316**
Other assets**	**357,007**		**-**	**357,007**
	20,304,029	**262,092**	**169,007**	**20,735,128**
Off balance sheet				
Guarantees	**2,778,357**	**29,609**	**2,067**	**2,810,033**
Letters of credit	**2,049,176**	**314**	**-**	**2,049,490**
Commitments to extend credit	**1,470,750**	**-**	**-**	**1,470,750**
	6,298,283	**29,923**	**2,067**	**6,330,273**
Per industry				
Agriculture	**3,131,611**	**127,586**	**60,501**	**3,319,698**
Financial institutions	**3,323,127**	**164**	**86**	**3,323,377**
Government	**3,365,254**	**-**	**-**	**3,365,254**
Hotels and restaurants	**107,226**	**593**	**4,259**	**112,078**
Individuals	**4,408,952**	**38,423**	**23,410**	**4,470,785**
Manufacturing	**674,652**	**1,021**	**5,247**	**680,920**
Others	**2,399,774**	**38,741**	**31,218**	**2,469,733**
Trading	**2,227,453**	**47,773**	**30,335**	**2,305,561**
Transport and communication	**665,980**	**7,791**	**13,951**	**687,722**
	20,304,029	**262,092**	**169,007**	**20,735,128**

*Cash and balances with central Bank do not include cash in hand
**Other assets (excludes prepayments, stock, and advanced payment for capital expenditure as they are not financial assets).

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.3 Credit risk (continued)

10.3.6 Analysis of risk concentration (continued)

(c) Credit quality per segments, industry and asset classes (continued)

GROUP
In TZS' Million

31 December 2024	Stage 1	Stage 2	Stage 3	Total
Financial assets				
Balances with Central Bank*	1,817,018	-	-	1,817,018
Due from banks	924,538	-	-	924,538
Debt instruments at FVOCI	135,291	-	-	135,291
Credit cards	1,957	25	20	2,002
Loans and advances to customers				
Corporate	4,452,581	427,189	81,126	4,960,896
SME	1,163,041	37,131	39,785	1,239,957
Microfinance	210,008	5,864	8,139	224,011
Mortgage	76,691	309	1,009	78,009
Personal	3,791,684	29,457	36,810	3,857,951
Debt instruments at amortized cost	1,948,028	-	-	1,948,028
Other assets**	103,804	-	-	103,804
	14,624,641	**499,975**	**166,889**	**15,291,505**
Off balance sheet items:				
Guarantees	2,790,721	18,521	254	2,809,496
Letters of credit	1,411,791	35,365	-	1,447,156
Commitments to extend credit	1,071,515	-	-	1,071,515
	5,274,027	**53,886**	**254**	**5,328,167**
Per industry				
Financial institutions	2,048,461	142,308	94,536	2,285,305
Manufacturing	2,837,488	484	129	2,838,101
Government	2,083,319	-	-	2,083,319
Trading	67,353	46,808	870	115,031
Transport and communication	3,655,568	29,478	36,830	3,721,876
Hotels and restaurants	784,534	93,657	3,199	881,390
Agriculture	1,493,452	159,094	12,186	1,664,732
Individuals	1,384,982	26,933	18,804	1,430,719
Others	269,484	1,213	335	271,032
	14,624,641	**499,975**	**166,889**	**15,291,505**

*Cash and balances with central Bank do not include cash in hand
**Other assets (excludes prepayments, stock, and advanced payment for capital expenditure as they are not financial assets).

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.3 Credit risk (continued)

10.3.6 Analysis of risk concentration (continued)

(c) Credit quality per segments, industry and asset classes (continued)

BANK
In TZS' Million

31 December 2025	Stage 1	Stage 2	Stage 3	Total
Financial assets				
Balance with central bank*	1,537,820	-	-	1,537,820
Due from banks	1,746,854	-	-	1,746,854
Debt instruments at FVOCI	496,938	-	-	496,938
Credit card	2,833	221	1	3,055
Loans and advances				-
Corporate	5,893,497	145,661	45,410	6,084,568
SME	2,106,233	56,287	55,478	2,217,998
Microfinance	220,010	7,475	8,005	235,490
Mortgage	94,776	2,306	2,717	99,799
Personal loans	4,386,752	32,670	20,262	4,439,684
Debt instruments at amortised cost	2,057,978	-	-	2,057,978
Other assets**	278,406	-	-	278,406
	18,822,097	**244,620**	**131,873**	**19,198,590**
Off balance sheet				
Guarantees	2,752,388	29,609	2,067	2,784,064
Letters of credit	2,049,176	314	-	2,049,490
Commitments to extend credit	1,319,300	-	-	1,319,300
	6,120,864	**29,923**	**2,067**	**6,152,854**
Per industry				
Agriculture	2,687,659	126,046	52,050	2,865,755
Financial institutions	4,043,353	150	70	4,043,573
Government	2,554,916	-	-	2,554,916
Hotels and restaurants	88,481	373	4,156	93,010
Individuals	4,255,888	32,648	20,399	4,308,935
Manufacturing	532,583	194	-	532,777
Others	2,156,098	36,636	24,452	2,217,186
Trading	2,156,229	43,624	26,499	2,226,352
Transport and communication	346,890	4,949	4,247	356,086
	18,822,097	**244,620**	**131,873**	**19,198,590**

*Cash and balances with central Bank do not include cash in hand
**Other assets (excludes prepayments, stock, and advanced payment for capital expenditure as they are not financial assets).

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.3 Credit risk (continued)

10.3.6 Analysis of risk concentration (continued)

(c) Credit quality per segments, industry and asset classes (continued)

BANK
In TZS' Million

31-December-2024	Stage 1	Stage 2	Stage 3	Total
Financial assets				
Balance with central bank*	1,629,511	-	-	1,629,511
Due from banks	918,759	-	-	918,759
Debt instruments at FVOCI	135,291	-	-	135,291
Credit card	1,957	25	20	2,002
Loans and advances				-
Corporate	4,242,341	426,385	80,541	4,749,267
SME	1,142,797	35,434	38,342	1,216,573
Microfinance	184,292	5,428	7,671	197,391
Mortgage	76,691	309	1,009	78,009
Personal loans	3,692,938	26,837	34,460	3,754,235
Debt instruments at amortised cost	1,507,906	-	-	1,507,906
Other assets**	90,840	-	-	90,840
	13,623,323	494,418	162,043	14,279,784
Off balance sheet				
Guarantees	2,788,890	18,521	254	2,807,665
Letters of credit	1,411,791	35,365	-	1,447,156
Commitments to extend credit	1,012,408	-	-	1,012,408
	5,213,089	53,886	254	5,267,229
Per industry				
Financial institutions	1,670,750	141,760	93,275	1,905,785
Manufacturing	3,012,596	484	74	3,013,154
Government	1,643,197	-	-	1,643,197
Trading	66,713	46,808	870	114,391
Transport and communication	3,561,447	26,862	3	3,622,789
Hotel and restaurant	697,262	92,853	3,189	793,304
Agriculture	1,416,890	158,964	12,112	1,587,966
Individuals	1,330,137	25,474	17,708	1,373,319
Others	224,331	1,213	335	225,879
	13,623,323	494,418	162,043	14,279,784

*Cash and balances with central Bank do not include cash in hand
**Other assets (excludes prepayments, stock, and advanced payment for capital expenditure as they are not financial assets).

Despite the macroeconomic and geopolitical uncertainties, credit portfolio performance has been relatively stable in the year 2025. There was no material adverse impact on portfolio as per industry basis.

10.3.7 Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

The main types of collateral obtained are, as follows:

- For securities lending and reverse repurchase transactions, cash or securities
- For corporate and small business lending, charges over real estate properties, inventory and trade receivables and, in special circumstances, government guarantees
- For retail lending, mortgages over residential properties

The Bank also obtains guarantees from parent companies for loans to their subsidiaries. Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement.

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.3 Credit risk (continued)

10.3.7 Collateral and other credit enhancements

The exposure to any one borrower including banks is further restricted by sub-limits covering on- and off-balance sheet exposures. Actual exposures against limits are monitored daily. Exposure to credit risk is also managed through weekly analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits, where appropriate. Some other specific control and mitigation measures are outlined below.

(a) Collateral

The Group and Bank employ a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advanced, which is common practice. The Group and Bank implement guidelines on the acceptability of specific classes of collateral or credit risk mitigation. Collateralization requirement of 125% is applicable to Corporate, SMEs, Microfinance and Mortgage loans. Personal loans are practically unsecured in terms of physical securities.

The principal collateral types for loans and advances are:

- Mortgages over residential properties;
- Charges over business assets such as premises, inventory and accounts receivable; and charges over financial instruments such as debt securities and equities

Terms and conditions that apply for collateral held as securities

- The collateral must be mortgaged by the Bank.
- The borrower is required to pay the land rent if the pledged collateral is a landed property and insure the pledged collateral to a reputable insurance company
- In the event that the borrower defaults the pledged collateral can be ceased by the Bank and sold

The valuation and management of the collateral across all business units of the group are governed by the Group credit policy. Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement. To minimise the credit loss, the Group will seek additional collateral from the counterparty as soon as impairment indicators are noticed for the relevant individual loans and advances.

Collaterals pledged

The Group has pledged part of its Treasury bills and bonds to fulfil the collateral requirements of various short-term borrowings from other Banks. The Group also holds Treasury Bills and Bonds amounting TZS 298,364 million as at 31 December 2025 (2024: TZS 703,263 million) in respects of short-term borrowings extended to other banks. The Group has no control on collaterals pledged by other banks as it has an obligation to return the securities to the counterparties upon settlement of the loans, and it is not permitted to sell or repledge the collateral in the absence of default by the owner of the collateral. There are no other significant terms and conditions associated with the use of collateral.

Despite the impact of climate risks, macro-economic and geopolitical uncertainties there were no material adverse impact on the value of collaterals pledges as securities which were considered in the measurement of ECL.

Collateral repossessed

In its normal course of business, the Bank engages external agents to recover funds from repossessed properties or other assets in its retail portfolio, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the balance sheet and not treated as non–current assets held for sale.

(b) Credit-related commitments

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit carry the same credit risk as loans. Documentary and commercial letters of credit – which are written undertakings on behalf of a customer authorising a third party to draw drafts on a Bank up to a stipulated amount under specific terms and conditions – are collateralised by the underlying shipments of goods to which they relate and therefore carry less risk than a direct loan.

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.3 Credit risk (continued)

10.3.7 Collateral and other credit enhancements (continued)

(b) Credit-related commitments (continued)

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Group and Bank are potentially exposed to loss in amounts equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Group and Bank monitor the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

(c) Write-off

The Group may write-off financial assets that are still subject to enforcement activity while the Bank still seeks to recover amounts it is legally owned in full. The outstanding contractual amounts of such assets written off during the year ended 31 December 2025 was TZS 77,988 million (2024: TZS 104,092 million).

When entering new markets or new industries, to minimise the potential increase of credit risk exposure, the Group focused more on the business with large corporate enterprises or banks with good credit rating or retail customers providing sufficient collateral.

Collateral held against impaired loans is maintained at fair value. The valuation of collateral is monitored regularly and is tested after every three years.

Financial instruments whose carrying amounts represent the maximum exposure to credit risk without taking account of any collateral held or other credit enhancements are shown below: -

GROUP

In TZS' Million

	2025	%	2024	%
Financial assets:				
Balances with Central Bank	**1,711,796**	**6%**	1,817,018	9%
Due from banks	**1,574,698**	**6%**	924,538	4%
Debt instruments at FVOCI	**496,938**	**2%**	135,291	1%
Credit cards	**3,055.00**	**0%**	2,002	0%
Loans and advances to customers				0%
- Corporate	**6,461,955**	**24%**	4,960,896	24%
- SME	**2,333,939**	**9%**	1,239,957	6%
- Microfinance	**253,670**	**1%**	224,011	1%
- Mortgage	**99,799**	**0%**	78,009	0%
- Personal	**4,573,955**	**17%**	3,857,951	19%
Debt instruments at amortised cost	**2,868,316**	**11%**	1,948,028	9%
Other assets*	**357,007**	**2%**	103,804	0%
	20,735,128	**77%**	15,291,505	74%
Off-balance sheet items:				
Guarantees	**2,810,033**	**10%**	2,809,496	14%
Letters of credit	**2,049,490**	**8%**	1,447,156	7%
Commitments to extend credit	**1,470,750**	**5%**	1,071,515	5%
	6,330,273	**23%**	5,328,167	26%
	27,065,401	**100%**	20,619,672	100%

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.7 Collateral and other credit enhancements (continued)

(c) Write-off (continued)

BANK
In TZS' Million

	2025	%	2024	%
Financial assets:				
Balances with Central Bank	**1,537,820**	**6%**	1,629,511	8%
Due from banks	**1,746,854**	**7%**	918,759	5%
Debt instruments at FVOCI	**496,938**	**2%**	135,291	1%
Credit cards	**3,055**	**0%**	2,002	0%
Loans and advances to customers				
Corporate	**6,084,568**	**24%**	4,749,267	24%
SME	**2,217,998**	**9%**	1,216,573	6%
Microfinance	**235,490**	**1%**	197,391	1%
Mortgage	**99,799**	**0%**	78,009	0%
Personal	**4,439,684**	**17%**	3,754,235	19%
Debt instruments at amortised cost	**2,057,978**	**8%**	1,507,906	8%
Other assets*	**278,406**	**1%**	90,840	0%
	19,198,590	**76%**	14,279,784	73%
Off balance sheet items:				
Guarantees	**2,784,064**	**11%**	2,807,665	14%
Letters of credit	**2,049,490**	**8%**	1,447,156	7%
Commitments to extend credit	**1,319,300**	**5%**	1,012,408	5%
	6,152,854	**24%**	5,267,229	27%
	25,351,444	**100%**	19,547,013	100%

*Other assets (excludes prepayments, stock, and advanced payment for capital expenditure as they are not financial assets).

The Group loans and advances to customers and off-balance sheet items comprise of 76% (2024: 77%) of the total credit exposure. The Directors are confident in the ability to continue to minimize the credit risk to the Group and Bank. Due from banks are to reputable banks operating internationally or in Tanzania and East Africa, and as at December 2025 TZS 19.7 billion was held as collateral. The list of these banks and their nostro and placement accounts balances are shown below.

		GROUP		BANK	
		2025	2024	**2025**	2024
Name of Bank	**Country**	**TZS' Million**	TZS' Million	**TZS Million**	TZS Million
Citibank NY	USA	**555,819**	164,900	**554,495**	164,900
JP Morgan Chase Bank Na	USA	**455,986**	181,895	**455,986**	181,895
Afrexim	Egypt	**142,995**	148,107	**134,230**	148,107
Exim Bank (Tanzania) Ltd	Tanzania	**71,596**	-	**71,596**	-
DZ Bank	Germany	**59,536**	107,630	**59,536**	107,630
Commerzbank	Germany	**50,695**	97,222	**50,695**	97,222
Stanbic Bank	Tanzania	**49,385**	2,000	**49,385**	2,000
Azania Bank Limited	Tanzania	**25,303**	14,389	**25,303**	14,389
BGF	Burundi	**21,408**	39,405	**-**	-
Bank of Africa (T) Limited	Tanzania	**12,297**	-	**12,297**	-
Standard Chartered Bank	UK	**11,338**	2,500	**11,338**	2,500
Others	Worldwide	**118,340**	166,490	**321,993**	200,116
		1,574,698	924,538	**1,746,854**	918,759

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.3 Credit risk (continued)

10.3.7 Collateral and other credit enhancements (continued)

(c) Write-off (continued)

While collateral is an important mitigant to credit risk, the Group's underwriting policy ensures that loans are strictly granted on a going concern basis with adequate demonstration of repayment capacity. Other than exposures that are unsecured, all other facilities are secured by collateral in the form of charges over cash, land and buildings, marketable securities, plant, and machinery, amongst other.
The tables on the following pages show.

+ the maximum exposure to credit risk by class of financial asset. They also show the total fair value of collateral, any surplus collateral (the extent to which the fair value of collateral held is greater than the exposure to which it relates), and the net exposure to credit risk.
+ the analysis of the current fair values of collateral held and credit enhancements for stage 3 assets. Dependent on the level of collateral, some Stage 3 exposures may not have individual ECL when the expected value of the collateral, measured using multiple economic scenarios, is greater than the LGD. However, the Stage 3 ECL can be higher than net exposure shown below when the future value of collateral, measured using multiple economic scenarios, is lower than fair value at the reporting date.

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.7 Collateral and other credit enhancements (continued)

(c) Write-off (continued)

Type of collateral or credit enhancement for all financial instruments and associated ECL

GROUP — **Fair value of collateral and credit enhancements held**

In TZS' Million 31 December 2025	Maximum exposure to credit risk	Securities	3rd party/ Gov Guarantees	Property	Other	Surplus collateral	Total Collateral	Net Exposure	Associated ECL	% of exposure per collateral requirements
Balance with central bank	1,711,796	-	-	-	-	-	-	1,711,796	-	0%
Due from banks	1,574,698	-	-	-	-	-	-	1,574,698	1,228	0%
Debt instruments at FVOCI	496,938	-	-	-	-	-	-	496,938	67	0%
Credit card	3,055	-	-	-	-	-	-	3,055	718	0%
Loans and advances							-	-		
Corporate	6,461,955	1,295	977,283	11,758,351	3,544,668	(4,536,086)	11,745,511	-	103,929	182%
SME	2,333,939	52,989	84,981	3,040,903	1,329,505	(1,737,754)	2,770,624	-	6,014	119%
Microfinance	253,670	2,505	6,633	629,639	46,342	(328,126)	356,993	-	421	141%
Mortgage	99,799	7,833	-	154,802	3,724	(66,963)	99,396	403	92,176	100%
Personal loans	4,573,955	764,864	193	220,504	78,196	(76,748)	987,009	3,586,946	45,642	22%
Debt instruments at amortised cost	2,868,316	-	-	-	-	-	-	2,868,316	-	0%
Other assets	357,007	-	-	-	-	-	-	357,007	15,709	0%
Total Financial Assets	20,735,128	829,486	1,069,090	15,804,199	5,002,435	(6,745,677)	15,959,533	10,599,159	265,904	
Off-Balance sheet items										
Guarantees	2,810,033	-	1,552,087	-	376,965	(42,912)	1,886,140	923,893	7,244	67%
Letters of credit	2,049,490	-	113,706	-	673,852	(9,974)	777,584	1,271,906	5,490	38%
Commitments to extend credit	1,470,750	-	-	-	-	-	-	1,470,750	-	0%
	6,330,273	-	1,665,793	-	1,050,817	(52,886)	2,663,724	3,666,549	12,734	

Type of collateral or credit enhancement for all financial instruments and associated ECL

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.7 Collateral and other credit enhancements (continued)

(c) Write-off (continued)

GROUP

In TZS' Million 31 December 2024	Maximum exposure to credit risk	Fair value of collateral and credit enhancements held: Securities	3rd party/ Gov Guarantees	Property	Other	Surplus collateral	Total Collateral	Net Exposure	Associated ECL	% of exposure per collateral requirements
Financial assets										
Balance with central bank	1,817,018	-	-	-	-	-	-	1,817,018	-	-
Due from banks	924,538	-	-	-	-	-	-	924,538	891	-
Debt instruments at FVOCI	135,291	-	-	-	-	-	-	135,291	19	-
Credit card	2,002	-	-	-	-	-	-	2,002	106	-
Loans and advances								-		
Corporate	4,960,896	1,389,798	1,732,733	10,110,790	626,106	(3,101,211)	10,758,216	-	58,026	217%
SME	1,239,957	28,534	770,960	2,102,727	80,563	(1,164,614)	1,818,170	-	30,539	147%
Microfinance	224,011	6,992	48,950	678,657	1,680	(358,937)	377,342	-	5,305	168%
Mortgage	78,009	-	9,865	156,790	5,810	(68,090)	104,375	-	249	134%
Personal loans	3,857,951	13,745	56,692	159,744	385,584	(55,688)	560,077	3,297,874	49,220	15%
Debt instruments at amortised cost	1,948,028	-	-	-	-	-	-	1,948,028	429	-
Other assets	103,804	-	-	-	-	-	-	103,804	13,834	-
Total Financial Assets	15,291,505	1,439,069	2,619,200	13,208,708	1,099,743	(4,748,540)	13,618,180	8,228,555	158,618	
Off-Balance sheet items										
Guarantees	2,809,496	-	349,532	-	1,104,354	(8,426)	1,445,460	1,364,036	4,957	51%
Letters of credit	1,447,156	-	89	-	206,543	(5)	206,627	1,240,529	4,344	14%
Commitments to extend credit	1,071,515	-	-	-	-	-	-	1,071,515	-	0%
	5,328,167	-	349,621	-	1,310,897	(8,431)	1,652,087	3,676,080	9,301	

Type of collateral or credit enhancement for all financial instruments and associated ECL

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.7 Collateral and other credit enhancements (continued)

(c) Write-off (continued)

BANK — **Fair value of collateral and credit enhancements held**

In TZS' Million 31 December 2025	Maximum exposure to credit risk	Securities	3rd party/Gov Guarantees	Property	Other	Surplus collateral	Total Collateral	Net Exposure	Associated ECL	% of exposure per collateral requirements
Balance with central bank	1,537,820	-	-	-	-	-	-	1,537,820	-	0%
Due from banks	1,746,854	-	-	-	-	-	-	1,746,854	1,228	0%
Debt instruments at FVOCI	496,938	-	-	-	-	-	-	496,938	67	0%
Credit card	3,055	-	-	-	-	-	-	3,055	718	0%
Loans and advances	-						-			
Corporate	6,084,568	1,295	859,705	5,863,207	2,372,124	(2,522,384)	6,573,947	-	101,723	108%
SME	2,217,998	52,989	84,981	2,736,547	1,303,767	(1,606,868)	2,571,416	-	43,651	116%
Microfinance	235,490	2,505	6,633	628,382	46,250	(327,622)	356,148	-	2,229	151%
Mortgage	99,799	7,833	-	154,802	3,724	(66,963)	99,396	403	421	100%
Personal loans	4,439,684	764,864	193	159,381	71,283	(55,325)	940,396	3,499,288	89,802	21%
Debt instruments at amortised cost	2,057,978	-	-	-	-	-	-	2,057,978	1,164	0%
Other assets	278,406	-	-	-	-	-	-	278,406	15,461	0%
Total Financial Assets held at amortised cost	19,198,590	829,486	951,512	9,542,319	3,797,148	(4,579,162)	10,541,303	9,620,742	256,464	
Off Balance sheet Items										
Guarantees	2,784,064	-	1,552,087	-	374,293	(42,912)	1,883,468	900,596	4,987	68%
Letters of credit	2,049,490	-	113,706	-	673,852	(9,974)	777,584	1,271,906	5,490	38%
Commitments to extend credit	1,319,300	-	-	-	-	-	-	1,319,300	-	0%
	6,152,854	-	1,665,793	-	1,048,145	(52,886)	2,661,052	3,491,802	10,477	

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.7 Collateral and other credit enhancements (continued)

(c) Write-off (continued)

Type of collateral or credit enhancement for all financial instruments and associated ECL

BANK — **Fair value of collateral and credit enhancements held**

In TZS' Million 31 December 2024	Maximum exposure to credit risk	Securities	3rd party/Gov Guarantees	Property	Other	Surplus collateral	Total Collateral	Net Exposure	Associated ECL	% of exposure per collateral requirements
Balance with central bank	1,629,511	-	-	-	-	-	-	1,629,511	-	0%
Due from banks	918,759	-	-	-	-	-	-	918,759	891	0%
Debt instruments at FVOCI	135,291	-	-	-	-	-	-	135,291	-	0%
Credit card	2,002	-	-	-	-	-	-	2,002	101	0%
Loans and advances	-						-			
Corporate	4,749,267	1,389,798	1,711,494	4,515,557	6,919	(2,210,145)	5,413,623	-	56,623	114%
SME	1,216,573	28,534	770,960	2,083,598	64,315	(1,157,255)	1,790,152	-	30,117	147%
Microfinance	197,391	6,992	48,950	678,657	1,680	(358,937)	377,342	-	1,291	191%
Mortgage	78,009	-	9,865	155,890	3,663	(68,090)	101,328	-	249	130%
Personal loans	3,754,235	13,745	56,692	144,359	364,555	(55,358)	523,993	3,230,242	48,302	14%
Debt instruments at amortised cost	1,507,906	-	-	-	-	-	-	1,507,906	429	0%
Other assets	90,840	-	-	-	-	-	-	90,840	13,637	0%
Total Financial Assets held at amortised cost	14,279,784	1,439,069	2,597,961	7,578,061	441,132	(3,849,785)	8,206,438	7,514,551	151,640	
Off Balance sheet Items										
Guarantees	2,807,665	-	349,532	-	1,102,885	(8,426)	1,443,991	1,363,674	4,944	51%
Letters of credit	1,447,156	-	89	-	206,543	(5)	206,627	1,240,529	4,344	14%
Commitments to extend credit	1,012,408	-	-	-	-	-	-	1,012,408	-	0%
	5,267,229	-	349,621	-	1,309,428	(8,431)	1,650,618	3,616,611	9,288	

The below tables provide an analysis of the current fair values of collateral held and credit enhancements for stage 3 assets. Dependent on the level of collateral, some Stage 3 exposures may not have individual ECL when the expected value of the collateral, measured using multiple economic scenarios, is greater than the LGD. However, the Stage 3 ECL can be higher than net exposure shown below when the future value of collateral, measured using multiple economic scenarios, is lower than fair value at the reporting date.

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.7 Collateral and other credit enhancements (continued)

(c) Write-off (continued)

GROUP — **Fair value of collateral and credit enhancements held under base case scenario**

In TZS' Million 31 December 2025	Maximum exposure to credit risk	Securities	3rd party/ gov guaran-tees	Property	Other	Surplus collateral	Total collateral	Net exposure	Associated ECL
Financial assets									
Loans and advances to customers									
Corporate	**61,532**	**-**	**-**	**105,137**	**474,610**	**(104,540)**	**475,207**	**-**	**95,718**
SME	**66,660**	**363**	**265**	**220,962**	**57,179**	**(108,274)**	**170,495**	**-**	**35,144**
Microfinance	**15,800**	**-**	**556**	**42,108**	**908**	**(21,702)**	**21,870**	**-**	**4,243**
Mortgage	**2,717**	**-**	**-**	**5,438**	**157**	**(2,495)**	**3,100**	**-**	**352**
Personal	**22,297**	**1,860**	**3**	**5,091**	**831**	**(1,934)**	**5,851**	**16,446**	**73,009**
	169,006	**2,223**	**824**	**378,736**	**533,685**	**(238,945)**	**676,523**	**16,446**	**208,466**
Off-Balance Sheet Items Guarantees	**2,067**	**-**	**-**	**-**	**-**	**-**	**-**	**2,067**	**-**
	563,161	**4,083**	**827**	**389,265**	**534,673**	**(243,374)**	**685,474**	**34,959**	**282,907**
31 December 2024									
Corporate	81,126	-	-	220,058	15,868	(71,420)	164,506	-	40,101
SME	39,785	100	300	127,268	26,993	(61,661)	93,000	-	27,190
Microfinance	8,139	-	440	31,304	3,502	(16,158)	19,088	-	3,692
Mortgage	1,009	-	-	1,995	-	(854)	1,141	-	189
Personal	36,810	368	271	1,887	766	(848)	2,444	37,341	38,253
	166,869	468	1,011	382,512	47,129	(150,941)	280,179	37,341	109,425
Off-Balance Sheet Items									
Guarantees	254	-	-	-	-	-	-	254	64
	254	-	-	-	-	-	-	254	64

The below tables provide an analysis of the current fair values of collateral held and credit enhancements for stage 3 assets. Dependent on the level of collateral, some Stage 3 exposures may not have individual ECL when the expected value of the collateral, measured using multiple economic scenarios, is greater than the LGD. However, the Stage 3 ECL can be higher than net exposure shown below when the future value of collateral, measured using multiple economic scenarios, is lower than fair value at the reporting date.

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.7 Collateral and other credit enhancements (continued)

(c) Write-off (continued)

BANK **Fair value of collateral and credit enhancements held under base case scenario**

In TZS' Million	Maximum exposure to credit risk	Securities	3rd party/ gov guaran-tees	Property	Other	Surplus collateral	Total collat-eral	Net exposure	Associated ECL
31 December 2025									
Financial assets									
Loans and advances to customers									
Corporate	**45,410**	**-**	**-**	**78,462**	**22,218**	**(19,880)**	**80,800**	**(35,390)**	**95,240**
SME	**55,478**	**363**	**265**	**197,846**	**48,650**	**(95,609)**	**151,515**	**-**	**33,898**
Microfinance	**8,005**	**-**	**556**	**41,236**	**908**	**(21,352)**	**21,348**	**-**	**1,297**
Mortgage	**2,717**	**-**	**-**	**5,438**	**157**	**(2,495)**	**3,100**	**-**	**352**
Personal loans	**20,262**	**1,860**	**3**	**2,827**	**831**	**(1,148)**	**4,373**	**15,889**	**71,194**
	131,872	**2,223**	**824**	**325,809**	**72,764**	**(140,484)**	**261,136**	**(19,501)**	**201,981**
Off-Balance Sheet Items									
Guarantees	**2,067**	**-**	**-**	**-**	**-**	**-**	**-**	**2,067**	**-**
	156,918	**4,083**	**827**	**334,074**	**73,752**	**(144,127)**	**268,609**	**(1,545)**	**273,527**
31 December 2024									
Corporate	80,541	-	-	219,452	13,223	(71,420)	161,255	-	40,102
SME	38,342	100	300	123,730	26,675	(60,767)	90,038	-	27,012
Microfinance	7,671	-	440	30,404	3,502	(15,913)	18,433	-	1,248
Mortgage	1,009	-	-	1,995	-	(854)	1,141	-	189
Personal	34,460	368	271	1,326	44	(588)	1,421	33,039	37,442
	162,023	468	1,011	376,907	43,444	(149,542)	272,288	33,039	105,993
Off-Balance Sheet Items									
Guarantees	254	-	-	-	-	-	-	254	64
	254	-	-	-	-	-	-	254	64

Below table shows financial instruments for which an entity has not recognised a loss allowance because of the collateral.

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.7 Collateral and other credit enhancements (continued)

(c) Write-off (continued)

GROUP
case scenario

Fair value of collateral and credit enhancements held under base

In TZS' Million 31 December 2025	Maximum exposure to credit risk	Securities	3rd party/ gov guarantees	Property	Other	Surplus collateral	Total collateral	Net exposure
Financial assets								
Loans and advances to customers								
Corporate	**3,430,677**	**-**	**267,753**	**9,736,243**	**2,728,700**	**(3,480,787)**	**9,251,909**	**-**
SME	**787,618**	**42,833**	**25,717**	**1,990,230**	**955,537**	**(1,133,343)**	**1,880,974**	**-**
Microfinance	**118,724**	**2,250**	**-**	**523,575**	**32,892**	**(273,583)**	**285,134**	**-**
Mortgage	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Personal	**367,068**	**668,525**	**-**	**134,408**	**62,724**	**(40,872)**	**824,785**	**-**
	4,704,087	**713,608**	**293,470**	**12,384,456**	**3,779,853**	**(4,928,585)**	**12,242,802**	**-**
Off Balance sheet Items								
Guarantees	**369,205**	**-**	**712,030**	**-**	**57,826**	**(19,687)**	**750,169**	**-**
Letters of credit	**141,848**	**-**	**35,273**	**-**	**374,798**	**(6,592)**	**403,479**	**-**
	511,053	**-**	**747,303**	**-**	**432,624**	**(26,279)**	**1,153,648**	**-**
31 December 2024								
Financial assets								
Loans and advances to customers								
Corporate	2,909,630	1,828	1,393,569	8,491,095	1,628,718	(2,379,119)	9,136,091	-
SME	543,221	61,429	10,623	1,446,209	576,100	(788,260)	1,306,101	-
Microfinance	127,854	1,442	-	588,690	36,472	(311,121)	315,483	-
Mortgage	-	-	-	-	-	-	-	-
Personal	235,890	339,328	703	38,383	70,509	(14,080)	434,843	-
	3,816,595	404,027	1,404,895	10,564,377	2,311,799	(3,492,580)	11,192,518	-
Off Balance sheet Items								
Guarantees	421,128	-	278,017	-	260,302	(6,700)	531,619	-
Letters of credit	88,347	-	-	-	138,020	-	138,020	-
	509,475	-	278,017	-	398,322	(6,700)	669,639	-

The below table shows financial instruments for which an entity has not recognised a loss allowance because of the collateral.

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.7 Collateral and other credit enhancements (continued)

(c) Write-off (continued)

BANK — **Fair value of collateral and credit enhancements held under base case scenario**

In TZS' Million 31 December 2025	Maximum exposure to credit risk	Securities	3rd party/ gov guarantees	Property	Other	Surplus collateral	Total collateral	Net exposure
Financial assets								
Loans and advances to customers	2,831,928	-	264,099	3,946,467	1,892,503	(1,559,266)	4,543,803	-
Corporate	725,056	42,833	25,717	1,733,282	939,454	(1,025,244)	1,716,042	-
SME	118,414	2,250	-	522,634	32,800	(273,206)	284,478	-
Microfinance	-	-	-	-	-	-	-	-
Mortgage	349,749	668,525	-	84,817	60,872	(23,693)	790,521	-
Personal	4,025,147	713,608	289,816	6,287,200	2,925,629	(2,881,409)	7,334,844	-
Off Balance sheet Items	368,716	-	712,030	-	55,295	(19,687)	747,638	-
Guarantees	141,848	-	35,273	-	374,798	(6,592)	403,479	-
Letters of credit	510,564	-	747,303	-	430,093	(26,279)	1,151,117	-
31 December 2024								
Financial assets								
Loans and advances to customers								
Corporate	2,392,536	1,828	1,372,330	2,898,858	1,097,749	(1,501,208)	3,869,557	-
SME	531,814	61,429	10,623	1,428,875	560,404	(781,444)	1,279,887	-
Microfinance	127,854	1,442	-	588,327	35,972	(311,121)	314,620	-
Mortgage	-	-	-	-	-	-	-	-
Personal	218,700	339,328	703	23,213	52,151	(11,129)	404,266	-
	3,270,904	404,027	1,383,656	4,939,273	1,746,276	(2,604,902)	5,868,330	-
Off Balance sheet Items								
Guarantees	420,342	-	278,017	-	259,490	(6,700)	530,807	-
Letters of credit	88,347	-	-	-	138,020	-	138,020	-
	508,689		278,017		397,510	(6,700)	668,827	

The table below summarises the gross carrying amount for loans and advances of stage 2 and 3 and associated collateral.

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.7 Collateral and other credit enhancements (continued)

(c) Write-off (continued)

GROUP

In TZS' Million	Gross carrying amount			Collateral			Net exposure		
31 December 2025	**Total**	**Stage 2**	**Stage 3**	**Total**	**Stage 2**	**Stage 3**	**Total**	**Stage 2**	**Stage 3**
Corporate	**6,565,884**	**158,872**	**157,250**	**11,745,511**	**178,154**	**475,207**	**-**	**-**	**-**
SME	**2,379,581**	**62,008**	**101,804**	**2,770,624**	**102,561**	**170,495**	**-**	**-**	**-**
Microfinance	**259,684**	**9,428**	**20,043**	**356,993**	**17,192**	**21,870**	**-**	**-**	**-**
Mortgage	**100,220**	**2,358**	**3,069**	**99,396**	**5,828**	**3,100**	**824**	**-**	**-**
Personal	**4,666,131**	**47,247**	**95,306**	**987,009**	**4,815**	**5,851**	**3,679,122**	**42,432**	**89,455**
Total	**13,971,500**	**279,913**	**377,472**	**15,959,533**	**308,550**	**676,523**	**3,679,946**	**42,432**	**89,455**
Off-Balance Sheet Items									
Guarantees	**2,817,277**	**30,218**	**2,463**	**1,886,140**	**908**	**-**	**931,137**	**29,310**	**2,463**
Letters of credit	**2,054,980**	**314**	**-**	**777,584**	**-**	**-**	**1,277,396**	**314**	**-**
	4,872,257	**30,532**	**2,463**	**2,663,724**	**908**	**-**	**2,208,533**	**29,624**	**2,463**
31 December 2024									
Corporate	5,018,922	442,491	121,227	10,758,216	634,243	164,895	-	-	-
SME	1,270,496	37,703	66,975	1,818,170	47,071	92,999	-	-	-
Mortgage	229,316	5,970	11,831	377,342	12,668	19,088	-	-	-
Personal	78,258	318	1,198	104,375	300	1,141	-	18	57
Microfinance	3,907,171	32,672	75,063	560,077	2,676	2,444	3,347,094	29,996	72,619
Total	10,504,163	519,154	276,294	13,618,180	696,958	280,567	3,347,094	30,014	72,676
Off-Balance Sheet Items									
Guarantees	2,814,453	18,803	318	1,445,460	76	-	1,368,993	18,727	318
Letters of credit	1,451,500	36,389	-	206,627	-	-	1,244,873	36,389	-
	4,265,953	55,192	318	1,652,087	76	-	2,613,866	55,116	318

The table below summarises the gross carrying amount for loans and advances of stage 2 and 3 and associated collateral.

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.7 Collateral and other credit enhancements (continued)

(c) Write-off (continued)

BANK

In TZS' Million

	Gross carrying amount			Collateral			Net exposure		
31 December 2025	**Total**	**Stage 2**	**Stage 3**	**Total**	**Stage 2**	**Stage 3**	**Total**	**Stage 2**	**Stage 3**
Corporate	**6,186,291**	**151,317**	**140,650**	**6,573,947**	**166,589**	**80,800**	**-**	**-**	**59,850**
SME	**2,261,649**	**57,426**	**89,376**	**2,571,416**	**99,428**	**151,515**	**-**	**-**	**-**
Microfinance	**237,719**	**7,569**	**9,302**	**356,148**	**17,192**	**21,348**	**-**	**-**	**-**
Mortgage	**100,220**	**2,358**	**3,069**	**99,396**	**5,828**	**3,100**	**824**	**-**	**-**
Personal	**4,529,486**	**43,178**	**91,456**	**940,396**	**1,469**	**4,373**	**3,589,090**	**41,709**	**87,083**
	13,315,365	**261,848**	**333,853**	**10,541,303**	**290,506**	**261,136**	**3,589,914**	**41,709**	**146,933**
Off-Balance Sheet Items									
Guarantees	**2,789,051**	**30,218**	**2,463**	**1,883,468**	**908**	**-**	**905,583**	**29,310**	**2,463**
Letters of credit	**2,054,980**	**314**	**-**	**777,584**	**-**	**-**	**1,277,396**	**314**	**-**
	4,844,031	**30,532**	**2,463**	**2,661,052**	**908**	**-**	**2,182,979**	**29,624**	**2,463**
31 December 2024									
Corporate	4,805,890	441,687	120,643	5,413,623	633,011	161,255	-	-	-
SME	1,246,690	35,980	65,354	1,790,152	45,072	90,037	-	-	-
Mortgage	198,682	5,434	8,919	377,342	12,668	18,433	-	-	-
Personal	78,258	318	1,198	101,328	300	1,141	-	18	57
Microfinance	3,802,537	30,007	71,902	523,993	2,226	1,421	3,278,544	27,781	70,481
Total	10,132,057	513,426	268,016	8,206,438	693,277	272,287	3,278,544	27,799	70,538
Off-Balance Sheet Items									
Guarantees	2,812,609	18,803	318	1,443,991	76	-	1,368,618	18,727	318
Letters of credit	1,451,500	36,389	-	206,627	-	-	1,244,873	36,389	-
	4,264,109	55,192	318	1,650,618	76	-	2,613,491	55,116	318

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.8 Analysis of loans and advances to customers

Loans and advances based on internal rating are summarised as follows:

GROUP In TZS' Million				
31 December 2025	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Current	**13,314,115**	**-**	**-**	**13,314,115**
Especially mentioned	**-**	**279,913**	**-**	**279,913**
Sub-standard	**-**	**-**	**103,491**	**103,491**
Doubtful	**-**	**-**	**201,834**	**201,834**
Loss	**-**	**-**	**72,147**	**72,147**
Gross Carrying amount	**13,314,115**	**279,913**	**377,472**	**13,971,500**
ECL allowance	**(21,674)**	**(18,042)**	**(208,466)**	**(248,182)**
Net Loans and advances to customers	**13,292,441**	**261,871**	**169,006**	**13,723,318**
31 December 2024				
Current	**9,708,715**	**-**	**-**	**9,708,715**
Especially mentioned	**-**	**519,154**	**-**	**519,154**
Sub-standard	**-**	**-**	**60,319**	**60,319**
Doubtful	**-**	**-**	**156,539**	**156,539**
Loss	**-**	**-**	**59,436**	**59,436**
Gross Carrying amount	**9,708,715**	**519,154**	**276,294**	**10,504,163**
ECL allowance	**(14,710)**	**(19,204)**	**(109,425)**	**(143,339)**
Net Loans and advances to customers	**9,694,005**	**499,950**	**166,869**	**10,360,824**

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.8 Analysis of loans and advances to customers (continued)

Loans and advances based on internal rating are summarised as follows:

BANK In TZS' Million				
31 December 2025	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Current	**12,719,664**	**-**	**-**	**12,719,664**
Especially mentioned	**-**	**261,848**	**-**	**261,848**
Sub-standard	**-**	**-**	**73,264**	**73,264**
Doubtful	**-**	**-**	**193,767**	**193,767**
Loss		**-**	**66,822**	**66,822**
Gross Carrying amount	**12,719,664**	**261,848**	**333,853**	**13,315,365**
ECL allowance	**(18,396)**	**(17,449)**	**(201,981)**	**(237,826)**
Net Loans and advances to customers	**12,701,268**	**244,399**	**131,872**	**13,077,539**
31 December 2024				
Current	**9,350,615**	**-**	**-**	**9,350,615**
Especially mentioned	**-**	**513,426**	**-**	**513,426**
Sub-standard	**-**	**-**	**57,387**	**57,387**
Doubtful	**-**	**-**	**152,083**	**152,083**
Loss		**-**	**58,546**	**58,546**
Gross Carrying amount	**9,350,615**	**513,426**	**268,016**	**10,132,057**
ECL allowance	**(11,556)**	**(19,033)**	**(105,993)**	**(136,582)**
Net Loans and advances to customers	**9,339,059**	**494,393**	**162,023**	**9,995,475**

The total impairment provision for loans and advances represents both individually impaired loans and loans assessed on a portfolio basis.

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.8 Analysis of loans and advances to customers (continued)

Corporate lending

An analysis of Loans and advances based on internal rating in relation to corporate lending is, as follows:

GROUP In TZS' Million 31 December 2025	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
Current	**6,249,762**	**-**	**-**	**6,249,762**
Especially mentioned	**-**	**158,872**	**-**	**158,872**
Sub-standard	**-**	**-**	**25,990**	**25,990**
Doubtful	**-**	**-**	**126,386**	**126,386**
Loss	**-**	**-**	**4,874**	**4,874**
Gross Carrying amount	**6,249,762**	**158,872**	**157,250**	**6,565,884**
ECL allowance	**(2,498)**	**(5,713)**	**(95,718)**	**(103,929)**
Net Loans and advances to customers	**6,247,264**	**153,159**	**61,532**	**6,461,955**
Current	**4,455,204**	**-**	**-**	**4,455,204**
Especially mentioned	**-**	**442,491**	**-**	**442,491**
Sub-standard	**-**	**-**	**1,909**	**1,909**
Doubtful	**-**	**-**	**104,782**	**104,782**
Loss	**-**	**-**	**14,536**	**14,536**
Gross Carrying amount	**4,455,204**	**442,491**	**121,227**	**5,018,922**
ECL allowance	**(2,623)**	**(15,302)**	**(40,101)**	**(58,026)**
Net Loans and advances to customers	**4,452,581**	**427,189**	**81,126**	**4,960,896**

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.8 Analysis of loans and advances to customers (continued)

SME lending

An analysis of Loans and advances based on internal rating in relation to SME lending is, as follows:

GROUP In TZS' Million 31 December 2025	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
Current	**2,215,769**	**-**	**-**	**2,215,769**
Especially mentioned	**-**	**62,008**	**-**	**62,008**
Sub-standard	**-**	**-**	**48,117**	**48,117**
Doubtful	**-**	**-**	**34,810**	**34,810**
Loss	**-**	**-**	**18,877**	**18,877**
Gross Carrying amount	**2,215,769**	**62,008**	**101,804**	**2,379,581**
ECL allowance	**(9,262)**	**(1,236)**	**(35,144)**	**(45,642)**
Net Loans and advances to customers	**2,206,507**	**60,772**	**66,660**	**2,333,939**
31 December 2024				
Current	1,165,818	-	-	1,165,818
Especially mentioned	-	37,703	-	37,703
Sub-standard	-	-	30,452	30,452
Doubtful	-	-	22,714	22,714
Loss	-	-	13,809	13,809
Gross Carrying amount	1,165,818	37,703	66,975	1,270,496
ECL allowance	(2,777)	(572)	(27,190)	(30,539)
Net Loans and advances to customers	1,163,041	37,131	39,785	1,239,957

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.3 Credit risk (continued)

10.3.8 Analysis of loans and advances to customers (continued)

Microfinance lending

An analysis of Loans and advances based on internal rating in relation to Microfinance lending is, as follows:

GROUP In TZS' Million 31 December 2025	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
Current	**230,213**	**-**	**-**	**230,213**
Especially mentioned	**-**	**9,428**	**-**	**9,428**
Sub-standard	**-**	**-**	**6,392**	**6,392**
Doubtful	**-**	**-**	**7,572**	**7,572**
Loss	**-**	**-**	**6,079**	**6,079**
Gross Carrying amount	**230,213**	**9,428**	**20,043**	**259,684**
ECL allowance	**(1,460)**	**(311)**	**(4,243)**	**(6,014)**
Net Loans and advances to customers	**228,753**	**9,117**	**15,800**	**253,670**
31 December 2024				
Current	211,515	-	-	211,515
Especially mentioned	-	5,970	-	5,970
Sub-standard	-	-	5,202	5,202
Doubtful	-	-	5,116	5,116
Loss	-	-	1,513	1,513
Gross Carrying amount	211,515	5,970	11,831	229,316
ECL allowance	(1,507)	(106)	(3,692)	(5,305)
Net Loans and advances to customers	210,008	5,864	8,139	224,011

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.8 Analysis of loans and advances to customers (continued)

Mortgage lending

An analysis of Loans and advances based on internal rating in relation to Mortgage lending is, as follows:

GROUP In TZS' Million				
31 December 2025	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Current	**94,793**	**-**	**-**	**94,793**
Especially mentioned	**-**	**2,358**	**-**	**2,358**
Sub-standard	**-**	**-**	**1,367**	**1,367**
Doubtful	**-**	**-**	**1,451**	**1,451**
Loss	**-**	**-**	**251**	**251**
Gross Carrying amount	**94,793**	**2,358**	**3,069**	**100,220**
ECL allowance	**(17)**	**(52)**	**(352)**	**(421)**
Net Loans and advances to customers	**94,776**	**2,306**	**2,717**	**99,799**
31 December 2024				
Current	76,742	-	-	76,742
Especially mentioned	-	318	-	318
Sub-standard	-	-	948	948
Doubtful	-	-	250	250
Loss	-	-	-	-
Gross Carrying amount	76,742	318	1,198	78,258
ECL allowance	(51)	(9)	(189)	(249)
Net Loans and advances to customers	76,691	309	1,009	78,009

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.8 Analysis of loans and advances to customers (continued)

Personal lending

An analysis of Loans and advances based on internal rating in relation to Personal lending is, as follows:

GROUP In TZS' Million				
31 December 2025	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Current	**4,523,578**	**-**	**-**	**4,523,578**
Especially mentioned	**-**	**47,247**	**-**	**47,247**
Sub-standard	**-**	**-**	**21,625**	**21,625**
Doubtful	**-**	**-**	**31,615**	**31,615**
Loss	**-**	**-**	**42,066**	**42,066**
Gross Carrying amount	**4,523,578**	**47,247**	**95,306**	**4,666,131**
ECL allowance	**(8,437)**	**(10,730)**	**(73,009)**	**(92,176)**
Net Loans and advances to customers	**4,515,141**	**36,517**	**22,297**	**4,573,955**
As at 31 December 2024				
Current	3,799,436	-	-	3,799,436
Especially mentioned	-	32,672	-	32,672
Sub-standard	-	-	21,808	21,808
Doubtful	-	-	23,677	23,677
Loss	-	-	29,578	29,578
Gross Carrying amount	3,799,436	32,672	75,063	3,907,171
ECL allowance	(7,752)	(3,215)	(38,253)	(49,220)
Net Loans and advances to customers	3,791,684	29,457	36,810	3,857,951

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.3 Credit risk (continued)

10.3.8 Analysis of loans and advances to customers (continued)

Corporate lending

An analysis of Loans and advances based on internal rating in relation to corporate lending is, as follows:

BANK In TZS' Million				
31 December 2025	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Current	**5,894,324**	**-**	**-**	**5,894,324**
Especially mentioned	**-**	**151,317**	**-**	**151,317**
Sub-standard	**-**	**-**	**11,580**	**11,580**
Doubtful	**-**	**-**	**124,971**	**124,971**
Loss	**-**	**-**	**4,099**	**4,099**
Gross Carrying amount	**5,894,324**	**151,317**	**140,650**	**6,186,291**
ECL allowance	**(827)**	**(5,656)**	**(95,240)**	**(101,723)**
Net Loans and advances to customers	**5,893,497**	**145,661**	**45,410**	**6,084,568**
31 December 2024				
Current	4,243,560	-	-	4,243,560
Especially mentioned	-	441,687	-	441,687
Sub-standard	-	-	1,570	1,570
Doubtful	-	-	104,537	104,537
Loss	-	-	14,536	14,536
Gross Carrying amount	4,243,560	441,687	120,643	4,805,890
ECL allowance	(1,219)	(15,302)	(40,102)	(56,623)
Net Loans and advances to customers	4,242,341	426,385	80,541	4,749,267

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.3 Credit risk (continued)

10.3.8 Analysis of loans and advances to customers (continued)

SME lending

An analysis of Loans and advances based on internal rating in relation to SME lending is, as follows:

BANK In TZS' Million				
31 December 2025	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Current	**2,114,847**	**-**	**-**	**2,114,847**
Especially mentioned	**-**	**57,426**	**-**	**57,426**
Sub-standard	**-**	**-**	**36,662**	**36,662**
Doubtful	**-**	**-**	**34,438**	**34,438**
Loss	**-**	**-**	**18,276**	**18,276**
Gross Carrying amount	**2,114,847**	**57,426**	**89,376**	**2,261,649**
ECL allowance	**(8,614)**	**(1,139)**	**(33,898)**	**(43,651)**
Net Loans and advances to customers	**2,106,233**	**56,287**	**55,478**	**2,217,998**
As at 31 December 2024				
Current	1,145,356	-	-	1,145,356
Especially mentioned	-	35,980	-	35,980
Sub-standard	-	-	29,827	29,827
Doubtful	-	-	22,169	22,169
Loss	-	-	13,358	13,358
Gross Carrying amount	1,145,356	35,980	65,354	1,246,690
ECL allowance	(2,559)	(546)	(27,012)	(30,117)
Net Loans and advances to customers	1,142,797	35,434	38,342	1,216,573

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.8 Analysis of loans and advances to customers (continued)

Microfinance lending

An analysis of Loans and advances based on internal rating in relation to Microfinance lending is, as follows:

BANK In TZS' Million				
31 December 2025	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Current	**220,848**	**-**	**-**	**220,848**
Especially mentioned	**-**	**7,569**	**-**	**7,569**
Sub-standard	**-**	**-**	**3,621**	**3,621**
Doubtful	**-**	**-**	**3,070**	**3,070**
Loss	**-**	**-**	**2,611**	**2,611**
Gross Carrying amount	**220,848**	**7,569**	**9,302**	**237,719**
ECL allowance	**(838)**	**(94)**	**(1,297)**	**(2,229)**
Net Loans and advances to customers	**220,010**	**7,475**	**8,005**	**235,490**
31 December 2024				
Current	184,329	-	-	184,329
Especially mentioned	-	5,434	-	5,434
Sub-standard	-	-	4,113	4,113
Doubtful	-	-	3,293	3,293
Loss	-	-	1,513	1,513
Gross Carrying amount	184,329	5,434	8,919	198,682
ECL allowance	(37)	(6)	(1,248)	(1,291)
Net Loans and advances to customers	184,292	5,428	7,671	197,391

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.8 Analysis of loans and advances to customers (continued)

Mortgage lending

An analysis of Loans and advances based on internal rating in relation to Mortgage lending is, as follows:

BANK In TZS' Million				
31 December 2025	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Current	**94,793**	**-**	**-**	**94,793**
Especially mentioned	**-**	**2,358**	**-**	**2,358**
Sub-standard	**-**	**-**	**1,367**	**1,367**
Doubtful	**-**	**-**	**1,451**	**1,451**
Loss	**-**	**-**	**251**	**251**
Gross Carrying amount	**94,793**	**2,358**	**3,069**	**100,220**
ECL allowance	**(17)**	**(52)**	**(352)**	**(421)**
Net Loans and advances to customers	**94,776**	**2,306**	**2,717**	**99,799**
31 December 2024				
Current	76,742	-	-	76,742
Especially mentioned	-	318	-	318
Sub-standard	-	-	948	948
Doubtful	-	-	250	250
Loss	-	-	-	-
Gross Carrying amount	76,742	318	1,198	78,258
ECL allowance	(51)	(9)	(189)	(249)
Net Loans and advances to customers	76,691	309	1,009	78,009

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.3 Credit risk (continued)

10.3.8 Analysis of loans and advances to customers (continued)

Personal lending

An analysis of Loans and advances based on internal rating in relation to Personal lending is, as follows:

BANK In TZS' Million				
31 December 2025	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Current	**4,394,852**	**-**	**-**	**4,394,852**
Especially mentioned	**-**	**43,178**	**-**	**43,178**
Sub-standard	**-**	**-**	**20,034**	**20,034**
Doubtful	**-**	**-**	**29,837**	**29,837**
Loss	**-**	**-**	**41,585**	**41,585**
Gross Carrying amount	**4,394,852**	**43,178**	**91,456**	**4,529,486**
ECL allowance	**(8,100)**	**(10,508)**	**(71,194)**	**(89,802)**
Net Loans and advances to customers	**4,386,752**	**32,670**	**20,262**	**4,439,684**
31 December 2024				
Current	3,700,628	-	-	3,700,628
Especially mentioned	-	30,007	-	30,007
Sub-standard	-	-	20,929	20,929
Doubtful	-	-	21,834	21,834
Loss	-	-	29,139	29,139
Gross Carrying amount	3,700,628	30,007	71,902	3,802,537
ECL allowance	(7,690)	(3,170)	(37,442)	(48,302)
Net Loans and advances to customers	3,692,938	26,837	34,460	3,754,235

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.3 Credit risk (continued)

10.3.8 Analysis of loans and advances to customers (continued)

Personal lending (continued)

An analysis of changes in the gross carrying amount for the Group is, as follows:

GROUP

Loans and advances to customers at amortised cost

In TZS' Million	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2025	**9,708,715**	**519,154**	**276,294**	**10,504,163**
Changes in the gross carrying amount	**-**	**-**	**-**	**-**
– Transfer to stage 1	**130,603**	**(121,821)**	**(8,782)**	**-**
– Transfer to stage 2	**(272,233)**	**278,635**	**(6,402)**	**-**
– Transfer to stage 3	**(338,893)**	**(23,526)**	**362,419**	**-**
New financial assets originated or purchased	**7,681,878**	**-**	**-**	**7,681,878**
Payments received and financial assets derecognised	**(3,914,319)**	**(378,987)**	**(207,293)**	**(4,500,599)**
Foreign exchange adjustments	**40,700**	**3,078**	**1,486**	**45,264**
Effects of modification	**28,687**	**(1,519)**	**6,496**	**33,664**
Accrued Interest	**248,977**	**4,899**	**31,242**	**285,118**
Write-offs	**-**	**-**	**(77,988)**	**(77,988)**
Gross carrying amount as at 31 December 2025	**13,314,115**	**279,913**	**377,472**	**13,971,500**
Loss allowance as at 31 December 2025	**21,674**	**18,042**	**208,466**	**248,182**
Gross carrying amount as at 1 January 2024	8,078,025	269,390	219,351	8,566,766
Changes in the gross carrying amount	-	-	-	-
– Transfer to stage 1	32,670	(28,785)	(3,885)	-
– Transfer to stage 2	(510,712)	511,765	(1,053)	-
– Transfer to stage 3	(252,031)	(27,772)	279,803	-
New financial assets originated or purchased	5,749,331	-	-	5,749,331
Payments received and financial assets derecognised	(3,453,531)	(221,974)	(126,721)	(3,802,226)
Foreign exchange adjustments	(68,044)	(2,952)	(3,337)	(74,333)
Effects of modification	1,282	3,403	(3,869)	816
Accrued Interest	131,725	16,079	20,097	167,901
Write-offs	-	-	(104,092)	(104,092)
Gross carrying amount as at 31 December 2024	9,708,715	519,154	276,294	10,504,163
Loss allowance as at 31 December 2024	14,710	19,204	109,425	143,339

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.3 Credit risk (continued)

10.3.8 Analysis of loans and advances to customers (continued)

Personal lending (continued)

An analysis of changes in the corresponding ECL allowances for the Group is, as follows:

GROUP

Loss allowances - Loans and advances to customers at amortised cost

In TZS' Million	Stage 1	Stage 2	Stage 3	Total
Loss allowance as at 1 January 2025	**14,710**	**19,204**	**109,425**	**143,339**
Changes in the loss allowance				
– Transfer to stage 1	**5,802**	**(2,125)**	**(3,677)**	**-**
– Transfer to stage 2	**(10,146)**	**12,735**	**(2,589)**	**-**
– Transfer to stage 3	**(139,165)**	**(1,453)**	**140,617**	**(1)**
– Write-offs	**-**	**-**	**(77,988)**	**(77,988)**
New financial assets originated or purchased	**162,644**	**-**	**-**	**162,644**
Payments received and financial assets that have been derecognised	**(6,904)**	**(15,356)**	**(41,427)**	**(63,687)**
Unwind discount	**2,304**	**449**	**3,649**	**6,402**
Impact on ECL Transfers	**(7,476)**	**5,145**	**81,028**	**78,697**
Effects of modification	**(95)**	**(557)**	**(1,494)**	**(2,146)**
Foreign exchange adjustments	**-**	**-**	**922**	**922**
Loss allowance as at 31 December 2025	**21,674**	**18,042**	**208,466**	**248,182**
Loss allowance as at 1 January 2024	23,189	21,211	78,873	123,273
Changes in the loss allowance	-	-	-	-
– Transfer to stage 1	3,070	(1,107)	(1,963)	-
– Transfer to stage 2	(17,742)	18,252	(510)	-
– Transfer to stage 3	(55,814)	(2,218)	58,032	-
– Write-offs	-	-	(104,092)	(104,092)
New financial assets originated or purchased	79,303	-	-	79,303
Payments received and financial assets that have been derecognised	(7,024)	(17,940)	(7,034)	(31,998)
Unwind discount	1,751	123	2,295	4,169
Impact on ECL Transfers	(11,859)	776	83,338	72,255
Effects of modification	(164)	107	486	429
Loss allowance as at 31 December 2024	14,710	19,204	109,425	143,339

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.8 Analysis of loans and advances to customers (continued)

Personal lending (continued)

An analysis of changes in the gross carrying amount and the corresponding ECL allowances for the Bank is, as follows:

BANK

Loans and advances to customers at amortised cost

In TZS' Million	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2025	**9,350,615**	**513,426**	**268,016**	**10,132,057**
Changes in the gross carrying amount	**-**	**-**	**-**	**-**
– Transfer to stage 1	**125,555**	**(118,382)**	**(7,173)**	**-**
– Transfer to stage 2	**(253,467)**	**259,691**	**(6,224)**	**-**
– Transfer to stage 3	**(290,994)**	**(22,703)**	**321,307**	**7,610**
New financial assets originated or purchased	**7,166,687**	**-**	**-**	**7,166,687**
Payments received and financial assets derecognised	**(3,655,221)**	**(376,241)**	**(201,176)**	**(4,232,638)**
Foreign exchange adjustments	**32,528**	**3,076**	**1,486**	**37,090**
Effects of modification	**26,600**	**(1,519)**	**6,496**	**31,577**
Accrued interest	**217,361**	**4,500**	**28,786**	**250,647**
Write-offs	**-**	**-**	**(77,665)**	**(77,665)**
Gross carrying amount as at 31 December 2025	**12,719,664**	**261,848**	**333,853**	**13,315,365**
Loss allowance as at 31 December 2025	**18,396**	**17,449**	**201,981**	**237,826**
Gross carrying amount as at 1 January 2024	7,677,254	263,251	217,826	8,158,331
Changes in the gross carrying amount	-	-	-	-
– Transfer to stage 1	30,462	(26,873)	(3,589)	-
– Transfer to stage 2	(505,986)	506,983	(997)	-
– Transfer to stage 3	(244,170)	(26,702)	270,872	-
New financial assets originated or purchased	5,585,132	-	-	5,585,132
Payments received and financial assets derecognised	(3,255,092)	(219,578)	(124,141)	(3,598,811)
Foreign exchange adjustments	(57,148)	(2,952)	(3,337)	(63,437)
Effects of modification	3,282	3,403	(3,869)	2,816
Accrued interest	116,881	15,894	19,227	152,002
Write-offs	-	-	(103,976)	(103,976)
Gross carrying amount as at 31 December 2024	9,350,615	513,426	268,016	10,132,057
Loss allowance as at 31 December 2024	11,556	19,033	105,993	136,582

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.3 Credit risk (continued)

10.3.8 Analysis of loans and advances to customers (continued)

Personal lending (continued)

An analysis of changes in the corresponding ECL allowances for the Bank is, as follows:

BANK

Loss allowances - Loans and advances to customers at amortised cost

In TZS' Million	Stage 1	Stage 2	Stage 3	Total
Loss allowance as at 1 January 2025	**11,556**	**19,033**	**105,993**	**136,582**
Changes in the loss allowance				
– Transfer to stage 1	**5,093**	**(2,077)**	**(3,016)**	**-**
– Transfer to stage 2	**(9,854)**	**12,378**	**(2,524)**	**-**
– Transfer to stage 3	**(137,154)**	**(1,374)**	**138,528**	**-**
– Write-offs	**-**	**-**	**(77,665)**	**(77,665)**
New financial assets originated or purchased	**159,558**	**-**	**-**	**159,558**
Payments received and financial assets that have been derecognised	**(4,710)**	**(15,322)**	**(40,658)**	**(60,690)**
Unwind discount	**1,991**	**428**	**3,168**	**5,587**
Impact on ECL Transfers	**(7,989)**	**4,940**	**78,727**	**75,678**
Effects of modification	**(95)**	**(557)**	**(1,494)**	**(2,146)**
Foreign exchange adjustments	**-**	**-**	**922**	**922**
Loss allowance as at 31 December 2025	**18,396**	**17,449**	**201,981**	**237,826**
Loss allowance as at 1 January 2024	23,131	21,077	78,573	122,781
Changes in the loss allowance	-	-	-	-
– Transfer to stage 1	2,966	(1,054)	(1,912)	-
– Transfer to stage 2	(17,601)	18,100	(499)	-
– Transfer to stage 3	(54,099)	(2,199)	56,298	-
– Write-offs	-	-	(103,976)	(103,976)
New financial assets originated or purchased	75,017	-	-	75,017
Payments received and financial assets that have been derecognised	(6,998)	(17,881)	(6,979)	(31,858)
Unwind discount	1,732	120	2,280	4,132
Impact on ECL Transfers	(12,428)	763	81,722	70,057
Effects of modification	(164)	107	486	429
Loss allowance as at 31 December 2024	11,556	19,033	105,993	136,582

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.8 Analysis of loans and advances to customers (continued)

Corporate lending

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to corporate lending is, as follows:

GROUP

Loans and advances to customers at amortised cost

In TZS' Million	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2025	**4,455,204**	**442,491**	**121,227**	**5,018,922**
Changes in the gross carrying amount				
– Transfer to stage 1	**112,885**	**(112,885)**	**-**	**-**
– Transfer to stage 2	**(157,987)**	**161,974**	**(3,987)**	**-**
– Transfer to stage 3	**(160,003)**	**(9,696)**	**169,699**	**-**
New financial assets originated or purchased	**3,564,974**	**-**	**-**	**3,564,974**
Payments received and financial assets derecognised	**(1,757,193)**	**(326,382)**	**(118,791)**	**(2,202,366)**
Exchange rate adjustments	**39,760**	**3,067**	**1,463**	**44,290**
Effects of modification	**2,949**	**(971)**	**8,150**	**10,128**
Accrued interest	**149,173**	**1,274**	**7,319**	**157,766**
Write-offs	**-**	**-**	**(27,830)**	**(27,830)**
Gross carrying amount as at 31 December 2024	**6,249,762**	**158,872**	**157,250**	**6,565,884**
Loss allowance as at 31 December 2025	**2,498**	**5,713**	**95,718**	**103,929**
Gross carrying amount as at 1 January 2024	3,719,286	162,249	135,925	4,017,460
Changes in the gross carrying amount				-
– Transfer to stage 1	11,795	(11,795)	-	-
– Transfer to stage 2	(430,154)	430,154	-	-
– Transfer to stage 3	(119,150)	(8,848)	127,998	-
New financial assets originated or purchased	2,683,495	-	-	2,683,495
Payments received and financial assets derecognised	(1,426,104)	(139,494)	(79,227)	(1,644,825)
Foreign exchange adjustments	(66,424)	(2,871)	(3,261)	(72,556)
Effects of modification	7,914	209	(1,427)	6,696
Accrued interest	74,546	12,887	4,479	91,912
Write-offs	-	-	(63,260)	(63,260)
Gross carrying amount as at 31 December 2024	4,455,204	442,491	121,227	5,018,922
Loss allowance as at 31 December 2024	2,623	15,302	40,101	58,026

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.3 Credit risk (continued)

10.3.8 Analysis of loans and advances to customers (continued)

Corporate lending(continued)

GROUP

Loss allowances - Loans and advances to customers at amortised cost

In TZS' Million	Stage 1	Stage 2	Stage 3	Total
Loss allowance as at 1 January 2025	**2,623**	**15,302**	**40,101**	**58,026**
Changes in the loss allowance				
– Transfer to stage 1	**1,546**	**(1,546)**	**-**	**-**
– Transfer to stage 2	**(4,517)**	**6,142**	**(1,625)**	**-**
– Transfer to stage 3	**(89,748)**	**(23)**	**89,771**	**-**
– Write-offs	**-**	**-**	**(27,830)**	**(27,830)**
New financial assets originated or purchased	**94,932**	**-**	**-**	**94,932**
Payments received and financial assets derecognised	**(2,384)**	**(13,936)**	**(22,726)**	**(39,046)**
Unwind discount	**360**	**201**	**121**	**682**
Impact on ECL Transfers	**(331)**	**(427)**	**16,984**	**16,226**
Effects of modification	**17**	**-**	**-**	**17**
Foreign exchange adjustments	**-**	**-**	**922**	**922**
Loss allowance as at 31 December 2025	**2,498**	**5,713**	**95,718**	**103,929**

Loss allowances - Loans and advances to customers at amortised cost

In TZS' Million	Stage 1	Stage 2	Stage 3	Total
Loss allowance as at 1 January 2024	14,008	16,542	44,067	74,617
Changes in the loss allowance				-
– Transfer to stage 1	51	(51)	-	-
– Transfer to stage 2	(14,983)	14,983	-	-
– Transfer to stage 3	(23,714)	(998)	24,712	-
– Write-offs	-	-	(63,260)	(63,260)
New financial assets originated or purchased	37,724	-	-	37,724
Payments received and financial assets derecognised	(2,351)	(15,498)	(1,660)	(19,509)
Unwind discount	609	1	786	1,396
Impact on ECL Transfers	(8,549)	323	34,852	26,626
Effects of modification	(172)	-	604	432
Loss allowance as at 31 December 2024	2,623	15,302	40,101	58,026

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.3 Credit risk (continued)

10.3.8 Analysis of loans and advances to customers (continued)

SME lending

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to SME lending is, as follows:

GROUP

Loans and advances to customers at amortised cost

In TZS' Million	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2025	**1,165,818**	**37,703**	**66,975**	**1,270,496**
Changes in the gross carrying amount				
– Transfer to stage 1	**6,876**	**(2,479)**	**(4,397)**	**-**
– Transfer to stage 2	**(47,171)**	**48,699**	**(1,528)**	**-**
– Transfer to stage 3	**(90,652)**	**(3,851)**	**94,503**	**-**
New financial assets originated or purchased	**1,662,300**	**-**	**-**	**1,662,300**
Payments received and financial assets derecognised	**(521,874)**	**(19,420)**	**(35,530)**	**(576,824)**
Foreign exchange adjustments	**618**	**4**	**4**	**626**
Effects of modification	**(3,058)**	**(395)**	**(1,618)**	**(5,071)**
Accrued interest	**42,912**	**1,747**	**10,605**	**55,264**
Write-offs	**-**	**-**	**(27,210)**	**(27,210)**
Gross carrying amount as at 31 December 2025	**2,215,769**	**62,008**	**101,804**	**2,379,581**
Loss allowance as at 31 December 2025	**9,262**	**1,236**	**35,144**	**45,642**
Gross carrying amount as at 1 January 2024	847,840	79,249	38,708	965,797
Changes in the gross carrying amount				-
– Transfer to stage 1	9,762	(8,577)	(1,185)	-
– Transfer to stage 2	(37,656)	38,018	(362)	-
– Transfer to stage 3	(57,511)	(11,873)	69,384	-
New financial assets originated or purchased	944,080	-	-	944,080
Payments received and financial assets derecognised	(558,780)	(64,067)	(23,659)	(646,506)
Foreign exchange adjustments	(986)	(50)	(51)	(1,087)
Effects of modification	(1,164)	3,008	(2,706)	(862)
Accrued interest	20,233	1,995	8,023	30,251
Write-offs	-	-	(21,177)	(21,177)
Gross carrying amount as at 31 December 2024	1,165,818	37,703	66,975	1,270,496
Loss allowance as at 31 December 2024	2,777	572	27,190	30,539

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.3 Credit risk (continued)

10.3.8 Analysis of loans and advances to customers (continued)

SME lending (continued)

GROUP

Loss allowances - Loans and advances to customers at amortised cost

In TZS' Million	Stage 1	Stage 2	Stage 3	Total
Loss allowance as at 1 January 2025	**2,777**	**572**	**27,190**	**30,539**
Changes in the loss allowance				
– Transfer to stage 1	**1,687**	**(27)**	**(1,660)**	**-**
– Transfer to stage 2	**(799)**	**1,328**	**(529)**	**-**
– Transfer to stage 3	**(20,908)**	**(20)**	**20,928**	**-**
– Write-offs	**-**	**-**	**(27,210)**	**(27,210)**
New financial assets originated or purchased	**29,890**	**-**	**-**	**29,890**
Payments received and financial assets derecognised	**(800)**	**(63)**	**(4,191)**	**(5,054)**
Unwind discount	**475**	**119**	**674**	**1,268**
Impact on ECL Transfers	**(2,949)**	**(116)**	**21,436**	**18,371**
Effects of modifications	**(111)**	**(557)**	**(1,494)**	**(2,162)**
Loss allowance as at 31 December 2025	**9,262**	**1,236**	**35,144**	**45,642**
Loss allowance as at 1 January 2024	3,476	1,733	8,714	13,923
Changes in the loss allowance				-
– Transfer to stage 1	638	(132)	(506)	-
– Transfer to stage 2	(578)	739	(161)	-
– Transfer to stage 3	(13,937)	(411)	14,348	-
– Write-offs	-	-	(21,177)	(21,177)
New financial assets originated or purchased	16,116	-	-	16,116
Payments received and financial assets derecognised	(2,185)	(1,218)	(972)	(4,375)
Unwind discount	241	63	266	570
Impact on ECL Transfers	(1,004)	(309)	26,796	25,483
Effects of modifications	10	107	(118)	(1)
Loss allowance as at 31 December 2024	2,777	572	27,190	30,539

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.3 Credit risk (continued)

10.3.8 Analysis of loans and advances to customers (continued)

Microfinance lending

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Microfinance lending is, as follows:

GROUP

Loans and advances to customers at amortised cost

In TZS' Million	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2025	**211,515**	**5,970**	**11,831**	**229,316**
Changes in the gross carrying amount				
– Transfer to stage 1	**2,036**	**(760)**	**(1,276)**	**-**
– Transfer to stage 2	**(12,321)**	**12,455**	**(134)**	**-**
– Transfer to stage 3	**(16,929)**	**(1,775)**	**18,704**	**-**
New financial assets originated or purchased	**204,086**	**-**	**-**	**204,086**
Payments received and financial assets derecognised	**(160,434)**	**(6,919)**	**(10,312)**	**(177,665)**
Foreign exchange adjustments	**-**	**-**	**-**	**-**
Effects of modification	**4**	**-**	**2**	**6**
Accrued interest	**2,256**	**457**	**3,288**	**6,001**
Write off	**-**	**-**	**(2,060)**	**-2,060**
Gross carrying amount as at 31 December 2025	**230,213**	**9,428**	**20,043**	**259,684**
Loss allowance as at 31 December 2025	**1,460**	**311**	**4,243**	**6,014**
Gross carrying amount as at 1 January 2024	171,726	6,440	9,064	187,230
Changes in the gross carrying amount				-
– Transfer to stage 1	1,197	(685)	(512)	-
– Transfer to stage 2	(8,308)	8,424	(116)	-
– Transfer to stage 3	(13,141)	(1,629)	14,770	-
New financial assets originated or purchased	200,032	-	-	200,032
Payments received and financial assets derecognised	(142,145)	(6,798)	(11,058)	(160,001)
Foreign exchange adjustments	-	-	-	-
Effects of modification	6	-	7	13
Accrued interest	2,148	218	1,458	3,824
Write off	-	-	(1,782)	(1,782)
Gross carrying amount as at 31 December 2024	211,515	5,970	11,831	229,316
Loss allowance as at 31 December 2024	1,507	106	3,692	5,305

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.3 Credit risk (continued)

10.3.8 Analysis of loans and advances to customers (continued)

Microfinance lending(continued)

GROUP

Loss allowances - Loans and advances to customers at amortised cost

In TZS' Million	Stage 1	Stage 2	Stage 3	Total
Loss allowance as at 1 January 2025	**1,507**	**106**	**3,692**	**5,305**
Changes in the loss allowance				
– Transfer to stage 1	**563**	**(7)**	**(556)**	**-**
– Transfer to stage 2	**(299)**	**336**	**(37)**	**-**
– Transfer to stage 3	**(1,187)**	**(71)**	**1,258**	**-**
– Write-offs	**-**	**-**	**(2,060)**	**(2,060)**
New financial assets originated or purchased	**2,297**	**-**	**-**	**2,297**
Payments received and financial assets derecognised	**(1,063)**	**(19)**	**(1,030)**	**(2,112)**
Unwind discount	**240**	**14**	**455**	**709**
Impact on ECL Transfers	**(598)**	**(48)**	**2,521**	**1,875**
Effect of modification	**-**	**-**	**-**	**-**
	-	**-**	**-**	**-**
Loss allowance as at 31 December 2025	**1,460**	**311**	**4,243**	**6,014**
Loss allowance as at 1 January 2024	182	71	1,310	1,563
Changes in the loss allowance				-
– Transfer to stage 1	151	(25)	(126)	-
– Transfer to stage 2	(104)	104	-	-
– Transfer to stage 3	(1,932)	(6)	1,938	-
– Write-offs	-	-	(1,782)	(1,782)
New financial assets originated or purchased	3,215	-	-	3,215
Payments received and financial assets derecognised	(255)	(40)	(569)	(864)
Unwind discount	8	-	9	17
Impact on ECL Transfers	242	2	2,912	3,156
Effect of modification	-	-	-	-
Loss allowance as at 31 December 2024	1,507	106	3,692	5,305

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.8 Analysis of loans and advances to customers (continued)

Mortgage lending

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to mortgage lending is, as follows:

GROUP

Loans and advances to customers at amortised cost

In TZS' Million	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2025	**76,742**	**318**	**1,198**	**78,258**
Changes in the gross carrying amount				
– Transfer to stage 1	**569**	**-**	**(569)**	**-**
– Transfer to stage 2	**(2,790)**	**2,790**	**-**	**-**
– Transfer to stage 3	**(2,658)**	**(187)**	**2,845**	**-**
New financial assets originated or purchased	**42,601**	**-**	**-**	**42,601**
Payments received and financial assets derecognised	**(21,190)**	**(472)**	**(725)**	**(22,387)**
Foreign exchange adjustments	**193**	**-**	**9**	**202**
Effects of modification	**266**	**(153)**	**(29)**	**84**
Accrued interest	**1,060**	**62**	**340**	**1,462**
Write-offs	**-**	**-**	**-**	**-**
Gross carrying amount as at 31 December 2025	**94,793**	**2,358**	**3,069**	**100,220**
Loss allowance as at 31 December 2025	**17**	**52**	**352**	**421**
Gross carrying amount as at 1 January 2024	67,147	956	1,500	69,603
Changes in the gross carrying amount				-
– Transfer to stage 1	743	(679)	(64)	-
– Transfer to stage 2	(352)	352	-	-
– Transfer to stage 3	(707)	(167)	874	-
New financial assets originated or purchased	27,418	-	-	27,418
Payments received and financial assets derecognised	(17,846)	(327)	(369)	(18,542)
Foreign exchange adjustments	(420)	(13)	(13)	(446)
Effects of modification	(244)	186	31	(27)
Accrued interest	1,003	10	86	1,099
Write-offs	-	-	(847)	(847)
Other Changes	76,742	318	1,198	78,258
Gross carrying amount as at 31 December 2024	51	9	189	249
Loss allowance as at 31 December 2024	67,147	956	1,500	69,603

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.3 Credit risk (continued)

10.3.8 Analysis of loans and advances to customers (continued)

GROUP

Loss allowances - Loans and advances to customers at amortised cost

In TZS' Million	Stage 1	Stage 2	Stage 3	Total
Loss allowance as at 1 January 2025	**51**	**9**	**189**	**249**
Changes in the loss allowance				
– Transfer to stage 1	**77**	**-**	**(77)**	**-**
– Transfer to stage 2	**(12)**	**12**	**-**	**-**
– Transfer to stage 3	**(27)**	**(3)**	**30**	**-**
– Write-offs	**-**	**-**	**-**	**-**
New financial assets originated or purchased	**44**	**-**	**-**	**44**
Payments received and financial assets derecognised	**(22)**	**(7)**	**(29)**	**(58)**
Unwind discount	**16**	**1**	**16**	**33**
Impact on ECL Transfers	**(110)**	**40**	**223**	**153**
Loss allowance as at 31 December 2025	**17**	**52**	**352**	**421**
Loss allowance as at 1 January 2024	59	38	563	660
Changes in the loss allowance				
– Transfer to stage 1	33	(27)	(6)	-
– Transfer to stage 2	(2)	2	-	-
– Transfer to stage 3	(2)	(4)	6	-
– Write-offs	-	-	(847)	(847)
New financial assets originated or purchased	19	-	-	19
Payments received and financial assets derecognised	(16)	(7)	(126)	(149)
Unwind discount	10	-	18	28
Impact on ECL Transfers	(48)	7	581	540
Effect of modification	(2)	-	-	(2)
Changes in models/risk parameters	51	9	189	249
Loss allowance as at 31 December 2024	59	38	563	660

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.8 Analysis of loans and advances to customers (continued)

Personal lending

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to personal lending is, as follows:

GROUP

Loans and advances to customers at amortised cost

In TZS' Million	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2025	**3,799,436**	**32,672**	**75,063**	**3,907,171**
Changes in the gross carrying amount				
– Transfer to stage 1	**8,237**	**(5,697)**	**(2,540)**	**-**
– Transfer to stage 2	**(51,964)**	**52,717**	**(753)**	**-**
– Transfer to stage 3	**(68,651)**	**(8,017)**	**76,668**	**-**
New financial assets originated or purchased	**2,207,917**	**-**	**-**	**2,207,917**
Payments received and financial assets derecognised	**(1,453,628)**	**(25,794)**	**(41,935)**	**(1,521,357)**
	129	**7**	**10**	
Effects of modification	**28,526**	**-**	**(9)**	**28,517**
Accrued interest	**53,576**	**1,359**	**9,690**	**64,625**
Write-offs	**-**	**-**	**(20,888)**	**(20,888)**
Gross carrying amount as at 31 December 2025	**4,523,578**	**47,247**	**95,306**	**4,665,985**
Loss allowance as at 31 December 2025	**8,437**	**10,730**	**73,009**	**92,176**
Gross carrying amount as at 1 January 2024	3,272,026	20,496	34,154	3,326,676
Changes in the gross carrying amount				
– Transfer to stage 1	9,173	(7,049)	(2,124)	-
– Transfer to stage 2	(34,242)	34,817	(575)	-
– Transfer to stage 3	(61,522)	(5,255)	66,777	-
New financial assets originated or purchased	1,894,306	-	-	1,894,306
Payments received and financial assets derecognised	(1,308,656)	(11,288)	(12,408)	(1,332,352)
Foreign exchange adjustments	(214)	(18)	(12)	(244)
Effects of modification	(5,230)	-	226	(5,004)
Accrued interest	33,795	969	6,051	40,815
Write-offs	-	-	(17,026)	(17,026)
Gross carrying amount as at 31 December 2024	3,799,436	32,672	75,063	3,907,171
Loss allowance as at 31 December 2024	7,752	3,215	38,253	49,220

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.3 Credit risk (continued)

10.3.8 Analysis of loans and advances to customers (continued)

Personal lending (continued)

GROUP

Loss allowances - Loans and advances to customers at amortised cost

In TZS' Million	Stage 1	Stage 2	Stage 3	Total
Loss allowance as at 1 January 2025	**7,752**	**3,215**	**38,253**	**49,220**
Changes in the loss allowance				
– Transfer to stage 1	**1,929**	**(545)**	**(1,384)**	**-**
– Transfer to stage 2	**(4,519)**	**4,917**	**(398)**	**-**
– Transfer to stage 3	**(27,295)**	**(1,335)**	**28,630**	**-**
– Write-offs	**-**	**-**	**(20,888)**	**(20,888)**
New financial assets originated or purchased	**35,481**	**-**	**-**	**35,481**
Payments received and financial assets derecognised	**(2,635)**	**(1,331)**	**(13,451)**	**(17,417)**
Unwind discount	**1,213**	**114**	**2,383**	**3,710**
Impact on ECL Transfers	**(3,488)**	**5,695**	**39,864**	**42,071**
Effect of modification	**(1)**	**-**	**-**	**(1)**
	-	**-**	**-**	**-**
Loss allowance as at 31 December 2025	**8,437**	**10,730**	**73,009**	**92,176**
Loss allowance as at 1 January 2024	5,464	2,827	24,221	32,512
Changes in the loss allowance				-
– Transfer to stage 1	2,197	(872)	(1,325)	-
– Transfer to stage 2	(2,075)	2,424	(349)	-
– Transfer to stage 3	(16,229)	(799)	17,028	-
– Write-offs	-	-	(17,026)	(17,026)
New financial assets originated or purchased	22,229	-	-	22,229
Payments received and financial assets derecognised	(2,217)	(1,177)	(3,707)	(7,101)
Unwind discount	883	59	1,214	2,156
Impact on ECL Transfers	(2,500)	753	18,197	16,450
Effect of modification	-	-	-	-
Loss allowance as at 31 December 2024	7,752	3,215	38,253	49,220

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.8 Analysis of loans and advances to customers (continued)

Corporate lending

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to corporate lending is, as follows:

BANK

Loans and advances to customers at amortised cost

In TZS' Million	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2025	**4,243,560**	**441,687**	**120,643**	**4,805,890**
Changes in the gross carrying amount				**-**
– Transfer to stage 1	**112,084**	**(112,084)**	**-**	**-**
– Transfer to stage 2	**(150,547)**	**154,533**	**(3,986)**	**-**
– Transfer to stage 3	**(141,304)**	**(9,697)**	**151,001**	**-**
New financial assets originated or purchased	**3,223,378**	**-**	**-**	**3,223,378**
Payments received and financial assets derecognised	**(1,546,925)**	**(326,378)**	**(115,633)**	**(1,988,936)**
Foreign exchange adjustments	**31,658**	**3,067**	**1,463**	**36,188**
Effects of modification	**2,949**	**(971)**	**8,150**	**10,128**
Accrued interest	**119,471**	**1,160**	**6,842**	**127,473**
Write-offs	**-**	**-**	**(27,830)**	**(27,830)**
Gross carrying amount as at 31 December 2025	**5,894,324**	**151,317**	**140,650**	**6,186,291**
Loss allowance as at 31 December 2025	**827**	**5,656**	**95,240**	**101,723**
Gross carrying amount as at 1 January 2024	3,434,516	162,248	135,933	3,732,697
Changes in the gross carrying amount				-
– Transfer to stage 1	12,599	(12,599)	-	-
– Transfer to stage 2	(430,154)	430,154	-	-
– Transfer to stage 3	(118,329)	(8,848)	127,177	-
New financial assets originated or purchased	2,606,190	-	-	2,606,190
Payments received and financial assets derecognised	(1,274,489)	(139,473)	(78,939)	(1,492,901)
Foreign exchange adjustments	(55,574)	(2,871)	(3,261)	(61,706)
Effects of modification	7,914	209	(1,427)	6,696
Accrued interest	60,887	12,867	4,420	78,174
Write-offs	-	-	(63,260)	(63,260)
Gross carrying amount as at 31 December 2024	4,243,560	441,687	120,643	4,805,890
Loss allowance as at 31 December 2024	1,219	15,302	40,102	56,623

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.3 Credit risk (continued)

10.3.8 Analysis of loans and advances to customers (continued)

Corporate lending(continued)

BANK

Loss allowances - Loans and advances to customers at amortised cost

In TZS' Million	Stage 1	Stage 2	Stage 3	Total
Loss allowance as at 1 January 2025	**1,219**	**15,302**	**40,102**	**56,623**
Changes in the loss allowance				
– Transfer to stage 1	**1,546**	**(1,546)**	**-**	**-**
– Transfer to stage 2	**(4,503)**	**6,127**	**(1,624)**	**-**
– Transfer to stage 3	**(89,525)**	**(22)**	**89,547**	**-**
– Write-offs	**-**	**-**	**(27,830)**	**(27,830)**
New financial assets originated or purchased	**94,515**	**-**	**-**	**94,515**
Payments received and financial assets derecognised	**(1,347)**	**(13,934)**	**(22,726)**	**(38,007)**
Unwind discount	**327**	**199**	**111**	**637**
Impact on ECL Transfers	**(1,422)**	**(470)**	**16,738**	**14,846**
Effects of modification	**17**	**-**	**-**	**17**
Foreign exchange adjustments	**-**	**-**	**922**	**922**
Loss allowance as at 31 December 2025	**827**	**5,656**	**95,240**	**101,723**
Loss allowance as at 1 January 2024	14,007	16,545	44,058	74,610
Changes in the loss allowance				-
– Transfer to stage 1	51	(51)	-	-
– Transfer to stage 2	(14,979)	14,979	-	-
– Transfer to stage 3	(23,714)	(997)	24,711	-
– Write-offs	-	-	(63,260)	(63,260)
New financial assets originated or purchased	36,662	-	-	36,662
Payments received and financial assets derecognised	(2,351)	(15,498)	(1,660)	(19,509)
Unwind discount	606	1	795	1,402
Impact on ECL Transfers	(8,891)	323	34,854	26,286
Effects of modification	(172)	-	604	432
Loss allowance as at 31 December 2024	1,219	15,302	40,102	56,623

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.3 Credit risk (continued)

10.3.8 Analysis of loans and advances to customers (continued)

SME lending

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to SME lending is, as follows:

BANK

Loans and advances to customers at amortised cost

In TZS' Million	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2025	**1,145,356**	**35,980**	**65,354**	**1,246,690**
Changes in the gross carrying amount				**-**
– Transfer to stage 1	**5,821**	**(1,881)**	**(3,940)**	**-**
– Transfer to stage 2	**(43,267)**	**44,795**	**(1,528)**	**-**
– Transfer to stage 3	**(78,134)**	**(3,753)**	**81,887**	**-**
New financial assets originated or purchased	**1,560,128**	**-**	**-**	**1,560,128**
Payments received and financial assets derecognised	**(514,639)**	**(19,032)**	**(34,069)**	**(567,740)**
Foreign exchange adjustment	**591**	**4**	**4**	**599**
Effects of modification	**(3,058)**	**(395)**	**(1,618)**	**(5,071)**
Accrued interest	**42,049**	**1,708**	**10,496**	**54,253**
Write-offs	**-**	**-**	**(27,210)**	**(27,210)**
Gross carrying amount as at 31 December 2025	**2,114,847**	**57,426**	**89,376**	**2,261,649**
Loss allowance as at 31 December 2025	**8,614**	**1,139**	**33,898**	**43,651**
Gross carrying amount as at 1 January 2024	836,889	77,505	38,463	952,857
Changes in the gross carrying amount				-
– Transfer to stage 1	9,586	(8,401)	(1,185)	-
– Transfer to stage 2	(35,882)	36,244	(362)	-
– Transfer to stage 3	(56,212)	(11,414)	67,626	-
New financial assets originated or purchased	927,026	-	-	927,026
Payments received and financial assets derecognised	(554,048)	(62,854)	(23,198)	(640,100)
Foreign exchange adjustments	(986)	(50)	(51)	(1,087)
Effects of modification	(1,164)	3,008	(2,706)	(862)
Accrued interest	20,147	1,942	7,857	29,946
Write-offs	-	-	(21,090)	(21,090)
Gross carrying amount as at 31 December 2024	1,145,356	35,980	65,354	1,246,690
Loss allowance as at 31 December 2024	2,559	546	27,012	30,117

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.3 Credit risk (continued)

10.3.8 Analysis of loans and advances to customers (continued)

SME lending (continued)

BANK

Loss allowances - Loans and advances to customers at amortised cost

In TZS' Million	Stage 1	Stage 2	Stage 3	Total
Loss allowance as at 1 January 2025	**2,559**	**546**	**27,012**	**30,117**
Changes in the loss allowance				
– Transfer to stage 1	**1,672**	**(19)**	**(1,653)**	**-**
– Transfer to stage 2	**(738)**	**1,267**	**(529)**	**-**
– Transfer to stage 3	**(19,834)**	**(20)**	**19,854**	**-**
– Write-offs	**-**	**-**	**(27,210)**	**(27,210)**
New financial assets originated or purchased	**28,376**	**-**	**-**	**28,376**
Payments received and financial assets derecognised	**(689)**	**(50)**	**(4,129)**	**(4,868)**
Unwind discount	**456**	**117**	**658**	**1,231**
Impact on ECL Transfers	**(3,077)**	**(145)**	**21,389**	**18,167**
Effects of modification	**(111)**	**(557)**	**(1,494)**	**(2,162)**
Loss allowance as at 31 December 2025	**8,614**	**1,139**	**33,898**	**43,651**
Loss allowance as at 1 January 2024	3,466	1,683	8,690	13,839
Changes in the loss allowance				-
– Transfer to stage 1	636	(130)	(506)	-
– Transfer to stage 2	(551)	712	(161)	-
– Transfer to stage 3	(13,830)	(404)	14,234	-
– Write-offs	-	-	(21,090)	(21,090)
New financial assets originated or purchased	15,812	-	-	15,812
Payments received and financial assets derecognised	(2,181)	(1,176)	(972)	(4,329)
Unwind discount	240	63	265	568
Impact on ECL Transfers	(1,043)	(309)	26,670	25,318
Effects of modification	10	107	(118)	(1)
Loss allowance as at 31 December 2024	2,559	546	27,012	30,117

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.8 Analysis of loans and advances to customers (continued)

Microfinance lending

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Microfinance lending is, as follows:

BANK

Loans and advances to customers at amortised cost

In TZS' Million	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2025	**184,329**	**5,434**	**8,919**	**198,682**
Changes in the gross carrying amount				
– Transfer to stage 1	**1,353**	**(725)**	**(628)**	**-**
– Transfer to stage 2	**(10,482)**	**10,590**	**(108)**	**-**
– Transfer to stage 3	**(9,963)**	**(1,405)**	**11,368**	**-**
New financial assets originated or purchased	**196,392**	**-**	**-**	**196,392**
Payments received and financial assets derecognised	**(142,844)**	**(6,615)**	**(9,821)**	**(159,280)**
Foreign exchange adjustments	**-**	**-**	**-**	**-**
Effects of modification	**4**	**-**	**2**	**6**
Accrued interest	**2,059**	**290**	**1,630**	**3,979**
Write-offs	**-**	**-**	**(2,060)**	**(2,060)**
Gross carrying amount as at 31 December 2025	**220,848**	**7,569**	**9,302**	**237,719**
Loss allowance as at 31 December 2025	**838**	**94**	**1,297**	**2,229**
Gross carrying amount as at 1 January 2024	158,568	6,441	9,012	174,021
Changes in the gross carrying amount				-
– Transfer to stage 1	1,197	(685)	(512)	-
– Transfer to stage 2	(7,765)	7,881	(116)	-
– Transfer to stage 3	(9,688)	(1,629)	11,317	-
New financial assets originated or purchased	178,140	-	-	178,140
Payments received and financial assets derecognised	(137,618)	(6,735)	(10,035)	(154,388)
Foreign exchange adjustment	-	-	-	-
Effects of modification	6	-	7	13
Accrued interest	1,489	161	1,000	2,650
Write-offs	-	-	(1,754)	(1,754)
Gross carrying amount as at 31 December 2024	184,329	5,434	8,919	198,682
Loss allowance as at 31 December 2024	37	6	1,248	1,291

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.3 Credit risk (continued)

10.3.8 Analysis of loans and advances to customers (continued)

Microfinance lending (continued)

BANK

Loss allowances - Loans and advances to customers at amortised cost

In TZS' Million	Stage 1	Stage 2	Stage 3	Total
Loss allowance as at 1 January 2025	**37**	**6**	**1,248**	**1,291**
Changes in the loss allowance				
– Transfer to stage 1	**68**	**-**	**(68)**	**-**
– Transfer to stage 2	**(95)**	**106**	**(11)**	**-**
– Transfer to stage 3	**(516)**	**(2)**	**518**	**-**
– Write-offs	**-**	**-**	**(2,060)**	**-2,060**
New financial assets originated or purchased	**1,435**	**-**	**-**	**1,435**
Payments received and financial assets derecognised	**(29)**	**(8)**	**(481)**	**-518**
Unwind discount	**9**	**2**	**61**	**72**
Impact on ECL Transfers	**(71)**	**(10)**	**2,090**	**2,009**
Loss allowance as at 31 December 2025	**838**	**94**	**1,297**	**2,229**
Loss allowance as at 1 January 2024	152	70	1,260	1,482
Changes in the loss allowance				-
– Transfer to stage 1	151	(25)	(126)	-
– Transfer to stage 2	(6)	6	-	-
– Transfer to stage 3	(424)	(6)	430	-
– Write-offs	-	-	(1,754)	(1,754)
New financial assets originated or purchased	435	-	-	435
Payments received and financial assets derecognised	(252)	(39)	(549)	(840)
Unwind discount	5	-	10	15
Impact on ECL Transfers	(24)	-	1,977	1,953
Effects of modification	-	-	-	-
Loss allowance as at 31 December 2024	37	6	1,248	1,291

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.3 Credit risk (continued)

10.3.8 Analysis of loans and advances to customers (continued)

Mortgage lending.

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to mortgage lending is, as follows:

BANK

Loans and advances to customers at amortised cost

In TZS' Million	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2025	**76,742**	**318**	**1,198**	**78,258**
Changes in the gross carrying amount				**-**
– Transfer to stage 1	**569**	**-**	**(569)**	**-**
– Transfer to stage 2	**(2,790)**	**2,790**	**-**	**-**
– Transfer to stage 3	**(2,658)**	**(187)**	**2,845**	**-**
New financial assets originated or purchased	**42,601**	**-**	**-**	**42,601**
Payments received and financial assets derecognised	**(21,190)**	**(472)**	**(725)**	**(22,387)**
Foreign exchange adjustments	**193**	**-**	**9**	**202**
Effects of modification	**266**	**(153)**	**(29)**	**84**
Accrued interest	**1,060**	**62**	**340**	**1,462**
Write-offs	**-**	**-**	**-**	**-**
Gross carrying amount as at 31 December 2025	**94,793**	**2,358**	**3,069**	**100,220**
Loss allowance as at 31 December 2025	**17**	**52**	**352**	**421**
Gross carrying amount as at 1 January 2024	67,147	956	1,500	69,603
Changes in the gross carrying amount				-
– Transfer to stage 1	743	(679)	(64)	-
– Transfer to stage 2	(352)	352	-	-
– Transfer to stage 3	(707)	(167)	874	-
New financial assets originated or purchased	27,418	-	-	27,418
Payments received and financial assets derecognised	(17,846)	(327)	(369)	(18,542)
Foreign exchange adjustments	(420)	(13)	(13)	(446)
Effects of modification	(244)	186	31	(27)
Accrued interest	1,003	10	86	1,099
Write-offs	-	-	(847)	(847)
Gross carrying amount as at 31 December 2024	76,742	318	1,198	78,258
Loss allowance as at 31 December 2024	51	9	189	249

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.3 Credit risk (continued)

10.3.8 Analysis of loans and advances to customers (continued)

Mortgage lending.(continued)

BANK

Loss allowances - Loans and advances to customers at amortised cost

In TZS' Million	Stage 1	Stage 2	Stage 3	Total
Loss allowance as at 1 January 2025	**51**	**9**	**189**	**249**
Changes in the loss allowance				
– Transfer to stage 1	**77**	**-**	**(77)**	**-**
– Transfer to stage 2	**(12)**	**12**	**-**	**-**
– Transfer to stage 3	**(27)**	**(3)**	**30**	**-**
– Write-offs	**-**	**-**	**-**	**-**
New financial assets originated or purchased	**44**	**-**	**-**	**44**
Payments received and financial assets derecognised	**(22)**	**(7)**	**(29)**	**(58)**
Unwind discount	**16**	**1**	**16**	**33**
Impact on ECL Transfers	**(110)**	**40**	**223**	**153**
Loss allowance as at 31 December 2025	**17**	**52**	**352**	**421**
Loss allowance as at 1 January 2024	59	38	563	660
Changes in the loss allowance				
– Transfer to stage 1	33	(27)	(6)	-
– Transfer to stage 2	(2)	2	-	-
– Transfer to stage 3	(2)	(4)	6	-
– Write-offs	-	-	(847)	(847)
New financial assets originated or purchased	19	-	-	19
Payments received and financial assets derecognised	(16)	(7)	(126)	(149)
Unwind discount	10	-	18	28
Impact on ECL Transfers	(48)	7	581	540
Effect of modification	(2)	-	-	(2)
Loss allowance as at 31 December 2024	51	9	189	249

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.3 Credit risk (continued)

10.3.8 Analysis of loans and advances to customers (continued)

Personal lending

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to personal lending is, as follows:

BANK

Loans and advances to customers at amortised cost

In TZS' Million	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2025	**3,700,628**	**30,007**	**71,902**	**3,802,537**
Changes in the gross carrying amount				**-**
– Transfer to stage 1	**5,728**	**(3,692)**	**(2,036)**	**-**
– Transfer to stage 2	**(46,381)**	**46,983**	**(602)**	**-**
– Transfer to stage 3	**(66,545)**	**(7,661)**	**74,206**	**-**
New financial assets originated or purchased	**2,144,188**	**-**	**-**	**2,144,188**
Payments received and financial assets derecognised	**(1,422,013)**	**(23,744)**	**(40,928)**	**(1,486,685)**
Foreign exchange adjustments	**86**	**5**	**10**	**101**
Effects of modification	**26,439**	**-**	**(9)**	**26,430**
Accrued interest	**52,722**	**1,280**	**9,478**	**63,480**
Write-offs	**-**	**-**	**(20,565)**	**(20,565)**
Gross carrying amount as at 31 December 2025	**4,394,852**	**43,178**	**91,456**	**4,529,486**
Loss allowance as at 31 December 2025	**8,100**	**10,508**	**71,194**	**89,802**
Gross carrying amount as at 1 January 2024	3,180,134	16,101	32,918	3,229,153
Changes in the gross carrying amount				-
– Transfer to stage 1	6,337	(4,509)	(1,828)	-
– Transfer to stage 2	(31,833)	32,352	(519)	-
– Transfer to stage 3	(59,234)	(4,644)	63,878	-
New financial assets originated or purchased	1,846,358	-	-	1,846,358
Payments received and financial assets derecognised	(1,271,091)	(10,189)	(11,600)	(1,292,880)
Foreign exchange adjustments	(168)	(18)	(12)	(198)
Effects of modification	(3,230)	-	226	(3,004)
Accrued interest	33,355	914	5,864	40,133
Write-offs	-	-	(17,025)	(17,025)
Gross carrying amount as at 31 December 2024	3,700,628	30,007	71,902	3,802,537
Loss allowance as at 31 December 2024	7,690	3,170	37,442	48,302

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.3 Credit risk (continued)

10.3.8 Analysis of loans and advances to customers (continued)

Personal lending (continued)

BANK

Loss allowances - Loans and advances to customers at amortised cost

In TZS' Million	Stage 1	Stage 2	Stage 3	Total
Loss allowance as at 1 January 2025	**7,690**	**3,170**	**37,442**	**48,302**
Changes in the loss allowance				
– Transfer to stage 1	**1,730**	**(512)**	**(1,218)**	**-**
– Transfer to stage 2	**(4,506)**	**4,866**	**(360)**	**-**
– Transfer to stage 3	**(27,252)**	**(1,327)**	**28,579**	**-**
– Write-offs	**-**	**-**	**(20,565)**	**(20,565)**
New financial assets originated or purchased	**35,188**	**-**	**-**	**35,188**
Payments received and financial assets derecognised	**(2,623)**	**(1,323)**	**(13,293)**	**(17,239)**
Unwind discount	**1,183**	**109**	**2,322**	**3,614**
Impact on ECL Transfers	**(3,309)**	**5,525**	**38,287**	**40,503**
Effect of modification	**(1)**	**-**	**-**	**(1)**
Loss allowance as at 31 December 2025	**8,100**	**10,508**	**71,194**	**89,802**

Loss allowance as at 1 January 2024	5,447	2,741	24,002	32,190
Changes in the loss allowance				-
– Transfer to stage 1	2,095	(821)	(1,274)	-
– Transfer to stage 2	(2,063)	2,401	(338)	-
– Transfer to stage 3	(16,129)	(788)	16,917	-
– Write-offs	-	-	(17,025)	(17,025)
New financial assets originated or purchased	22,089	-	-	22,089
Payments received and financial assets derecognised	(2,198)	(1,161)	(3,672)	(7,031)
Unwind discount	871	56	1,192	2,119
Impact on ECL Transfers	(2,422)	742	17,640	15,960
Effect of modification	-	-	-	-
Loss allowance as at 31 December 2024	7,690	3,170	37,442	48,302

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.3 Credit risk (continued)

10.3.9 Credit exposure – Reinsurance contract assets

The table below provides the information regarding the credit risk exposure from reinsurance contracts. All reinsurance contracts are rated high grade as per internal rating.

Reinsurance contracts held In TZS' Million	Reinsurance contract Assets 31 Dec 2025
Motor	**171**
Fire	**4,190**
Engineering	**2,014**
Bond	**2,121**
Others	**1,068**
Total reinsurance contracts held	**9,564**

The Group's maximum exposure to credit risk from reinsurance contract assets is TZS 9,564 million.

10.4 Capital, Liquidity and funding risk

The Bank has developed a comprehensive approach to the management of capital, liquidity and funding, supported by clearly defined governance and processes employed to manage and mitigate capital, liquidity and funding risks.

This section provides an overview of the Bank's risk appetite and corresponding management policies and tools in place for each of these risks.

10.4.1 Capital management

The Group's Capital Management Framework outlines the Bank's approach to maintaining adequate capital to support business objectives while complying with regulatory requirements and its defined risk appetite. It establishes the foundation for capital governance, roles and responsibilities, and control mechanisms that safeguard the Bank's long-term financial sustainability. By setting clear standards and processes, the framework enables stakeholders to understand how capital is managed to balance growth, regulatory compliance, and effective risk management.

The primary objective of the framework is to ensure sound capital management across the Bank and its subsidiaries by promoting regulatory compliance, financial resilience, and optimal capital allocation. It supports ICAAP processes, maintains sufficient buffers for unexpected losses, enables timely responses to changing economic and risk conditions, and helps uphold strong credit ratings and stakeholder confidence.

10.4.2 Liquidity and funding risks

Liquidity risk is defined as the risk that the Group does not have sufficient liquid financial resources to meet obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Group might be unable to meet its payment obligations when they fall due because of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Group on acceptable terms. Funding risk arises when the Group does not maintain a diversified and stable funding base, while minimising its cost.

To limit these risks, management has arranged for diversified funding sources in addition to its core deposit base and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity daily. The Group has developed internal control processes and contingency plans for managing liquidity risk. The ALCO is responsible for managing the Group's liquidity risk through comprehensive policies, governance and review procedures, stress testing, monitoring of limit sets to ensure these are in line with the overall liquidity risk appetite and strategy of the Group. The treasury department is responsible for working with other departments within the Group to ensure the liquidity risk strategy is executed. This incorporates an assessment of expected cash flows and the availability of high-grade collateral which could be used to secure additional funding, if required.

The Group maintains a portfolio of highly marketable and diverse assets that are assumed to be easily liquidated in the event of an unforeseen interruption in cash flow. The Group also has lines of credit that it can access to meet liquidity needs. Net liquid assets consist of cash, short-term bank deposits and liquid debt securities available for immediate sale, less deposit for banks and other issued securities and borrowings due to mature within the next month.

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.4 Capital, Liquidity and funding risk (continued)

10.4.2 Liquidity and funding risks (continued)

The ratios during the year were, as follows:

Liquidity ratio

	GROUP AND BANK	
In TZS' Million	**2025**	2024
Year-end	**30.3%**	28.2%
Maximum	**31.3%**	30.3%
Minimum	**21.9%**	23.6%
Average	**27.0%**	26.3%

Macro -economic and geopolitical uncertainties had no significant impact to the Group liquidity as at 31 December 2025 the liquidity ratio stood at 30.3% which is above the required regulatory ratio of 20%

Advances to deposit ratios

	GROUP AND BANK	
In TZS' Million	**2025**	**2024**
Year-end	**82.4%**	83.5%
Maximum	**85.9%**	89.7%
Minimum	**77.7%**	80.9%
Average	**81.9%**	85.4%

Funding approach

The Group's and Bank's major source of funding is customer deposits. To this end, the Group and Bank maintain a diversified and stable funding base comprising current/demand, savings, and time deposits. The Group places considerable importance on the stability of these deposits, which are achieved through the Group's retail banking activities and by maintaining depositor confidence in the Group's business strategies and financial strength.

The Group borrows from the interbank market through transactions with other banks for short-term liquidity requirements. As part of the contingency funding plan, the Group has funding lines with both local and foreign banks for short and long-term funding requirements.

The Group's and Bank's liquidity management process, as carried out within the Group and Bank and monitored by the Asset and Liability Committee (ALCO) of the individual banks include:

- Day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met. These include replenishment of funds as they mature or are borrowed by customers. The Group and Bank maintain an active presence in money markets to enable this to happen.
- Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow.
- Monitoring liquidity ratios against internal and regulatory requirements, and
- Managing the concentration and profile of debt maturities.

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets (Note 10.4.4).

10.4.2.1 Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR)

The Bank also uses the LCR and NSFR to monitor liquidity as prescribed by the Basel Committee on Banking Supervision to monitor and promote a robust liquidity profile. The Bank calculates the LCR on a daily basis which measures the adequacy of High-Quality Liquid Assets to survive an acute stress scenario over a period of 30 days. The Bank calculates the NSFR monthly which measures the available amount of stable funding that exceeds the required amount of stable funding required for a 12-month period of extended stress conditions in the market.

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.4 Capital, Liquidity and funding risk (continued)

10.4.2.1 Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) (continued)

Liquidity reserve disclosure

GROUP AND BANK	2025	2024
In TZS' Million		
Source of Incremental funding or Margin requirement		
Cash and balances with Central Bank	**1,659,719**	1,848,910
Deposits in other banks available overnight	**1,587,778**	925,429
Government securities	**1,008,786**	729,240
Other liquid assets eligible at Central Bank other than mentioned above	**4,538,464**	3,471,091
Other liquid assets	**4,615**	9,616
Total liquid Assets	**8,799,362**	6,984,286

10.4.3 Stress Testing

In accordance with the Group's policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stressful factors relating to both the market in general and specifically to the Group. Additionally, stress testing is performed for a combination of both the market and specific stress factors relating to the Bank. Liquidity mismatch reporting and stress testing results are reported regularly and reviewed by the Asset and Liability Committee (ALCO), Executive Committee and Board risk committee.

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.4 Capital, Liquidity and funding risk (continued)

10.4.4 Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarizes the maturity profile of the Group and Bank's financial assets and the undiscounted cash flows of its financial liabilities as of 31 December, as the Group and Bank manage the inherent liquidity risk based on expected undiscounted cash flows.

In TZS' Million

GROUP 31 December 2025	On deman	Up to 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
Financial Assets						
Cash and balances with the Central bank	**2,294,457**	**-**	**-**	**-**	**-**	**2,294,457**
Due from banks	**1,391,071**	**184,736**	**-**	**-**	**-**	**1,575,807**
Financial assets at FVPL	**-**	**6,831**	**-**	**-**	**47,780**	**54,611**
Debt instruments at FVOCI	**-**	**-**	**-**	**8,152**	**1,366,368**	**1,374,520**
Credit cards	**-**	**3,055**	**-**	**-**	**-**	**3,055**
Loans and advances to customers	**-**	**1,781,975**	**3,133,141**	**6,530,804**	**11,439,630**	**22,885,550**
Debt instruments at amortized cost	**-**	**1,899,225**	**3,260,514**	**6,603,822**	**10,947,069**	**22,710,630**
Other assets*	**-**	**357,007**	**-**	**-**	**-**	**357,007**
	3,685,528	**4,232,829**	**6,393,655**	**13,142,778**	**23,800,847**	**51,255,637**
Financial Liabilities						
Deposits from customers	**12,760,145**	**995,627**	**1,083,859**	**148,107**	**60,407**	**15,048,145**
Deposits from banks	**138,114**	**492,764**	**521,651**	**-**	**-**	**1,152,529**
Subordinated debt	**-**	**5,655**		**161,152**	**345,008**	**511,815**
Borrowings	**-**	**57,066**	**186,477**	**1,098,379**	**1,153,765**	**2,495,687**
Bonds	**-**	**13,538**	**-**	**1,024,547**	**-**	**1,038,085**
Lease liabilities	**-**	**65**	**2,922**	**26,344**	**131,711**	**161,042**
Insurance contract liabilities	**-**	**-**	**28,654**	**-**	**-**	**28,654**
Other liabilities**	**-**	**266,584**	**-**	**-**	**-**	**266,584**
Total undiscounted financial liabilities	**12,898,259**	**1,831,299**	**1,823,563**	**2,458,529**	**1,690,891**	**20,702,541**
Net undiscounted financial assets/(liabilities)	**(9,212,731)**	**2,401,530**	**4,570,092**	**10,684,249**	**22,109,956**	**30,553,096**

*Other assets (excludes prepayments, stock, and advanced payment for capital expenditure as they are not financial assets).
**Other liabilities (excludes deferred income and ECL of off-balance sheet as they are not financial liabilities).

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.4 Capital, Liquidity and funding risk (continued)

10.4.4 Analysis of financial assets and liabilities by remaining contractual maturities (continued)

In TZS' Million

In TZS' Million

GROUP 31 December 2024	On deman	Up to 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
Financial Assets						
Cash and balances with the Central bank	**2,371,330**	**-**	**-**	**-**	**-**	**2,371,330**
Due from banks	**783,411**	**200,351**	**-**	**-**	**-**	**983,762**
Financial assets at FVPL	**-**	**15,428**	**-**	**-**	**-**	**15,428**
Debt instruments at FVOCI	**-**	**-**	**4,223**	**12,151**	**118,936**	**135,310**
Credit cards	**-**	**2,002**	**-**	**-**	**-**	**2,002**
Loans and advances to customers	**-**	**1,629,204**	**2,087,255**	**5,569,987**	**7,850,351**	**17,136,797**
Debt instruments at amortized cost	**-**	**329,100**	**353,374**	**400,317**	**2,884,780**	**3,967,571**
Other assets*	**-**	**103,804**	**-**	**-**	**-**	**103,804**
	3,154,741	**2,279,889**	**2,444,852**	**5,982,455**	**10,854,067**	**24,716,004**
Financial Liabilities						
Deposits from customers	**9,232,588**	**762,046**	**918,689**	**54,548**	**-**	**10,967,871**
Deposits from banks	**417,178**	**431,211**	**275,533**	**-**	**-**	**1,123,922**
Subordinated debt	**-**	**5,109**	-	**165,430**	**-**	**170,539**
Borrowings	**-**	**5,122**	**93,504**	**1,134,664**	**974,107**	**2,207,397**
Bonds	**-**	**3,378**	**-**	**239,927**	**-**	**243,305**
Lease liabilities	**-**	**73**	**1,987**	**32,548**	**95,661**	**130,269**
Insurance contract liabilities	**-**	**-**	**8,163**	**-**	**-**	**8,163**
Other liabilities**	**-**	**345,408**	**-**	**-**	**-**	**345,408**
Total undiscounted financial liabilities	**9,649,766**	**1,552,347**	**1,297,876**	**1,627,117**	**1,069,768**	**15,196,874**
Net undiscounted financial assets/(liabilities)	**(6,495,025)**	**727,542**	**1,146,976**	**4,355,338**	**9,784,299**	**9,519,130**

*Other assets (excludes prepayments, stock and advanced payment for capital expenditure as they are not financial assets).
**Other liabilities (excludes deferred income and ECL of off-balance sheet as they are not financial liabilities).

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.4 Capital, Liquidity and funding risk (continued)

10.4.4 Analysis of financial assets and liabilities by remaining contractual maturities (continued)

In TZS' Million

BANK 31 December 2025	On deman	Up to 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
Financial Assets						
Cash and balances with the Central bank	**2,100,896**	**-**	**-**	**-**	**-**	**2,100,896**
Due from banks	**1,461,540**	**286,424**	**-**	**-**	**-**	**1,747,964**
Financial assets at FVPL	**-**	**6,831**	**-**	**-**	**47,779**	**54,610**
Debt instruments at FVOCI	**-**		**-**	**8,152**	**1,366,369**	**1,374,521**
Credit cards	**-**	**3,055**	**-**			**3,055**
Loans and advances to customers	**-**	**1,708,736**	**3,030,159**	**6,273,084**	**10,703,112**	**21,715,091**
Debt instruments at amortized cost	**-**	**148,014**	**531,118**	**548,268**	**2,723,089**	**3,950,489**
Other assets*	**-**	**278,406**	**-**	**-**	**-**	**278,406**
	3,562,436	**2,431,466**	**3,561,277**	**6,829,504**	**14,840,349**	**31,225,032**
Financial Liabilities						
Deposits from customers	**11,679,650**	**925,660**	**1,041,899**	**146,751**	**60,407**	**13,854,367**
Deposits from banks	**8,922**	**492,764**	**521,651**	**-**	**-**	**1,023,337**
Subordinated debt	**-**	**5,655**	-	**161,152**	**345,008**	**511,815**
Borrowings	**-**	**57,066**	**186,477**	**1,098,379**	**1,153,765**	**2,495,687**
Bonds	**-**	**13,538**	**-**	**1,024,547**	**-**	**1,038,085**
Lease liabilities	**-**	**65**	**2,885**	**20,459**	**94,592**	**118,001**
Insurance contract liabilities	**-**	**240,955**	**-**	**-**	**-**	**240,955**
Other liabilities**	**-**	**345,408**	**-**	**-**	**-**	**345,408**
Total undiscounted financial liabilities	**11,688,572**	**1,735,703**	**1,752,912**	**2,451,288**	**1,653,772**	**19,282,247**
Net undiscounted financial assets/(liabilities)	**(8,126,136)**	**695,763**	**1,808,365**	**4,378,216**	**13,186,577**	**11,942,785**

*Other assets (excludes prepayments, stock, and advanced payment for capital expenditure as they are not financial assets).

**Other liabilities (excludes deferred income and ECL of off-balance sheet as they are not financial liabilities).

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.4 Capital, Liquidity and funding risk (continued)

10.4.4 Analysis of financial assets and liabilities by remaining contractual maturities (continued)

In TZS' Million

BANK 31 December 2024	On demand	Up to 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
Financial Assets						
Cash and balances with the Central bank	**2,163,724**	**-**	**-**	**-**	**-**	**2,163,724**
Due from banks	**783,904**	**135,846**	**-**	**-**	**-**	**919,750**
Financial assets at FVPL	**-**	**5,812**	**-**	**-**	**-**	**5,812**
Debt instruments at FVOCI	**-**	**-**	**4,223**	**12,151**	**118,936**	**135,310**
Credit cards	**-**	**2,002**	**-**	**-**	**-**	**2,002**
Loans and advances to customers	**-**	**1,571,595**	**2,046,526**	**4,919,959**	**7,436,509**	**15,974,589**
Debt instruments at amortized cost	**-**	**233,241**	**170,499**	**253,165**	**2,789,081**	**3,445,986**
Other assets*	**-**	**90,840**	**-**	**-**	**-**	**90,840**
	2,947,628	**2,039,336**	**2,221,248**	**5,185,275**	**10,344,526**	**22,738,013**
Financial Liabilities						
Deposits from customers	**8,597,313**	**716,780**	**887,709**	**53,975**	**-**	**10,255,777**
Deposits from banks	**113,239**	**620,497**	**275,533**	**-**	**-**	**1,009,269**
Subordinated debt	**-**	**5,122**	93,504	**1,134,664**	**974,107**	**2,207,397**
Borrowings	**-**	**3,378**	**-**	**239,927**	**-**	**243,305**
Bonds	**-**	**5,109**	**-**	**165,430**	**-**	**170,539**
Lease liabilities	**-**	**73**	**1,936**	**26,399**	**77,703**	**106,111**
Insurance contract liabilities	**-**	**307,449**	**-**	**-**	**-**	**307,449**
Other liabilities**	**-**	**345,408**	**-**	**-**	**-**	**-**
Total undiscounted financial liabilities	**8,710,552**	**1,658,408**	**1,258,682**	**1,620,395**	**1,051,810**	**14,299,847**
Net undiscounted financial assets/(liabilities)	**(5,762,924)**	**380,928**	**962,566**	**3,564,880**	**9,292,716**	**8,438,166**

*Other assets (excludes prepayments, stock, and advanced payment for capital expenditure as they are not financial assets).
**Other liabilities (excludes deferred income and ECL of off-balance sheet as they are not financial liabilities).

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.4 Capital, Liquidity and funding risk (continued)

10.4.4 Analysis of financial assets and liabilities by remaining contractual maturities (continued)

Assets available to meet all the liabilities and to cover outstanding loan commitments include cash, central Bank balances, cheques, and items for clearing and treasury and other eligible bills; Due from banks; and loans and advances to customers. In the normal course of business, a proportion of customer loans contractually repayable within one year will be extended. The Group would also be able to meet unexpected net cash outflows by selling securities and accessing additional funding sources such as asset-backed markets.
The tables below show the contractual expiry by maturity of the Bank's contingent liabilities and commitments. Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called. Capital commitments relate to the acquisition of property and equipment.

GROUP

In TZS' Million
31 December 2025

	Within 3 months	After 3 months to 1 year	After 1 to 5 years	After 5 years	Total
Letter of credit	**1,458,094**	**464,798**	**126,598**	**-**	**2,049,490**
Guarantees	**715,539**	**1,216,001**	**779,719**	**98,774**	**2,810,033**
Commitments to extend credit	**1,470,750**	**-**	**-**	**-**	**1,470,750**
	3,644,383	**1,680,799**	**906,317**	**98,774**	**6,330,273**

GROUP

In TZS' Million
31 December 2024

	Within 3 months	After 3 months to 1 year	After 1 to 5 years	After 5 years	Total
Letter of credit	983,189	444,326	19,641	-	1,447,156
Guarantees	399,612	737,388	1,348,258	324,238	2,809,496
Commitments to extend credit	1,071,515	-	-	-	1,071,515
	2,454,316	1,181,714	1,367,899	324,238	5,328,167

BANK

In TZS' Million
31 December 2025

	Within 3 months	After 3 months to 1 year	After 1 to 5 years	After 5 years	Total
Letter of credit	**1,458,094**	**464,798**	**126,598**	**-**	**2,049,490**
Guarantees	**715,347**	**1,192,891**	**777,052**	**98,774**	**2,784,064**
Commitments to extend credit	**1,319,300**	**-**	**-**	**-**	**1,319,300**
	3,492,741	**1,657,689**	**903,650**	**98,774**	**6,152,854**

BANK

In TZS' Million
31 December 2024

	Within 3 months	After 3 months to 1 year	After 1 to 5 years	After 5 years	Total
Letter of credit	983,189	444,326	19,641	**-**	1,447,156
Guarantees	398,337	736,854	1,348,237	324,237	2,807,665
Commitments to extend credit	1,012,408	-	-	-	1,012,408
	2,393,934	1,181,180	1,367,878	324,237	5,267,229

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.4 Capital, Liquidity and funding risk (continued)

10.4.5 Analysis of encumbered and unencumbered assets

Below is the analysis of the Bank's encumbered and unencumbered assets that would be available to obtain additional future funding as securities. For this purpose, encumbered assets are:

Assets which have been pledged as collateral (e.g., which are required to be separately disclosed under IFRS 7); or

Assets that an entity believes it is restricted from using to secure funding, for legal or other reasons, which may include market practice or sound risk management. Restrictions related to the legal position of certain assets, for example, those held by consolidated securitisation vehicles or in pools for covered bond issuances, may vary in different jurisdictions. Unencumbered assets are the remaining assets that the Bank owns.

GROUP			Amount in TZS' Million		
As at 31 December 2025	Encumbered		Unencumbered		
	Pledged as collateral	Other*	Available as collateral	Other	Total
Cash and balances with the central bank	**-**	**638,823**	**1,655,634**	**-**	**2,294,457**
Due from banks	**19,654**	-	-	**1,555,044**	**1,574,698**
Financial Assets at FVPL	-	-	-	**18,944**	**18,944**
Debt Instruments at FVOCI	-	-	-	**496,938**	**496,938**
Credit card	-	-	-	**3,055**	**3,055**
Equity investment at FVPL	-	-	-	**-**	**-**
Equity investment at FVOCI	-	-	-	**23,683**	**23,683**
Loans and advances to customers	-	-	-	**13,723,318**	**13,723,318**
Debt Instrument at amortized costs	**298,364**	-	-	**2,569,952**	**2,868,316**
Other assets	**-**	-	-	**357,007**	**357,007**
Total	**318,018**	**638,823**	**1,655,634**	**18,747,941**	**21,360,416**

GROUP			Amount in TZS' Million		
As at 31 December 2024	Encumbered		Unencumbered		
	Pledged as collateral	Other*	Available as collateral	Other	Total
Cash and balances with central bank	-	469,860	1,901,470	-	2,371,330
Due from banks	33,583	-	-	890,955	924,538
Financial Assets at FVPL	-	-	-	15,428	15,428
Debt Instruments at FVOCI	-	-	-	135,291	135,291
Credit card	-	-	-	2,002	2,002
Equity investment at FVPL	-	-	-	-	-
Equity investment at FVOCI	-	-	-	13,609	13,609
Loans and advances to customers	-	-	-	10,360,824	10,360,824
Debt Instrument at amortised costs	703,262	-	-	1,244,766	1,948,028
Other assets	-	-	-	103,804	103,804
Total	736,845	469,860	1,901,470	12,766,679	15,874,854

*Represents the statutory minimum reserve balance with Bank of Tanzania which is not available for use by Group.

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.4 Capital, Liquidity and funding risk (continued)

10.4.5 Analysis of encumbered and unencumbered assets (continued)

BANK			Amount in TZS' Million		
As at 31 December 2025	Encumbered		Unencumbered		
	Pledged as collateral	Other*	Available as collateral	Other	Total
Cash and balances with the central bank	-	638,823	1,462,073	-	2,100,896
Due from banks	19,654	-	-	1,727,200	1,746,854
Financial Assets at FVPL	-	-	-	18,116	18,116
Debt Instruments at FVOCI	-	-	-	496,938	496,938
Credit card	-	-	-	3,055	3,055
Equity investment at FVPL	-	-	-	-	-
Equity investment at FVOCI	-	-	-	23,683	23,683
Loans and advances to customers	-	-	-	13,077,539	13,077,539
Debt Instrument at amortized costs	298,364	-	-	1,759,614	2,057,978
Other assets	-	-	-	278,406	278,406
Total	318,018	638,823	1,462,073	17,384,551	19,803,465

BANK			Amount in TZS' Million		
As at 31 December 2024	Encumbered		Unencumbered		
	Pledged as collateral	Other*	Available as collateral	Other	Total
Cash and balances with the central bank	-	469,860	1,693,864	-	2,163,724
Due from banks	33,583	-	-	885,176	918,759
Financial Assets at FVPL	-	-	-	5,812	5,812
Debt Instruments at FVOCI	-	-	-	135,291	135,291
Credit card	-	-	-	2002	2002
Equity investment at FVPL	-	-	-	-	-
Equity investment at FVOCI	-	-	-	13,609	13,609
Loans and advances to customers	-	-	-	9,995,475	9,995,475
Debt Instrument at amortized costs	703,262	-	-	804,644	1,507,906
Other assets	-	-	-	90,840	90,840
Total	736,845	469,860	1,693,864	11,932,849	14,833,418

*Represents the statutory minimum reserve balance with Bank of Tanzania which is not available for use by Group.

Country risk

Country risk is the risk that an occurrence within a country could have an adverse effect on the Group, directly by impairing the value of the Group or indirectly through an obligor's ability to meet its obligations to the Group. Generally, these occurrences relate, but are not limited, to sovereign events such as defaults or restructuring; political events such as contested elections or referendums; restrictions on currency movements; non–market currency convertibility; regional conflicts; economic contagion from other events such as sovereign default issues or regional turmoil; banking and currency crisis; and natural disasters.

The Group's risk management framework incorporates several measures and tools to monitor this risk. These measures include stress testing of concentrated portfolios and various limits by country. The country risk is generally identified with the domicile of the legal entity which is the Group's counterparty, unless most assets or revenues of such entity are in another country, in which case reference is made to such different country.

The Group exposures by country risk has been disclosed under Note 10.3.6 Analysis of risk concentration (b) Geographical analysis

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.5 Market risk

Market risks arise from open positions in interest rate, currency, and equity products, 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, foreign exchange rates and equity prices. The Group classifies exposures to market risk into either traded (the Trading book) or non-traded (the Banking book) portfolios and manages each of those portfolios separately. Trading portfolios include those positions arising from market-making transactions where the Group acts as principal with clients or with the market. Non-trading portfolios primarily arise from the interest rate management of the Group's retail and commercial Banking assets and liabilities, and debt instrument at fair value through OCI.

Risk management Process

The Group takes on various risks and therefore requires adequate and robust risk management process to minimize losses and maximize opportunities. The risk management process involves identification, assessment/measurement, control/mitigation and reporting. The Limits Policy sets out the risk appetite or maximum approved exposures that can be taken by the Bank, while remaining in compliance with regulatory requirements.

Identification of market risks

The process of identifying all market risks associated with banking operations, for the Group to implement internal controls and procedures to mitigate those risks. It includes analysis of new products, processes, and systems.

For the purpose of identification, market risk has been categorised as follows:

- Foreign exchange risk in Note 10.5.1
- Equity price risk in Note 10.5.2
- Interest rate risk in Note 10.5.3

The Group's risk management strategy for its Banking book is different for each of the above categories of market risk.

Assessment/Measurement

The objective of market risk measurement is to manage and control market risk exposures within acceptable limits while optimising the return on risk.

The Group take 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 conditions. The risk measures include; position limits, sensitivity limits, namely, Present Value of a Basis Point (PV01), Value-at-Risk (VaR) that reflects the interdependency between risk variables. The Group also applies interest rate gap coupled with Earning at Risk and stress testing analysis in measuring exposure to market risk for the purpose of managing and controlling market risk exposures within acceptable limits while optimising the return on investment.

Control/Mitigation

As a part of its established market risk management process, the Risk and compliance department monitors early signs of possible changes in market conditions such as:

- anticipated and actual changes to interest rates;
- economic and geopolitical factors driving currency
- equity price movements.

Furthermore, the Group set market risk limits which are approved by the Board and continuously reviewed by Group Risk and compliance department. At an operational level, market risk is primarily managed by the Bank's treasury department, which is responsible for ensuring that the Bank's exposures are in compliance with market risk limits approved by the Board and to take adequate actions when necessary.

Governance and Reporting

A Group Risk Profile report is produced monthly which cover all the principal risks and is managed by the relevant Group Risk owner, with the overall report being coordinated and produced by the Group Risk and Compliance department. The report is tabled to the Group Operational Risk Committee (ORC) for review and actioning on monthly basis, while a quarterly report is communicated to the Group Management Audit & Risk Committee (MARC) and then presented to the Board Risk Committee on quarterly basis by the Group Director of Risk and Compliance.

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.5 Market risk (continued)

Governance and Reporting (continued)

The Board of Directors determines the Group's risk appetite, approve the limits policy, and ensure management takes necessary steps to monitor, control and report on limits compliance in adherence to the Bank's policies and regulatory requirements. Management Audit and Risk Committee have a role to ensure adherence to the policy and regulatory requirements and quarterly reporting to the Board Risk Committee with respect to adherence of approved limits vs. utilization with explanation on all breaches including action taken to remediate the breach.

10.5.1 Foreign exchange risk

The Bank takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Board sets limits on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily.

Currency sensitivity analysis

With all other variables held constant, a shift in foreign exchange rate by 4% on foreign-denominated financial assets and liabilities would have resulted in lower or higher profit before tax as follows:

	GROUP		BANK	
In TZS' Million	**2025**	**2024**	**2025**	**2024**
USD	**9,040**	(21,067)	**87,667**	(22,726)
EURO	**(3,606)**	(168)	**(2,867)**	(114)
GBP	**93**	(89)	**102**	(89)
BIF	**915**	163	**915**	163
Other	**276**	179	**262**	179

With all other variables held constant, a shift in foreign exchange rate by 4% on foreign-denominated financial assets and liabilities would have resulted in lower or higher equity as follows:

	GROUP		BANK	
In TZS' Million	**2025**	**2024**	**2025**	**2024**
USD	**6,328**	(14,747)	**61,367**	(15,908)
EURO	**(2,524)**	(118)	**(2,007)**	(80)
GBP	**65**	(62)	**72**	(62)
BIF	**641**	114	**641**	114
Other	**193**	125	**183**	125

If the exchange rate for the BIF were to shift by 4%, then the impact on the translation reserve in relation to the translation of CRDB Bank Burundi SA for consolidation purposes would be TZS 204 million (2024: TZS 880 million).

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.5 Market risk (continued)

10.5.1 Foreign exchange risk (continued)

The Bank's strategy is to monitor positions daily to ensure it manages against currency risk. Positions are maintained within established limits by balancing the assets and liabilities in the relevant currencies.

The below tables show the concentrations of foreign currency risk on the gross carrying value of financial assets and liabilities.

GROUP
In TZS' Million

As at 31 December 2025 Financial Assets	TZS	USD	EURO	GBP	BIF	Others	Total
Cash and balances with the Central bank	1,671,685	610,151	9,647	1,238	-	1,736	2,294,457
Due from banks	40,634	1,387,602	104,987	11,101	22,877	7,497	1,574,698
Financial assets at FVPL	18,944	-	-	-	-	-	18,944
Debt instruments at FVOCI	496,938	-	-	-	-	-	496,938
Loans and advances to customers	10,468,185	3,253,827	1,306	-	-	-	13,723,318
Debt instruments at amortized cost	2,798,854	69,462		-	-	-	2,868,316
Credit cards	3,055	-	-	-	-	-	3,055
Other assets	319,182	36,711	1,114	-	-	-	357,007
Total financial assets	15,817,477	5,357,753	117,054	12,339	22,877	9,233	21,336,733
Financial Liabilities							
Deposits from customers	12,171,387	2,545,369	201,625	9,786	-	2,337	14,930,504
Deposits from Banks	536,556	590,468	5,564	240	-	-	1,132,828
Lease liabilities	70,219	-	-	-	-	-	70,219
Insurance contract liabilities	28,654	-	-	-	-	-	28,654
Other liabilities**	220,099	46,470	15	-	-	-	266,584
Bonds	633,236	81,152	-	-	-	-	714,388
Subordinated debts	-	315,286	-	-	-	-	315,286
Borrowings	83,102	1,856,949	-	-	-	-	1,940,051
	13,743,253	5,435,694	207,204	10,026	-	2,337	19,398,514
Net on-balance sheet financial position	2,074,224	(77,941)	(90,150)	2,313	22,877	6,896	1,938,219
Off-balance sheet commitments	1,319,300	-	-	-	-	-	1,319,300

*Other assets (excludes prepayments, stock, unamortized staff benefit and advanced payment for capital expenditure as they are not financial assets).
**Other liabilities (excludes deferred income , ECL of off-balance sheet and statutory obligations as they are not financial liabilities).

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.5 Market risk (continued)

10.5.1 Foreign exchange risk (continued)

GROUP
In TZS' Million

As at 31 December 2024 Financial Assets	TZS	USD	EURO	GBP	BIF	Others	Total
Cash and balances with the Central bank	1,373,779	985,740	8,846	857	-	2,108	2,371,330
Due from banks	121,431	587,260	206,110	2,502	4,079	3,156	924,538
Financial assets at FVPL	15,428	-	-	-	-	-	15,428
Debt instruments at FVOCI	135,291	-	-	-	-	-	135,291
Loans and advances to customers	8,111,686	2,248,615	523	-	-	-	10,360,824
Debt instruments at amortized cost	1,948,028	-	-	-	-	-	1,948,028
Credit cards	2002	-	-	-	-	-	2,002
Other assets	89,799	13,019	986	-	-	-	103,804
Total financial assets	11,797,444	3,834,634	216,465	3,359	4,079	5,264	15,861,245
Financial Liabilities							
Deposits from customers	8,595,090	2,113,027	219,890	5,566	-	558	10,934,131
Deposits from Banks	581,436	526,502	720	24	-	-	1,108,682
Lease liabilities	63,064	-	-	-	-	-	63,064
Other liabilities**	336,189	9,165	54	-	-	-	345,408
Bonds	175,204	-	-	-	-	-	175,204
Subordinated debts	-	126,882	-	-	-	-	126,882
Borrowings	95,186	1,564,434	-	-	-	-	1,659,620
Total Financial Liabilities	9,846,169	4,340,010	220,664	5,590	-	558	14,412,991
Net on-balance sheet financial position	1,951,275	(505,376)	(4,199)	(2,231)	4,079	4,706	1,448,254
Off-balance sheet commitments	1,012,408	-	-	-	-	-	1,012,408

*Other assets (excludes prepayments, stock, unamortized staff benefit and advanced payment for capital expenditure as they are not financial assets).
**Other liabilities (excludes deferred income , ECL of off-balance sheet and statutory obligations as they are not financial liabilities).

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.5 Market risk (continued)

10.5.1 Foreign exchange risk (continued)

BANK **In TZS' Million**

As at 31 December 2024 Financial Assets	TZS	USD	EURO	GBP	BIF	Others	Total
Cash and balances with the Central bank	1,489,668	598,607	9,647	1,238	-	1,736	2,100,896
Due from banks	673	1,594,562	110,262	11,341	22,877	7,139	1,746,854
Financial assets at FVPL	18,116	-	-	-	-	-	18,116
Debt instruments at FVOCI	496,938	-	-	-	-	-	496,938
Loans and advances to customers	10,089,147	2,987,086	1,306	-	-	-	13,077,539
Debt instruments at amortized cost	2,057,978	-	-	-	-	-	2,057,978
Credit cards	3,055	-	-	-	-	-	3,055
Other assets	240,581	36,711	1,114	-	-		278,406
Total financial assets	14,396,156	5,216,966	122,329	12,579	22,877	8,875	19,779,782
Financial Liabilities							
Deposits from customers	11,206,388	2,331,520	188,433	9,784	-	2,337	13,738,462
Deposits from Banks	493,965	503,867	5,564	240	-	-	1,003,636
Lease liabilities	52,841	-	-	-	-	-	52,841
Other liabilities**	194,470	46,470	15	-	-	-	240,955
Bonds	633,236	81,152	-	-	-	-	714,388
Subordinated debts	-	315,286	-	-	-	-	315,286
Borrowings	83,102	1,856,949	-	-	-	-	1,940,051
Total Financial Liabilities	12,664,002	5,135,244	194,012	10,024	-	2,337	18,005,619
Net on-balance sheet financial position	1,732,154	81,722	(71,683)	2,555	22,877	6,538	1,774,163
Off balance sheet	1,319,300	-	-	-	-	-	1,319,300

*Other assets (excludes prepayments, stock, unamortized staff benefit and advanced payment for capital expenditure as they are not financial assets).
**Other liabilities (excludes deferred income , ECL of off-balance sheet and statutory obligations as they are not financial liabilities).

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.5 Market risk (continued)

10.5.1 Foreign exchange risk (continued)

BANK
In TZS' Million

As at 31 December 2024 Financial Assets	TZS	USD	EURO	GBP	BIF	Others	Total
Cash and balances with the Central bank	1,287,281	867,542	5,937	856	-	2,108	2,163,724
Due from banks	40,802	663,165	205,055	2,502	4,079	3,156	918,759
Financial assets at FVPL	5,812	-	-	-	-	-	5,812
Debt instruments at FVOCI	135,291	-	-	-	-	-	135,291
Loans and advances to customers	7,831,920	2,163,032	523	-	-	-	9,995,475
Debt instruments at amortized cost	1,507,906	-	-	-	-	-	1,507,906
Credit cards	2,002	-	-	-	-	-	2,002
Other assets	76,835	13,019	986	-	-	-	90,840
Total financial assets	10,887,849	3,706,758	212,501	3,358	4,079	5,264	14,819,809
Financial Liabilities							
Deposits from customers	7,954,260	2,041,656	212,663	5,562	-	558	10,214,699
Deposits from Banks	479,914	511,466	2,623	26	-	-	994,029
Lease liabilities	47,123	-	-	-	-	-	47,123
Other liabilities**	298,230	9,165	54	-	-	-	307,449
Bonds	175,204	-	-	-	-	-	175,204
Subordinated debts	-	126,882	-	-	-	-	126,882
Borrowings	95,186	1,564,434	-	-	-	-	1,659,620
Total Financial Liabilities	9,049,917	4,253,603	215,340	5,588	-	558	13,525,006
Net on-balance sheet financial position	1,837,932	(546,845)	(2,839)	(2,230)	4,079	4,706	1,294,803
Off balance sheet	1,012,408	-	-	-	-	-	1,012,408

*Other assets (excludes prepayments, stock, unamortized staff benefit and advanced payment for capital expenditure as they are not financial assets).
**Other liabilities (excludes deferred income , ECL of off-balance sheet and statutory obligations as they are not financial liabilities).

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.5 Market risk (continued)

10.5.2 Equity price risk

Equity price risk is the risk that the fair value of equities decreases as the result of changes in the level of equity indices and individual stocks. The Group and the Bank are exposed to equity securities price risk as it currently holds investments disclosed under Note 31.

The above equity instruments exposed to price risk are presented on the statement of financial position as equity instrument at fair value through Other Comprehensive Income (OCI) and fair value through profit or loss (FVPL). If the market price of instruments had increased/decreased by 2% with all other variables held constant, the fair value reserve in equity instrument would have increased/decreased because of gains or losses on equity instrument classified as equity instrument at FVOCI by TZS 245 million as at 31 December 2025 (2024: TZS 146 million) for the Group and Bank.

Measurement of equity Price risk

The Group is exposed to equity securities price risk as it has investment in listed shares (for the Dar es Salaam stock exchange). The Group Board set limits on investment exposure to reduce equity price risk associated with listed stocks. This mitigates potential losses from stock price declines and protects the portfolio against market price fluctuations.

In relation to unlisted equity investments, the Group assesses the appropriateness of valuation techniques used and the practicality of unobservable inputs and assumptions used in the determination of fair value and whether the valuation adjustments fell within an acceptable range based on industry knowledge and available market information.

Methodology

The Group uses the discounted cashflow method for unlisted equities to determine the present value of future cash flows to derive the value of an investment. For listed equities, the Group applies mark to market with prices from an independent source.

Assumptions

Below is the assumption the Group uses to arrive at the fair value of the investment;

- Discount rate -The Group assumes the rate that would have applied if the same investment had been invested in a quoted instrument.
- The timing and amount of forecast cashflows – The Group assumes that the cashflows associated with investment are known with certainty.

10.5.3 Interest rate risk

The Bank's operations are subject to the risk of interest rate fluctuations to the extent that interest earning assets and interest-bearing liabilities mature or reprice at different times or in differing amounts. Risk management activities are aimed at optimizing net interest income, given market interest rates levels consistent with the Bank's business strategies. Interest rate monitoring is done through the Group's Asset and Liability Committee.

The Group and Bank take on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase because of such changes but may produce losses if unexpected movements arise.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates.

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.5 Market risk (continued)

10.5.3 Interest rate risk

Control/Mitigations

The Group's Asset and Liability Committee ("ALCO") sets limits on the level of mismatch of interest rate re-pricing that may be undertaken, which is regularly monitored by an independent Risk and Compliance department and reported regularly to ALCO and the Board. The interest rate gap is within internal limits.

Sensitivity analysis for interest rate risk.

Methodology

a) Gap analysis

Gap analysis is used to assess the interest rate sensitivity of re-pricing mismatches in the Bank's non-trading operations. The Bank's interest rate risk exposure calculations are generally based on the earlier of contractual re-pricing or maturity of assets and liabilities, although certain assets and liabilities such as deposits without a fixed maturity are assigned a maturity profile based on observed historical consumer behaviour.

The Bank utilises gap analysis for measuring and managing interest rate risk. A positive gap indicates that the Bank has more interest rate sensitive assets than interest rate sensitive liabilities. A positive or asset sensitive gap means that an increase in market interest rates could cause an increase in the net interest margin and vice versa. Conversely, a negative or liability sensitive gap implies that the Bank's net interest margin could decline because of increase in market rates and vice versa.

The Bank assesses and monitors the impact on net income (upwards or downwards) in case of interest rates movement over time buckets of (0-90 days, 91-180 days and 181-365 days). The process is as follows:-

- Rate sensitive assets (RSAs) and Rate sensitive liabilities (RSLs) are classified into maturity buckets according to their contractual time left to maturity whereas variable rate RSAs and RSLs are classified according to time left until next re-pricing date.
- In line with the Basel Committee on Banking Supervision: RSAs and RSLs lacking definitive re-pricing buckets (e.g., savings deposit liabilities) are assigned to re-pricing time buckets according to judgment and past experience of the bank (based on behavioural assumptions).
- The GAP between RSAs and RSLs is calculated for each maturity bucket, as well as cumulatively.
- The cumulative GAP obtained in respective time buckets is stressed with an assumed 1% change interest to obtain change in value of unmatched RSAs or RSLs. The rate impact is adjusted to minimize double counting of stressing previous GAP made on earlier buckets, hence the formula used is *AEaR = (Cumm GAP × Δrate) × Time bucket adjusted / 365 days*.
- The result or change on income is then divided by budgeted earnings for that specific GAP i.e., quarterly budget to arrive at the impact of rate change on overall budgeted income for that specific period should the rate change.

A trigger has been set at less or equal to 10 percent. Results above this level should trigger calibration of the RSAs and/or RSLs in that specific bucket to reduce the gap and hence resulting impact should rate change.

b) Bonds Trading Book Interest Risk Measurement - PV01 methodology

The bank applies Present Value of a Basis Point (PV01) to measure the change in value of interest rate sensitive exposures resulting from one basis point increase in interest rate (the change in the price of bond/securities for a positive parallel shift of one basis point in the yield curve).

c) The Bank uses the Present value (PV) methodology

To measure the current value of the Available for Sale portfolio the Group use the prevailing yield minus the current value of security stressed with additional basis points on prevailing weighted average yield to maturity. The results show the potential loss on AFS bond portfolio.
With all other variables held constant, if the interest rates prevailing during the year shifted by 500 basis points on all Group and Bank interest-bearing assets and liabilities, profit before tax would be lower or higher by TZS 125.8 billion (2024: TZS 31.8 billion) .

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.5 Market risk (continued)

10.5.3 Interest rate risk

10.5.3.1 Interest rate repricing profile (non-trading)

The following table provides an analysis of the Bank's interest rate risk exposure on non–trading financial assets and liabilities. The Bank's assets and liabilities are included at carrying amount and categorised by the earlier of contractual repricing or maturity dates.

GROUP **In TZS' Million**

As at 31 December 2025	On demand	Up to 3 months	3 - 12 months	1 to 5 years	Over 5 years	Non-interest bearing	Total
Assets							
Cash and balances with the Central bank	-	-	-	-	-	2,294,457	2,294,457
Due from banks	1,391,071	183,627	-	-	-	-	1,574,698
Debt instruments at FVOCI			-	6,539	490,399	-	496,938
Credit cards	-	3,055	-	-	-	-	3,055
Loans and advances to customers	-	1,736,720	2,804,764	4,731,094	4,450,740	-	13,723,318
Debt instruments at amortized cost	-	331,489	677,297	674,956	1,184,574	-	2,868,316
Other financial assets*	-	-	-	-	-	357,007	357,007
Total financial assets	1,391,071	2,254,891	3,482,061	5,412,589	6,125,713	2,651,464	21,317,789
Liabilities							
Deposits from customers	12,760,145	987,094	1,027,825	124,614	30,826	-	14,930,504
Balances from other banks	138,114	491,887	502,827	-	-	-	1,132,828
Borrowings	-	56,115	171,580	917,659	794,697	-	1,940,051
Bonds	-	13,538	-	700,850	-	-	714,388
Subordinated Debts	-	5,655	-	123,853	185,778	-	315,286
Lease liability	-	64	2,817	22,632	44,706	-	70,219
Insurance contract liabilities	-	-	28,654	-	-	-	28,654
Other Liabilities**	-	-	-	-	-	266,584	266,584
Total financial liabilities	12,898,259	1,554,353	1,733,703	1,889,608	1,056,007	266,584	19,398,514
Total interest gap	(11,507,188)	700,538	1,748,358	3,522,981	5,069,706		

*Other assets (excludes prepayments, stock, unamortized staff benefit and advanced payment for capital expenditure as they are not financial assets).
**Other liabilities (excludes deferred income , ECL of off-balance sheet and statutory obligations as they are not financial liabilities).
All financial instruments are at fixed interest rate.

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.5 Market risk (continued)

10.5.3 Interest rate risk

10.5.3.1 Interest rate repricing profile (non-trading) (continued)

GROUP
In TZS' Million

As at 31 December 2024	On demand	Up to 3 months	3 - 12 months	1 to 5 years	Over 5 years	Non-interest bearing	Total
Assets							
Cash and balances with the Central bank	-	-	-	-	-	2,371,330	2,371,330
Due from banks	783,411	141,127	-	-	-	-	924,538
Debt instruments at FVOCI		-	4,223	12,131	118,937	-	135,291
Credit cards	-	2,002	-	-	-	-	2,002
Loans and advances to customers	-	1,573,425	1,889,925	3,696,004	3,201,470	-	10,360,824
Debt instruments at amortized cost	-	323,853	337,847	320,285	966,043	-	1,948,028
Other financial assets*	-	-	-	-	-	103,804	103,804
Total financial assets	**783,411**	**2,040,407**	**2,231,995**	**4,028,420**	**4,286,450**	**2,475,134**	**15,845,817**
Liabilities							
Deposits from customers	9,232,588	707,747	847,556	49,277	-	96,963	10,934,131
Balances from other banks	303,939	543,961	260,782	-	-	-	1,108,682
Borrowings	-	5,028	89,057	931,154	634,381	-	1,659,620
Bonds	-	3,378	-	171,826	-	-	175,204
Subordinated Debts	-	5,109	-	121,773	-	-	126,882
Lease liability	-	29	1,728	27,547	33,760	-	63,064
Insurance contract liabilities	-	-	8,163	-	-	-	8,163
Other Liabilities**	-	-	-	-	-	345,408	345,408
Total financial liabilities	**9,536,527**	**1,265,252**	**1,207,286**	**1,301,577**	**668,141**	**442,371**	**14,421,154**
Total interest gap	**(8,753,116)**	**775,155**	**1,024,709**	**2,726,843**	**3,618,309**		

*Other assets (excludes prepayments, stock, unamortized staff benefit and advanced payment for capital expenditure as they are not financial assets).
**Other liabilities (excludes deferred income , ECL of off-balance sheet and statutory obligations as they are not financial liabilities).
All financial instruments are at a fixed interest rate.

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.5 Market risk (continued)

10.5.3 Interest rate risk

10.5.3.1 Interest rate repricing profile (non-trading) (continued)

BANK **In TZS' Million**

As at 31 December 2025	On demand	Up to 3 months	3 - 12 months	1 to 5 years	Over 5 years	Non-interest bearing	Total
Assets							
Cash and balances with the Central bank	-	-	-	-	-	2,100,896	2,100,896
Due from banks	1,461,539	285,315	-	-	-	-	1,746,854
Debt instruments at FVOCI	-	-	-	6,539	490,399	-	496,938
Credit cards	-	3,055	-	-		-	3,055
Loans and advances to customers	-	1,666,285	2,711,999	4,063,726	4,635,529	-	13,077,539
Debt instruments at amortized cost	-	145,203	517,737	395,206	999,832	-	2,057,978
Other financial assets*	-	-	-	-		278,406	278,406
Total financial assets	1,461,539	2,099,858	3,229,736	4,465,471	6,125,760	2,379,302	19,761,666
Liabilities							
Deposits from customers	11,679,650	917,376	987,245	123,365	30,826	-	13,738,462
Balances from other banks	8,922	491,887	502,827	-	-	-	1,003,636
Borrowings	-	56,115	171,580	917,659	794,697	-	1,940,051
Bonds	-	13,538	-	700,850	-	-	714,388
Subordinated Debts	-	5,654	-	123,853	185,779	-	315,286
Lease liability	-	64	2,780	18,063	31,934	-	52,841
Other Liabilities**	-	-	-	-	-	240,955	240,955
Total financial liabilities	11,688,572	1,484,634	1,664,432	1,883,790	1,043,236	240,955	18,005,619
Total interest gap	(10,227,033)	615,223	1,565,304	2,581,681	5,082,524		

*Other assets (excludes prepayments, stock, unamortized staff benefit and advanced payment for capital expenditure as they are not financial assets).
**Other liabilities (excludes deferred income , ECL of off-balance sheet and statutory obligations as they are not financial liabilities).

All financial instruments are at fixed interest rate.

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.5 Market risk (continued)

10.5.3 Interest rate risk

10.5.3.1 Interest rate repricing profile (non-trading) (continued)

BANK

In TZS' Million

As at 31 December 2024	On demand	Up to 3 months	3 - 12 months	1 to 5 years	Over 5 years	Non-interest bearing	Total
Assets							
Cash and balances with the Central bank	-	-	-	-	-	2,163,724	2,163,724
Due from banks	783,904	134,855	-	-	-	-	918,759
Debt instruments at FVOCI	-	-	4,223	12,131	118,937	-	135,291
Credit cards	-	2,002	-	-	-	-	2,002
Loans and advances to customers	-	1,517,023	1,849,648	3,214,136	3,414,668	-	9,995,475
Debt instruments at amortized cost	-	228,712	160,465	215,413	903,316	-	1,507,906
Other financial assets*	-	-	-	-	-	90,840	90,840
Total financial assets	**783,904**	**1,882,592**	**2,014,336**	**3,441,680**	**4,436,921**	**2,254,564**	**14,813,997**
Liabilities							
Deposits from customers	8,597,313	654,010	817,666	48,747	-	96,963	10,214,699
Balances from other banks	113,239	620,007	260,783	-	-	-	994,029
Borrowings	-	5,028	89,057	931,154	634,381	-	1,659,620
Bonds	-	3,378	-	171,826	-	-	175,204
Subordinated Debts	-	-	-	126,882	-	-	126,882
Lease liability	-	29	1,679	22,559	22,856	-	47,123
Other Liabilities**	-	-	-	-	-	307,449	307,449
Total financial liabilities	**8,710,552**	**1,282,452**	**1,169,185**	**1,301,168**	**657,237**	**404,412**	**13,525,006**
Total interest gap	**(7,926,648)**	**600,140**	**845,151**	**2,140,512**	**3,779,684**		

*Other assets (excludes prepayments, stock, unamortized staff benefit and advanced payment for capital expenditure as they are not financial assets).
**Other liabilities (excludes deferred income , ECL of off-balance sheet and statutory obligations as they are not financial liabilities).
All financial instruments are at fixed interest rate.

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.6 Operational risk

Operational risk is the risk of loss arising from systems failure, human error, fraud, or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Bank cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

10.7 Strategic risk

Strategic risk refers to the current or prospective negative impact on earnings, capital or reputation arising from adverse strategic decisions, improper implementation of decisions or a lack of responsiveness to industry, economic or technological changes. It is the risk of not achieving our strategic goals.

Business risk refers to the adverse impact on earnings or capital arising from changes in business parameters such as volumes, margins and costs. The sources of business risk include uncompetitive products or pricing, internal inefficiencies, and changes in general business conditions such as market contraction or changes in customers' expectations and demand. It is the risk of not achieving our short-term business objectives.

Our Board of Directors and senior management committees are responsible for managing risks associated with the Group's business. The Managing Director and CEO, supported by senior management committees, oversees the day-to-day management of the Group and make business decisions within the Group's risk appetite. The Group's strategy is then translated into annual financial targets, considering the macroeconomic environment, and cascaded to specific business for development and implementation.

10.8 Compliance risk

Compliance risk encompasses regulatory and legal compliance risk. Compliance risk is the risk that the Bank incurs financial or reputational risk through imposition of penalties or fines because of not adhering to applicable laws, rules and regulations and good market practice (including ethical standards). The Group's compliance function proactively seeks to enhance compliance risk management and the supporting control framework.

The Group operates in a market where there is a significant level of regulatory change activity, therefore, compliance risk is a key area of focus for Senior Management. The compliance function monitors this risk through reference to metrics relevant to the Group, review of incident reports and assessments, risk and control assessments pertaining to the first and second lines of defence functions, results of regulatory assessments, and review of results internal audit and external audit reports. Remediation of controls is conducted in a timely manner.

10.9 Climate-related risks

These includes physical and transition risks. Physical risks arise as the result of acute weather events such as hurricanes, floods and wildfires, and longer-term shifts in climate patterns, such as sustained higher temperatures, heat waves, droughts and rising sea levels . Transition risks may arise from the adjustments to a net-zero economy, e.g., changes to laws and regulations, litigation due to failure to mitigate or adapt, and shifts in supply and demand for certain commodities, products and services due to changes in consumer behaviour and investor demand. These risks are receiving increasing regulatory, political and societal scrutiny, both within the country and internationally.

Certain physical risks may be predictable, there are significant uncertainties as to the extent and timing of their manifestation. For transition risks, uncertainties remain as to the impacts of the impending regulatory and policy shifts, changes in consumer demands and supply chains. The Group has made significant progress in embedding climate risk in its Risk framework, including the development of appropriate climate risk policies and a sustainability unit, which is responsible for developing groupwide policies, processes and controls to incorporate climate risks in the management of principal risk categories. In addition, the Group has re-evaluated its model landscape to incorporate climate-related risks and their impact on borrower's credit risk.
The Group has introduced mechanisms to collect additional information for assessment of both physical and transition risks, in order to understand the impact of climate-related risks. The Group has also made significant progress in building the knowledge and capacity of its workforce in matters relating to climate-related risk. Despite the progress, the Group acknowledges the need for further efforts to fully integrate climate in the Groups risk assessments and management protocols including building climate scenarios. Refer to Note 8.3.1 for details of accounting judgements, estimates, and assumptions regarding climate-related risks.

10.10 Insurance risk

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable. The Group principally issues the following types of non-life insurance contracts: accident; motor, engineering, fire and property insurance. There were no long-term insurance contracts (i.e., contracts with duration of more than one year) as of year-end.

NOTES (CONTINUED)

10 **RISK MANAGEMENT (CONTINUED)**

10.10 Insurance risk (continued)

The primary risk that the Group faces under its insurance contracts is that actual claims and benefit payments exceed the carrying amount of the insurance liabilities for a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning. This could happen if the frequency or severity of claims and benefits is higher than expected. Insurance events are unpredictable, and the actual number and amount of claims and benefits will differ from year to year compared to the level established using statistical techniques.

Factors that aggravate insurance risk include a lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

10.10.1 Managing insurance risk

The objective of the Group is to ensure that sufficient reserves are available to cover the liabilities associated with these insurance and reinsurance contracts that it issues. The risk exposure is mitigated by diversification across the portfolios of insurance contracts.

The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance held arrangements.

10.10.1 Managing insurance risk

Furthermore, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are established to reduce the risk exposure of the Group.

The Group further enforces a policy of actively managing and promptly settling claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities and pricing appropriately.

The Group purchases reinsurance as part of its risk mitigation programme. Reinsurance held is placed on a proportional basis. Proportional reinsurance is quota-share reinsurance which is taken out to reduce the overall exposure of the Group. Amounts recoverable from reinsurers are estimated in a manner consistent with underlying insurance contract liabilities and in accordance with the reinsurance contracts. Although the Group has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to reinsurance held, to the extent that any reinsurer is unable to meet its obligations.

For claims that have been reported at the financial position date, expert assessors estimate the expected cost of the final settlement. For expected claims that have not been reported by the financial position date and incurred but not reported (IBNR) provision is calculated using appropriate techniques. Consideration is also given to any stipulated minimum IBNR prescribed by regulations.

These provisions for claims are discounted for the time value of money increased by risk margin. Using the experience of a range of specialist claims assessors, provisions are reviewed at least annually to ensure they are sufficient.

The Group has not disclosed claim development tables as the insurance operations started towards the year 2025.

The following tables disclose the concentration of insurance liabilities by the class of business in which the contract holder operates and by the maximum insured loss limit included in the terms of the policy.

Concentration of Insurance liabilities by class of business:

Maximum insured loss								
	31 December 2025 In TZS' Million				31 December 2024 In TZS' Million			
Class of business	**<50**	**50-100**	**>100**	**Total**	<50	50-100	>100	Total
Motor	**161**	**377**	**135**	**673**	-	-	331	331
Fire	**173**	**969**	**4,794**	**5,936**	-	-	2,688	2,688
Engineering	**-**	**24**	**1,441**	**1,465**	-	-	1,111	1,111
Others	**6**	**62**	**1,445**	**1,513**	-	-	1,006	1,006
Total	**340**	**1,432**	**7,815**	**9,587**	-	-	5,136	5,136

NOTES (CONTINUED)

10 RISK MANAGEMENT (CONTINUED)

10.10 Insurance risk (continued)

10.10.1 Managing insurance risk (continued)

Concentration risk on reinsurance contracts

Reinsurance is placed with counterparties that have a good credit rating and concentration of risk is avoided by following policy guidelines in respect of counterparties' limits that are set each year by the board of directors and are subject to regular reviews. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy. The Company's reinsurance contracts are mainly with Tanzania Reinsurance Company Limited (TAN-RE).

Liquidity risk – Insurance exposures

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with insurance liabilities that are settled by delivering cash or another financial asset. The Group's liquidity risk policy sets out the assessment and determination of what constitutes liquidity risk for the Group. Compliance with the policy is monitored and exposures and breaches are reported to the Group's risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment. The Group maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseeable interruption of cash flow.

Pricing of risk

Pricing risks are managed by carefully establishing criteria by which each potential customer is allocated to the appropriate risk category, applying the underwriting rules, and by establishing prices appropriate to each risk category. Underwriting performance is measured by monitoring the claims loss ratio which is the ratio of claims to premiums.

Reserving risk

For claims that have been reported by the financial position date, expert assessors estimate the expected cost of the final settlement. For expected claims that have not been reported by the financial position date and incurred but not reported (IBNR) provision is calculated using appropriate techniques. Consideration is also given to any stipulated minimum IBNR prescribed by regulations. These provisions for claims are discounted for the time value of money increased by risk margin. Using the experience of a range of specialist claims assessors, provisions are reviewed at least annually to ensure they are sufficient.

Insurance risk sensitivity

The liability for incurred claims is sensitive to the expected loss ratio as shown in the table below. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process. The following sensitivity analysis shows the impact on gross liabilities, profit before tax and equity for reasonably possible movements in key assumptions with all other assumptions held constant.

TZS 'Million	Motor	Engineering	Fire	Others
Significant Assumption	**Loss ratio**			
Change in assumptions	10%	10%	10%	10%
Impact on profit before tax gross of reinsurance	56.18	14.03	51.0	5.84
Impact on equity gross of reinsurance	39.32	9.82	35.70	4.09

11 FAIR VALUE MEASUREMENT

A fair value measurement assumes that the asset or liability is exchanged in an orderly transaction between market participants to sell the asset or transfer the liability at the measurement date under current market conditions. This note describes the fair value measurement of both financial and non-financial instruments.

11.1 Valuation principles

Financial instruments are evaluated based on their fair value, representing the amount received if the asset was sold or the liability was transferred in an orderly transaction between market participants at the measurement date. The fair value is a market-based measurement and uses the same assumptions that market participants would use when pricing an asset or liability under current market conditions. When estimating the fair value of an asset or a liability, the group considers the characteristics of the asset or liability that market participants would consider when pricing the asset or liability at the measurement date. The Group is presumed to be a going concern when determining fair value.

NOTES (CONTINUED)

11 **FAIR VALUE MEASUREMENT (CONTINUED)**

11.1 Valuation principles (continued)

If the market is not available, the most advantageous market accessible to the Group on that date is considered. The fair value of a liability reflects its non-performance risk, which refers to the risk that the obligation will not be fulfilled and affects the value at which the liability is transferred.

The Group evaluates the fair value of cash and cash equivalents, loans, advances, customer deposits, and borrowed funds by considering various parameters such as interest rates, specific country factors, and individual creditworthiness of the customer.

The valuation is performed on a discounted cash flow basis, which involves estimating the future cash flows associated with the financial instrument and discounting them to present value. Based on this evaluation, allowances are considered for the expected losses of the receivables.

Overall, the Group's approach to determining fair value is based on rigorous analysis and consideration of various factors that can impact the value of financial instruments. This helps ensure that the Group has a reliable and accurate understanding of the fair value of its financial instruments.

Therefore, when measuring the fair value, we consider the characteristics of asset or liability when pricing the asset or liability at the measurement date which includes;

- The condition and location of the asset; and
- Restrictions, if any, on the sale or use of the asset.
- Impact of climate related risks

11.2 Valuation governance

The Bank's fair value methodology and the governance over its models include a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by various functions of the Bank including the risk and finance functions. The responsibility of ongoing measurement resides with finance which reports under Chief Financial officer and on the quarterly basis are reviewed by the Internal audit function.

The reviewers validate fair value estimates by:

- Benchmarking prices against observable market prices or other independent sources
- Re-performing model calculations
- Evaluating and validating input parameter

11.3 Group and Bank's assets and liabilities by fair value hierarchy

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Group's and Bank's market assumptions.

These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in its valuations where possible.

NOTES (CONTINUED)

11 **FAIR VALUE MEASUREMENT (CONTINUED)**

11.3 Group and Bank's assets and liabilities by fair value hierarchy (continued)

The following tables represents the Group's and Bank's financial assets that are measured at fair value at 31 December 2025. Motor vehicles that are measured at fair value are disclosed under Note 39.

GROUP				In TZS' Million
31 December 2025	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets measured at FVPL	**18,944**	**-**	**-**	**18,944**
Debt instrument measured at FVOCI:	**-**	**496,986**	**-**	**496,986**
- Treasury Bonds				
Equity Investment measured at FVOCI	**2,343**	**13,045**	**8,295**	**23,683**
Total assets	**21,287**	**510,031**	**8,295**	**539,613**
31 December 2024				
Financial Assets measured at FVPL	15,428	-	-	15,428
Debt instrument measured at FVOCI:	-	135,291	-	135,291
- Treasury Bonds				
Equity Investment measured at FVOCI	786	7,299	5,524	13,609
Total assets	16,214	142,590	5,524	164,328

BANK				In TZS' Million
31 December 2025	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets measured at FVPL	**18,116**	**-**	**-**	**18,116**
Debt instrument measured at FVOCI	**-**	**496,938**	**-**	**496,938**
- Treasury Bonds				
Equity Investment measured at FVOCI	**2,343**	**13,045**	**8,295**	**23,683**
Total assets	**20,459**	**509,983**	**8,295**	**538,737**

BANK				In TZS' Million
31 December 2024	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets measured at FVPL	-	5,812	-	5,812
Debt instrument measured at FVOCI	-	135,291	-	135,291
- Treasury Bonds				
Equity Investment measured at FVOCI	786	7,299	5,524	13,609
Total assets	786	148,402	5,524	154,712

- *There were no transfers between hierarchy levels 1 and 2 during the year.*
- *There were no transfers into and out of Level 3 of the fair value hierarchy during the year.*
- *There were no intra-level transfers, and there was sufficient information available to measure the fair value of financial instruments based on observable market inputs during the year*

11.4 Valuation techniques

Specific valuation techniques used to value financial instruments include:
▪ Quoted market prices or dealer/Bank of Tanzania quotes for similar instruments;
▪ Quoted prices for identical or similar assets or liabilities in markets that are not active.

Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry Group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

NOTES (CONTINUED)

11 **FAIR VALUE MEASUREMENT (CONTINUED)**

11.4 Valuation techniques (continued)

The quoted market price used for financial assets held by the Group is the current bid price of debt securities from the most current Bank of Tanzania auction results. Instruments included in Level 1 comprise primarily equity investments

Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Where they are available, the fair value of loans and advances (including off balance sheet exposures, credit cards and other assets) is based on observable market transactions. Where observable market transactions are not available, fair value is estimated using valuation models, such as discounted cash flow techniques. Input into the valuation techniques includes expected lifetime credit losses and interest rates. For collateral-dependent impaired loans, the fair value is measured based on the value of the underlying collateral.

Input into the models may include information obtained from other market participants, which includes observed primary and secondary transactions. To improve the accuracy of the valuation, estimate for retail and smaller commercial loans, homogeneous loans are grouped into portfolios with similar characteristics such as product and borrower type. The fair value of deposits (banks and customers), borrowings, other liabilities is estimated using discounted cash flow techniques, applying the rates that are offered for deposits of similar maturities and terms

Financial instruments in level 3

Investment securities are fair valued based on observable market information, including market prices for debt and equity securities. Where observable market inputs are unavailable, the Group uses valuation techniques to arrive to the fair value, including the use of transaction prices obtained at recent arm's length transactions and discounted cash flow analysis, based on market conditions and risks at the reporting date. Changes in fair value of equity instruments are measured at the end of each accounting period. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The significant unobservable inputs used in the fair value measurements categorized within level 2 and 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at 31 Dec 2025 and 2024 are shown below:

Valuation Techniques and Sensitivity analysis for Level 2 and 3 for Financial Assets				
Instrument	**Valuation Technique**	**Significant unobservable inputs**	**Range (Weighted Average)**	**Effect of reasonably possible alternative assumptions [Favourable/(unfavourable) change]**
Equity instruments at FVOCI	DCF method	Growth rate	Investment based	2% increase (decrease) in discount rate would result in a (decrease) increase in fair value
		Growth rate	Investment based	A 10% increase (decrease) would result in an increase (decrease) of TZS 204 million (2024: TZS 146 million) for the Group and Bank as at 31 December 2025.
Debt Instruments at FVOCI	DCF method	Discount rate	Average yield rate	A significant increase/decrease in the discount rate would result in a lower/higher fair value.
		Discounted cashflow	Based on expected cash flows as per contractual terms.	A significant increase/decrease in the discount rate would result in a lower/higher fair value.
Financial Assets FVPL	NAV	Unit Price	Investment based	A 10% increase (decrease) in the discount rate would result in an increase (decrease) in fair value by TZS 97 million (2024: 86 TZS million).
Valuation Techniques and Sensitivity analysis for Level 2 and 3 for Non-Financial Assets				
MOTOR VEHICLE	Direct sales comparison approach	Prices of a similar nature (per unit cost)	Price	Increase (decrease) in the price of a similar nature of m/vehicle will result in an increase / decrease in the value.

NOTES (CONTINUED)

11 FAIR VALUE MEASUREMENT (CONTINUED)

11.4 Valuation techniques (continued)

- *There were no other significant unobservable inputs used other than the discount rate and prices of similar nature (per unit cost) in the measurement of fair value of equity investments and motor vehicles respectively as stated above.*
- *There was no interrelationship between significant unobservable inputs and other unobservable inputs used in the fair value measurement.*
- *The change of one or more of the unobservable inputs to reflect reasonably possible alternative assumptions has not changed the fair value significantly during the year.*
- *During the year there was no significant change in fair value resulting from changing one or more of the unobservable inputs to reflect reasonably possible alternative assumptions.*

Fair value measurement is based on assumptions and inputs. During financial disruptions, the assumptions and inputs are expected to change, however volatility in prices in Tanzania market was insignificant as there was no material change on both quoted and unquoted instruments despite the geopolitical and macro-economic uncertainties. This was mainly due to strong measures the Central Bank of Tanzania (BOT) took to minimise the risks.

During the year, there has been no change in valuation techniques on all levels.

11.5 Movements in Level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets which are recorded at fair value. Transfers from Level 3 to Level 2 occur when the market for some securities became more liquid, which eliminates the need for the previously required significant unobservable valuation inputs. Transfers into Level 3 reflect changes in market conditions as a result of which instruments become less liquid. Therefore, the Bank requires significant unobservable inputs to calculate their fair value.

Reconciliation of Level 3 - Equity Investments at FVOCI				
	GROUP		BANK	
In TZS' Million	2025	2024	2025	2024
At 1 January	**5,524**	**6,108**	**5,524**	6,108
Derecognition	**-**	**(6,108)**	**-**	(6,108)
Purchases	**2,771**	**5,524**	**2,771**	5,524
At 31 December	**8,295**	**5,524**	**8,295**	5,524

During the year there were neither no sales nor issues.

There were no any transfers into and out of Level 3 of the fair value hierarchy during the year.

11.6 Valuation methodologies of financial instruments not measured at fair value

The fair value of assets and liabilities not measured at fair value approximately carrying amounts. have been disclosed in this note below for both Group and Bank.

Cash and balances with Central bank

The carrying amount of cash and balances with the Central bank is a reasonable approximation of its fair value.

Due from banks

Due from banks include interbank placements and cheques and items for clearing. The carrying amount of floating rate placements and overnight deposits is a reasonable approximation of fair value. The estimated fair value of fixed interest-bearing deposits is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and remaining maturity.

Loans and advances to customers

Loans and advances are net of charges for impairment. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flow expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

NOTES (CONTINUED)

11 **FAIR VALUE MEASUREMENT (CONTINUED)**

11.6 Valuation methodologies of financial instruments not measured at fair value (continued)

Investment securities

The fair value for debt instruments measured at amortized costs, fair value is estimated using market prices for securities with similar credit, maturity and yield characteristics.

Deposits from banks and due to customers

The estimated fair value of deposits with no stated maturity, which includes non-interest-bearing deposits, is the amount repayable on demand. The estimated fair value of interest-bearing deposits not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar remaining maturity. The carrying amount is a reasonable approximation of fair value.

Off-balance sheet financial instruments

The estimated fair values of the off-balance sheet financial instruments are based on market prices for similar facilities. When this information is not available, fair value is estimated using discounted cash flow analysis.

Borrowings

The estimated fair value is based on discounted cash flows using the prevailing interest rate.

Credit card

The estimated fair value is based on discounted cash flows using the prevailing interest rate.

Other assets/other liabilities

The carrying amount of other assets/liabilities is a reasonable approximation of its fair value because of its short term in nature.

GROUP

31 December 2025 In TZS' Million	Level 1	Level 2	Level 3	Fair value	Carrying value
Financial assets					
Cash and balances with Central bank	-	-	2,294,457	2,294,457	2,294,457
Due from banks	-	-	1,574,698	1,574,698	1,574,698
Loans and advances to customers	-	-	13,723,318	13,723,318	13,839,889
Credit cards	-	-	3,055	3,055	3,055
Debt instruments at amortized cost	-	2,868,316	-	2,868,316	2,868,316
Other assets*	-	-	357,007	357,007	357,007
	-	2,868,316	17,952,535	20,820,851	20,937,422
Financial liabilities					
Balances due to other banks	-	-	1,132,828	1,132,828	1,132,828
Deposits from customers	-	-	14,930,504	14,930,504	14,930,504
Borrowings	-	-	1,940,051	1,940,051	1,940,051
Lease liabilities	-	-	70,219	70,219	70,219
Other liabilities**	-	-	266,584	266,584	266,584
		-			
	-	-	18,340,186	18,340,186	18,340,186

NOTES (CONTINUED)

11 **FAIR VALUE MEASUREMENT (CONTINUED)**

11.6 Valuation methodologies of financial instruments not measured at fair value (continued)

Other assets/other liabilities (continued)

GROUP

31 December 2024 In TZS' Million	Level 1	Level 2	Level 3	Fair value	Carrying value
Financial assets					
Cash and balances with Central bank	-	-	2,371,330	2,371,330	2,371,330
Due from banks	-	-	924,538	924,538	924,538
Loans and advances to customers	-	-	10,360,824	10,360,824	10,413,707
Credit cards	-	-	2,002	2,002	2,002
Debt instruments at amortized cost	-	1,948,028	-	1,948,028	1,948,028
Other assets*	-	-	103,804	103,804	103,804
	-	1,948,028	13,762,498	15,710,526	15,763,409
Financial liabilities					
Balances due to other banks	-	-	1,108,682	1,108,682	1,108,682
Deposits from customers	-	-	10,934,131	10,934,131	10,934,131
Borrowings	-	-	1,659,620	1,659,620	1,659,620
Lease liabilities	-	-	63,064	63,064	63,064
Other liabilities**	-	-	345,408	345,408	345,408
	-	-	14,110,905	14,110,905	14,110,905

NOTES (CONTINUED)

11 FAIR VALUE MEASUREMENT (CONTINUED)

11.6 Valuation methodologies of financial instruments not measured at fair value (continued)

BANK

31 December 2025 In TZS' Million	Level 1	Level 2	Level 3	Fair value	Carrying value
Financial assets					
Cash and balances with Central bank	-	-	**2,100,896**	**2,100,896**	**2,100,896**
Due from banks	-	-	**1,746,854**	**1,746,854**	**1,746,854**
Loans and advances to customers	-	-	**13,077,539**	**13,077,539**	**13,187,489**
Credit cards	-	-	**3,055**	**3,055**	**3,055**
Debt instruments at amortized cost	-	**2,057,978**	-	**2,057,978**	**2,057,978**
Other assets*	-	-	**278,406**	**278,406**	**278,406**
	-	**2,057,978**	**17,206,750**	**19,264,728**	**19,374,678**
Financial liabilities					
Balances due to other banks	-	-	**1,003,636**	**1,003,636**	**1,003,636**
Deposits from customers	-	-	**13,738,462**	**13,738,462**	**13,738,462**
Borrowings	-	-	**1,940,051**	**1,940,051**	**1,940,051**
Lease liabilities	-	-	**52,841**	**52,841**	**52,841**
Other liabilities**	-	-	**240,955**	**240,955**	**240,955**
	-	-	**16,975,945**	**16,975,945**	**16,975,945**

BANK

31 December 2024 In TZS' Million	Level 1	Level 2	Level 3	Fair value	Carrying value
Financial assets					
Cash and balances with Central bank	-	-	2,163,724	2,163,724	2,163,724
Due from banks	-	-	918,759	918,759	918,759
Loans and advances to customers	-	-	9,995,475	9,995,475	10,048,358
Credit cards	-	-	2,002	2,002	2,002
Debt instruments at amortized cost	-	1,507,906	-	1,507,906	1,507,906
Other assets*	-	-	90,840	90,840	90,840
	-	1,507,906	13,170,800	14,678,706	14,731,589
Financial liabilities					
Balances due to other banks	-	-	994,029	994,029	994,029
Deposits from customers	-	-	10,214,699	10,214,699	10,214,699
Borrowings	-	-	1,659,620	1,659,620	1,659,620
Lease liabilities	-	-	47,123	47,123	47,123
Other liabilities**	-	-	307,449	307,449	307,449
	-	-	13,222,920	13,222,920	13,222,920

NOTES (CONTINUED)

12 INTEREST AND SIMILAR INCOME

In TZS' Million	GROUP 2025	GROUP 2024	BANK 2025	BANK 2024
Interest income calculated using the effective interest method				
Loans and advances to customers				
- Term loans	**1,543,270**	1,042,741	**1,447,128**	967,254
- Overdrafts	**103,665**	206,414	**91,912**	201,960
- Credit cards	**837**	1,622	**837**	1,622
Due from banks	**43,641**	34,432	**36,390**	25,332
Discount earned and interest on Debt instruments				
-Treasury bills	**60,463**	52,890	**30,614**	42,253
-Treasury and corporate bonds at amortised cost	**175,930**	171,372	**144,295**	152,690
-Treasury bonds at FVOCI	**48,235**	18,906	**48,235**	18,906
	1,976,041	1,528,377	**1,799,411**	1,410,017
Other interest and Similar income				
-Treasury bonds at FVPL	**483**	-	**483**	-
Income from Islamic financing products	**18,946**	12,449	**18,946**	12,449
Income from Islamic investment products	**3,870**	-	**3,870**	-
	22,816	12,449	**22,816**	12,449
Total interest and similar income, and income from Islamic financing and investment products	**1,999,340**	1,540,826	**1,822,710**	1,422,466

13 INTEREST AND SIMILAR EXPENSE

In TZS' Million	GROUP 2025	GROUP 2024	BANK 2025	BANK 2024
Interest expense calculated using the effective interest method				
Deposits from customers				
– current accounts	**46,130**	22,713	**38,177**	18,769
– savings accounts	**40,446**	34,186	**36,047**	30,998
– fixed deposits	**196,032**	125,457	**186,879**	121,240
Deposits and balances due to other banks	**109,642**	118,547	**62,782**	87,149
Borrowings (Note 50)	**116,714**	85,328	**116,714**	85,328
Bonds (Note 49)	**52,134**	17,612	**52,134**	17,612
Subordinated debt (Note 51)	**16,357**	13,020	**16,357**	13,020
	577,455	416,863	**509,090**	374,116
Interest expense on lease liability calculated using the effective interest method (Note 47)	**5,819**	4,755	**3,880**	3,413
Total interest and similar expenses	**583,274**	421,618	**512,970**	377,529
Distribution on Islamic deposits	**3,261**	1,031	**3,261**	1,031
Profit to Sukuk Bond holders	**4,637**	-	**4,637**	-
Total distribution on Islamic deposits and profit paid to sukuk holders	**7,898**	1,031	**7,898**	1,031
Total interest and similar expenses, and distribution on Islamic deposits and profit paid to sukuk holders	**591,172**	422,649	**520,868**	378,560

NOTES (CONTINUED)

14 FEES AND COMMISSION INCOME

In TZS' Million	GROUP 2025	GROUP 2024	BANK 2025	BANK 2024
Disaggregated revenue information				
Fees income earned from services that are provided over time:				
Service charge on customer accounts	**38,583**	37,269	**36,573**	36,257
Commission on mobile phone services	**176,997**	162,770	**176,762**	162,315
Loan commitment fees *	**42,137**	39,868	**35,692**	39,824
VISA and master card fees	**13,493**	24,252	**13,102**	24,054
Commission on letters of credit***	**36,790**	26,175	**35,964**	25,438
Bank cards-annual fees	**24,109**	21,190	**23,765**	21,023
Agency banking	**96,635**	80,331	**96,635**	80,139
Fees on point of sale	**11,259**	4,848	**10,725**	4,426
Custodianship commission	**16,911**	10,396	**16,911**	10,372
Commission on guarantees***	**30,756**	22,609	**30,157**	22,353
	487,670	429,708	**476,286**	426,201
Fees income from providing financial services at a point in time:				
Salary processing fees	**2,743**	3,387	**2,627**	3,238
Bancassurance commission	**45,749**	40,969	**45,406**	40,871
Fees on local transfers and drafts	**11,252**	10,885	**9,200**	9,348
Fees on international telegraphic transfers	**5,346**	3,949	**2,551**	326
Sale of cheque books	**39**	640	**-**	604
ATM withdrawal charges	**26,225**	26,998	**26,186**	26,920
Statement charges	**1,074**	1,582	**1,035**	1,557
Other fees and commissions**	**19,216**	20,807	**19,921**	20,160
	111,644	109,217	**106,926**	103,024
Gross fees and commission income	**599,314**	538,925	**583,212**	529,225

*These are fees that are not an integral part of the calculation of the effective interest rate.

Disaggregation of the above fees and commission is based on whether the customer simultaneously receives and consumes the benefits provided by the Group

**This includes finance income from reinsurance contract held TZS Nill (2024: TZS 0.2million) which is not disclosed in the Group statement of Profit or loss and other comprehensive income as per IAS 1.82 as the amount is immaterial to be disclosed in separate line.

***This includes the commissions released from the opening balance of deferred fees,TZS 7,990 million for Letter of credit and TZS 16,142 million for guarantees commission.

NOTES (CONTINUED)

14 FEES AND COMMISSION INCOME (CONTINUED)

Contract Balances

There were no significant judgements made in the determination of revenue under IFRS 15. Details of contract balances related to unearned fees and commissions are disclosed under Note 46.

Disaggregated fees and commission income

In the following table, fees and commission income from contracts with customers in the scope of IFRS 15 is disaggregated by type of services. The table also includes a reconciliation of the disaggregated fees and commission income with the Group's reportable segments (see Note 9).

GROUP

In TZS' Million

Year ended 31 December 2025				
Disaggregated revenue information	**Corporate Banking**	**Retail Banking**	**Treasury**	**Total**
Fees income earned from services that are provided over time:				
Service charge on customer accounts	**6,237**	**32,346**	**-**	**38,583**
Commission on mobile phone services	**7,129**	**169,868**	**-**	**176,997**
Loan commitment fees *	**24,539**	**17,598**	**-**	**42,137**
VISA and master card fees	**-**	**13,493**	**-**	**13,493**
Commission on letters of credit***	**36,790**	**-**	**-**	**36,790**
Bank cards-annual fees	**-**	**24,109**	**-**	**24,109**
Agency banking	**-**	**96,635**	**-**	**96,635**
Fees on point of sale	**1,859**	**9,400**	**-**	**11,259**
Custodianship commission	**-**	**-**	**16,911**	**16,911**
Commission on guarantees***	**30,756**	**-**	**-**	**30,756**
	107,310	**363,449**	**16,911**	**487,670**
Fees income from providing financial services at a point in time:				
Salary processing fees	**1,117**	**1,626**	**-**	**2,743**
Bancassurance commission	**4,451**	**41,298**	**-**	**45,749**
Fees on local transfers and drafts	**2,164**	**9,088**	**-**	**11,252**
Fees on international telegraphic transfers	**-**	**2,551**	**2,795**	**5,346**
Sale of cheque books	**39**	**-**	**-**	**39**
ATM withdrawal charges	**-**	**26,225**	**-**	**26,225**
Statement charges	**2**	**1,072**	**-**	**1,074**
Other fees and commissions**	**8,773**	**10,443**	**-**	**19,216**
	16,546	**92,303**	**2,795**	**111,644**
Gross fees and commission income	**123,856**	**455,752**	**19,706**	**599,314**
Geographical information				
Tanzania	**115,882**	**449,136**	**16,911**	**581,929**
Burundi	**7,084**	**4,409**	**2,795**	**14,288**
Congo	**890**	**2,207**	**-**	**3,097**
Gross fees and commission income	**123,856**	**455,752**	**19,706**	**599,314**

NOTES (CONTINUED)

14 FEES AND COMMISSION INCOME (CONTINUED)

Contract Balances (continued)

GROUP

In TZS' Million

Year ended 31 December 2024				
Disaggregated revenue information	**Corporate Banking**	**Retail Banking**	**Treasury**	**Total**
Fees income earned from services that are provided over time:				
Service charge on customer accounts	8,486	28,783	-	37,269
Commission on mobile phone services	6,351	156,419	-	162,770
Loan commitment fees *	18,832	21,036	-	39,868
VISA and master card fees	-	24,252	-	24,252
Commission on letters of credit***	26,175	-	-	26,175
Bank cards-annual fees	283	20,907	-	21,190
Agency banking	-	80,331	-	80,331
Fees on point of sale	1,182	3,666	-	4,848
Custodianship commission	-	-	10,396	10,396
Commission on guarantees***	22,609	-	-	22,609
	83,918	335,394	10,396	429,708
Fees income from providing financial services at a point in time:				
Salary processing fees	1,558	1,829	-	3,387
Bancassurance commission	2,845	38,124	-	40,969
Fees on local transfers and drafts	854	10,031	-	10,885
Fees on international telegraphic transfers	162	3,787	-	3,949
Sale of cheque books	173	467	-	640
ATM withdrawal charges	-	26,998	-	26,998
Statement charges	110	1,472	-	1,582
Other fees and commissions**	8,186	12,621	-	20,807
	13,888	95,329	-	109,217
Gross fees and commission income	97,806	430,723	10,396	538,925
Geographical information				
Tanzania	95,831	423,217	10,396	529,444
Burundi	1,453	6,815	-	8,268
Congo	522	691	-	1,213
Gross fees and commission income	97,806	430,723	10,396	538,925

NOTES (CONTINUED)

14 FEES AND COMMISSION INCOME (CONTINUED)

Contract Balances (continued)

BANK

In TZS' Million

Year ended 31 December 2025				
Disaggregated revenue information	**Corporate Banking**	**Retail Banking**	**Treasury**	**Total**
Fees income earned from services that are provided over time:				
Service charge on customer accounts	**6,188**	**30,385**	**-**	**36,573**
Commission on mobile phone services	**7,129**	**169,633**	**-**	**176,762**
Loan commitment fees*	**19,152**	**16,540**	**-**	**35,692**
VISA and master card fees	**-**	**13,102**	**-**	**13,102**
Commission on letters of credit***	**35,964**	**-**	**-**	**35,964**
Bank cards-annual fees	**-**	**23,765**	**-**	**23,765**
Agency banking	**-**	**96,635**	**-**	**96,635**
Point of sale fees	**1,859**	**8,866**	**-**	**10,725**
Custodianship commission	**-**	**-**	**16,911**	**16,911**
Commission on guarantees***	**30,157**	**-**	**-**	**30,157**
	100,449	**358,926**	**16,911**	**476,286**
Fees income from providing financial services at a point in time:				
Salary processing fees	**1,001**	**1,626**	**-**	**2,627**
Insurance Commission	**4,451**	**40,955**	**-**	**45,406**
Fees on local transfers and drafts	**1,242**	**7,958**	**-**	**9,200**
Fees on international telegraphic transfers	**-**	**2,551**	**-**	**2,551**
Sale of Cheque books	**-**	**-**	**-**	**-**
ATM withdrawal charges	**-**	**26,186**	**-**	**26,186**
Statement Charges	**-**	**1,035**	**-**	**1,035**
Other fees and commissions**	**8,741**	**11,180**	**-**	**19,921**
	15,435	**91,491**	**-**	**106,926**
Gross fees and commission income	**115,884**	**450,417**	**16,911**	**583,212**

NOTES (CONTINUED)

14 FEES AND COMMISSION INCOME (CONTINUED)

Contract Balances (continued)

Year ended 31 December 2024 Disaggregated revenue information	Corporate Banking	Retail Banking	Treasury	Total
Fees income earned from services that are provided over time:				
Service charge on customer accounts	8,426	27,831	-	36,257
Commission on mobile phone services	5,968	156,347	-	162,315
Loan commitment fees *	18,788	21,036	-	39,824
VISA and master card fees	-	24,054	-	24,054
Commission on letters of credit***	25,438	-	-	25,438
Bank cards-annual fees	250	20,773	-	21,023
Agency Banking	-	80,139	-	80,139
Fees on point of sale	1,231	3,195	-	4,426
Custodianship Commission	-	-	10,372	10,372
Commission on guarantees***	22,353	-	-	22,353
	82,454	333,375	10,372	426,201
Fees income from providing financial services at a point in time:				
Salary processing fees	1,409	1,829	-	3,238
Bancassurance Commission	2,747	38,124	-	40,871
Fee on local transfers and drafts	573	8,775	-	9,348
Fee on international telegraphic transfers	-	326	-	326
Sale of Cheque books	137	467	-	604
ATM withdrawal charges	-	26,920	-	26,920
Statement Charges	108	1,449	-	1,557
Other fees and commissions**	7,981	12,179	-	20,160
	12,955	90,069	-	103,024
Gross fees and commission income	95,409	423,444	10,372	529,225

15 FEES AND COMMISSION EXPENSES

	GROUP		BANK	
	2025	2024	**2025**	2024
	TZS' Million	TZS' Million	**TZS' Million**	TZS' Million
Commission expenses agency banking	**64,125**	55,469	**63,855**	55,282
Commission expenses nostro transactions	**6,407**	4,917	**6,001**	4,699
Commission expenses to VISA and mastercard	**15,231**	23,474	**15,231**	23,474
Other commission expenses	**2,001**	2,153	**46**	84
	87,764	86,013	**85,133**	83,539

NOTES (CONTINUED)

16 FOREIGN EXCHANGE INCOME

	GROUP		BANK	
	2025	2024	**2025**	2024
	TZS' Million	TZS' Million	**TZS' Million**	TZS' Million
Foreign exchange income	**96,040**	31,534	**88,843**	15,732

17 NET GAIN OR (LOSS) ON EQUITY INVESTMENTS AND OTHER FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	GROUP		BANK	
	2025	2024	**2025**	2024
	TZS' Million	TZS' Million	**TZS' Million**	TZS' Million
Financial assets measured at fair value through profit or loss*	**1,900**	1,556	**1,900**	210
Equity investment measured at fair value through profit or loss	**-**	(2,145)	**-**	(2,145)
	1,900	(589)	**1,900**	(1,935)

*Fair value gain relating to UTT investment in liquid fund and debt instruments held for trading that have been classified as a financial asset at FVPL.

The above amounts relate to financial instruments mandatorily measured at fair value through profit or loss.

18 NET GAIN ON DERECOGNITION OF FINANCIAL ASSETS MEASURED AT FVOCI

	GROUP		BANK	
	2025	2024	**2025**	2024
	TZS' Million	TZS' Million	**TZS' Million**	TZS' Million
Net gains on derecognition of financial assets measured at fair value through other comprehensive income	**7,836**	5,510	**7,836**	5,510

19 OTHER OPERATING INCOME

	GROUP		BANK	
	2025	2024	**2025**	2024
	TZS' Million	TZS' Million	**TZS' Million**	TZS' Million
Rental income* (Note 62.3)	**480**	123	**480**	123
Dividend income from investment	**122**	156	**13,755**	11,132
FSDT Assets grant income (Note 52.1)	**451**	728	**451**	728
TACATDP Grant income	**3,570**	-	**3,570**	-
Profit on disposal of fixed assets	**216**	-	**226**	-
MIVARF (Note 52.2)	**-**	458	**-**	458
	4,839	1,465	**18,482**	12,441

*This represents income from leases.

NOTES (CONTINUED)

20 INSURANCE REVENUE AND EXPENSES

GROUP

A. Insurance revenue

The breakdown of insurance service revenue results by major product lines is presented below:

Insurance revenue	Motor	Fire	Engineering	Bonds	Credit guarantee	Others	Total
In TZS' Million							
31 December 2025							
Contracts measured under the PAA - (Revenue)	**19,366**	**9,057**	**2,380**	**714**	**6,396**	**3,531**	**41,444**
31 December 2024							
Contracts measured under the PAA - (Revenue)	7,743	4,176	841	386	-	1,205	14,351

B. Insurance service expenses

31 December 2025 In TZS' Million	Motor	Fire	Engineering	Bonds	Others	Total
Year 2025						
Incurred claims and other directly attributable expenses	**12,306**	**3,239**	**184**	**3**	**1,070**	**16,802**
Losses on onerous contracts and reversal of those losses	**-**	**-**	**-**	**-**	**1**	**1**
Insurance acquisition cash flows amortisation	**2,433**	**1,904**	**453**	**106**	**1,260**	**6,156**
Total Insurance Service Expenses	**14,739**	**5,143**	**637**	**109**	**2,331**	**22,959**

GROUP

31 December 2024 In TZS' Million	Motor	Fire	Engineering	Bonds	Others	Total
Incurred claims and other directly attributable expenses	2,276	263	8	-	30	2,577
Changes to liabilities for incurred claims	108	8	2		2	120
Insurance acquisition cash flows amortisation	810	867	185	-	308	2,170
Total insurance service expenses	**3,194**	**1,138**	**195**	**-**	**340**	**4,867**

C. Net expenses from reinsurance contracts held.

31 December 2025 In TZS' Million	Motor	Fire	Engineering	Bonds	Others	Total
Premium ceded to reinsurance companies	**3,008**	**7,163**	**2,178**	**646**	**9,459**	**22,454**
Reinsurance recoveries	**(476)**	**(2,008)**	**(297)**	**(126)**	**(1,318)**	**(4,225)**
Commission income	**(2,249)**	**(1,083)**	**(85)**	**(16)**	**(508)**	**(3,941)**
Total	**283**	**4,072**	**1,796**	**504**	**7,633**	**14,288**

31 December 2024 In TZS' Million	Motor	Fire	Engineering	Bonds	Others	Total
In TZS' Million						
Premium ceded to reinsurance companies	1,468	3,149	901	-	1,710	7,228
Reinsurance recoveries	(511)	(159)	-	-	(14)	(684)
Commission income	(297)	(873)	(196)	-	(236)	(1,602)
Total	660	2,117	705	-	1,460	4,942

NOTES (CONTINUED)

20 INSURANCE REVENUE AND EXPENSES (CONTINUED)

GROUP

D. Net insurance investment income

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
Net insurance investment income	**2,903**	-	**-**	**-**

21 OPERATING EXPENSES

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
General expenses	**137,113**	120,696	**128,381**	114,523
Board Fees*	**2,467**	2,202	**1,175**	1,086
Board Expenses**	**8,279**	8,019	**5,353**	5,293
Auditors' fees	**715**	807	**685**	627
Communication and IT costs	**59,834**	50,386	**56,973**	48,674
Marketing and advertising expenses	**30,031**	20,212	**33,146**	21,889
Travelling costs	**30,022**	22,567	**22,907**	16,301
Utilities expenses	**6,759**	5,659	**6,487**	5,411
Repairs and Maintenance	**11,272**	7,768	**10,567**	7,389
Local taxes***	**14,268**	13,656	**4,969**	6,513
Shareholders Meetings expenses****	**2,686**	1,463	**2,604**	1,338
Loss on disposal	**-**	1,029	**-**	1,407
Bancassurance expenses	**2,785**	2,250	**2,785**	2,250
Other expenses	**13,478**	16,073	**5,033**	8,741
	319,709	272,787	**281,065**	241,442

* Board Fee refers to the retainer fee payable to non-executive Directors during the year of service.

** Board expenses are all reasonable out-of-pocket expenses incurred by each non-executive Director in connection with attending the meetings of the Board and any committee thereof.

***This is service levy charged on turnover and advertisement tax on billboards, posters & hoarding paid to municipal authorities. An increase arose from a new tax implemented in mid-2024 at our Burundi subsidiary, which is 8% applied to total income. For 2025, the tax was applied for the entire year.

****Shareholders meeting expenses are expenses associated with the Annual General meeting which is being done every year.

Other expenses include several administrative expenses whose individual amounts are very small to be disclosed separately i.e., direct sales expenses, business development expenses etc.

During the year there were neither short term lease expense nor expense of leases of low value.

22 A. DEPRECIATION

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
Depreciation of property and equipment (Note 39)	**64,210**	53,949	**59,940**	**50,941**
Depreciation of Motor vehicles (Note 38)	**6,048**	4,998	**5,501**	**4,525**
	70,258	58,947	**65,441**	**55,466**

NOTES (CONTINUED)

22 B.AMORTISATION

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
Amortization right-of-use assets (Note 40)	**15,315**	14,065	**12,727**	12,519
Amortization of Prepaid Leases (Note 41)	**256**	255	**256**	255
Amortization of intangible assets (Note 42)	**10,722**	10,997	**10,305**	10,798
	26,293	25,317	**23,288**	23,572

23 EMPLOYEES BENEFIT EXPENSES

Salaries and wages	**270,433**	246,579	**248,850**	230,023
Bonus	**37,446**	24,038	**36,221**	22,600
Social security contributions	**32,746**	30,410	**31,367**	29,174
Gratuity	**7,445**	6,351	**6,058**	4,895
Training and development	**9,382**	7,980	**8,257**	6,994
Employees separation costs	**43**	74	**43**	74
Leave allowance	**19,149**	17,955	**18,495**	16,984
Medical expenses	**16,550**	13,095	**15,355**	12,313
Staff Welfare	**14,739**	11,224	**13,600**	10,538
Skills & Development Levy	**9,342**	8,586	**9,342**	8,465
Group personal accident	**1,590**	1,444	**1,590**	1,296
Staff transfers	**1,828**	1,800	**1,805**	1,680
Staff award	**1,189**	714	**1,189**	714
Staff uniforms	**320**	4,792	**299**	4,743
Workman's compensation	**1,146**	1,081	**1,146**	1,069
Retirement benefits	**5,085**	2,365	**5,085**	2,365
Other staff costs*	**3,031**	1,960	**783**	383
	431,464	380,448	**399,485**	354,310

*Other staff costs include several employees' benefits expenses whose individual amounts are too small to be disclosed separately, e.g., condolences and burial expenses, staff recruitment-associated costs, etc.

24 INCOME TAX

(A) Income tax expense – amount recognised in profit or loss

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
Current income tax – current year	**326,678**	230,056	**323,543**	227,737
Current income tax – prior years	**153**	(1,103)	**-**	(1,102)
Deferred tax – current year	**(25,609)**	(4,963)	**(25,609)**	(4,982)
Deferred tax – prior years	**723**	3,319	**559**	3,434
	301,945	227,309	**298,493**	225,087

*The amount includes TZS 7,543 million (2024: TZS 6,103 million) relating to tax chargeable in respect of a foreign subsidiary (CRDB Burundi).

NOTES (CONTINUED)

24 INCOME TAX (CONTINUED)

(B) Income tax payable

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
At 1 January	**6,827**	1,828	**6,619**	3,234
Payments made during the year	**(312,189)**	218,714	**(308,578)**	215,249
Charge to profit or loss*	**326,831**	(228,953)	**323,543**	(226,635)
Withholding tax utilized	**(2,783)**	1,584	**(2,108)**	1,533
Closing balance	**18,686**	(6,827)	**19,476**	(6,619)
Profit before income tax	**1,030,511**	778,796	**1,000,650**	752,852
Tax calculated at the statutory income tax rate at 30%	**309,153**	233,639	**300,195**	225,859
Tax effect of:				
Depreciation on non-qualifying assets	**1,115**	855	**1,102**	842
Losses/(gains) on sales of non-qualifying assets	**(38)**	(20)	**(38)**	(20)
Expenses not deductible for tax purposes	**11,098**	5,264	**11,079**	5,113
Under/over provisions of current tax in previous years	**153**	(1,102)	**-**	(1,102)
Under/(over) provision of deferred tax in previous years	**723**	3,318	**559**	3,434
Tax on foreign subsidiary	**7,543**	6,103	**7,543**	6,103
Tax on exempted income**	**(22,224)**	(15,433)	**(21,984)**	(15,143)
Other*	**(5,578)**	(5,315)	**37**	1
Income tax expense	**301,945**	227,309	**298,493**	225,087
Effective tax rate	**29%**	29%	**29%**	30%

Bank's taxation is based on consistent rate of 29% for both 2025 and 2024.

There is no change in tax rate from the previous year, and no temporary differences associated with investments in subsidiaries, which can be found in the statement of financial position, mainly because of the inexistence of temporary differences and the fact that it is unlikely that the difference will be reversed in the future.

*Other factors include the effect of Burundi's lower tax rate from the expected 30% due to existing incentives and consolidation tax adjustment.

** This relates to income which is exempted from tax according to local tax laws

Uncertainty over income tax treatments

There is no uncertainty over income tax treatments. The adopted tax treatment is consistent with the requirement of the tax law. It is not probable that the allowed deduction will be disallowed by the tax authority during tax audit.

25 EARNINGS PER SHARE

Earnings per share are calculated by dividing the profit attributed to the shareholders of the Group by the weighted average number of ordinary shares outstanding as at close of the year.

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
Profit for the year (TZS'Million)	**732,457**	551,487	**702,157**	527,765
Number of shares ('Million)	**2,612**	2,612	**2,612**	2,612
Basic and diluted earnings per share (TZS)	**280.42**	211.15	**268.84**	202.07

There were no potentially dilutive ordinary shares outstanding as at 31 December 2025 (2024: Nil). Diluted earnings per share are the same as basic earnings per share.

NOTES (CONTINUED)

26 DISTRIBUTIONS MADE AND PROPOSED

In TZS' Million	2025	2024
Cash dividends on ordinary shares declared: *		
Dividend declared in 2024 is TZS 65 per share (2023: TZS 50 per share)	**169,770**	**130,592**
Proposed dividends on ordinary shares:		
Cash dividend for 2025: TZS 90 per share (2024: TZS 65 per share)	**235,065**	**169,770**
Non-cash distribution		
There was no non-cash distribution during the year (2024: NIL)		

The Directors propose payment of a dividend of TZS 90 per share, amounting to TZS 235,065 million out of 2025 profit, to be ratified at the Annual General Meeting to be held in May 2026. In May 2025, a dividend of TZS 65 per share, amounting to TZS 169,770 million, was approved by shareholders and paid.

The proposed dividend on ordinary shares is subject to approval at the Annual General Meeting and is not recognised as a liability as at 31 December.

*Represents cash dividends declared in 2024 and paid in 2025, and dividends declared in 2023 paid in 2024.

27 CASH AND BALANCES WITH CENTRAL BANK

	GROUP		BANK	
In TZS' Million	2025	2024	2025	2024
Cash in hand	**582,662**	554,312	**563,076**	534,213
Clearing accounts with Central bank	**1,072,972**	1,347,158	**898,997**	1,159,651
Statutory Minimum Reserves (SMR) *	**638,823**	469,860	**638,823**	469,860
	2,294,457	2,371,330	**2,100,896**	2,163,724

*In accordance with Section 44 of the Bank of Tanzania Act, 2006 and Sections 4 and 71 of the Banking and Financial Institutions Act, 2006; the Bank is required to maintain Statutory Minimum Reserves (SMR) on its total deposit liabilities and funds borrowed from the public.

- The SMR deposit is required to be at least 6% of customers' total deposits and borrowings from the public and 40% of government deposits.
- The required reserve ratio determined by the Bank of the Republic of Burundi is set at 3% of the total deposit liabilities, remain unchanged from previous year.
- The allowance for ECL relating to Cash and balances with Central bank in 2025 and 2024 is immaterial.
- Effective from 20th June 2017, the Bank of Tanzania unified the Statutory Minimum Reserves (SMR) account with the Clearing accounts to increase flexibility in liquidity management by banks and promote sustainability and short-term interest rates.
- Deposits with the Central Bank represent mandatory reserve deposits. The Bank may draw up to twenty percent (20%) of its Statutory Minimum Reserve (SMR) balance to meet daily liquidity needs. Any shortfall in the SMR balance resulting from such drawings must be compensated by maintaining excess balances in the Clearing Account on other days within the maintenance period (two weeks), ensuring that the average Clearing Account balance for the entire period is at least equal to the required SMR. The accessible portion of up to 20% meets the criteria for classification as cash and cash equivalents.
- Cash in hand and balances with the Central bank are non-interest-bearing assets.

The table below shows the credit quality for the gross carrying amount of cash and balances with central per stages 1, 2 and 3 based on the bank's internal credit rating system, and year-end stage classification.

NOTES (CONTINUED)

27 CASH AND BALANCES WITH CENTRAL BANK (CONTINUED)

GROUP

31 December 2025				Amounts in TZS' Million	
Internal rating grade	**12 months PD range**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
High grade	0.0%-0.5%	**1,711,795**	-	-	**1,711,795**
Standard grade	0.5%-11.7%	**-**	-	-	**-**
Sub-standard grade	11.7%-29.5%	**-**	-	-	**-**
Low grade	29.5%-100.0%	**-**	-	-	**-**
Individually impaired	100%	**-**	-	-	**-**
Gross Carrying amount		**1,711,795**	-	-	**1,711,795**

31 December 2024				Amounts in TZS' Million	
Internal rating grade	**12 months PD range**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
High grade	0.0%-0.5%	1,817,018			1,817,018
Standard grade	0.5%-11.7%	-	-	-	-
Sub-standard grade	11.7%-29.5%	-	-	-	-
Low grade	29.5%-100.0%	-	-	-	-
Individually impaired	100%	-	-	-	-
Gross Carrying amount		1,817,018			1,817,018

BANK

31 December 2025				Amounts in TZS' Million	
Internal rating grade	**12 months PD range**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
High grade	0.0%-0.5%	**1,537,820**	-	-	**1,537,820**
Standard grade	0.5%-11.7%	**-**	-	-	**-**
Sub-standard grade	11.7%-29.5%	**-**	-	-	**-**
Low grade	29.5%-100.0%	**-**	-	-	**-**
Individually impaired	100%	**-**	-	-	**-**
Gross Carrying amount		**1,537,820**	-	-	**1,537,820**

31 December 2024				Amounts in TZS' Million	
Internal rating grade	**12 months PD range**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
High grade	0.0%-0.5%	1,629,511			1,629,511
Standard grade	0.5%-11.7%	-	-	-	-
Sub-standard grade	11.7%-29.5%	-	-	-	-
Low grade	29.5%-100.0%	-	-	-	-
Individually impaired	100%	-	-	-	-
Gross Carrying amount		1,629,511			1,629,511

NOTES (CONTINUED)

28 DUE FROM BANKS

In TZS' Million	GROUP 2025	GROUP 2024	BANK 2025	BANK 2024
Cheques and items for clearing	**1,140**	472	**-**	-
Nostro accounts balances	**1,389,932**	783,448	**1,461,540**	783,904
Placements with other banks	**184,854**	141,508	**286,542**	135,745
Less: Allowance for ECL	**(1,228)**	(890)	**(1,228)**	(890)
	1,574,698	924,538	**1,746,854**	918,759

Maturity analysis

Redeemable on demand				
- Cheques and items for clearing	**1,140**	472	**-**	-
- Nostro accounts balances	**1,389,932**	783,448	**1,461,540**	783,904
Placements with other banks				
- Within 3 months	**184,854**	141,508	**286,542**	135,745
Less: Allowance for ECL	**(1,228)**	(890)	**(1,228)**	(890)
	1,574,698	924,538	**1,746,854**	918,759

The maturity analysis is based on the remaining periods to contractual maturity from year-end.

An analysis of changes in the gross carrying amount in relation to placement with other banks is, as follows:

Placements with other banks

In TZS' Million	GROUP 2025	GROUP 2024	BANK 2025	BANK 2024
At start of year	**141,508**	282,658	**135,745**	196,287
Additions	**32,854,454**	13,786,055	**32,486,242**	13,405,795
Matured	**(32,811,108)**	(13,927,205)	**(32,335,445)**	(13,466,337)
At end of year	**184,854**	141,508	**286,542**	135,745
Less: Allowance for ECL	**(716)**	(569)	**(716)**	(569)
	184,138	140,939	**285,826**	135,176

ECL for nostro accounts balances and cheques and items for clearing are immaterial amount to TZS 512 million (2024: 161million).

The placements made at the year-end 2025 were for high rated banks with low credit risk and no history of default.

NOTES (CONTINUED)

28 DUE FROM BANKS (CONTINUED)

An analysis of changes in the gross carrying amount in relation to placements with other banks is, as follows:

GROUP		
Placements with other banks	**Stage 1**	**Total**
	TZS' Million	**TZS' Million**
Gross carrying amount as at 1 January 2025	**141,508**	**141,508**
New financial assets originated or purchased	**32,853,906**	**32,853,906**
Payments received and financial assets derecognised	**(32,811,108)**	**(32,811,108)**
Accrued interest	**548**	**548**
Gross carrying amount as at 31 December 2025	**184,854**	**184,854**
Loss allowance as at 31 December 2025	**716**	**716**
Gross carrying amount as at 1 January 2024	282,658	282,658
New financial assets originated or purchased	13,786,055	13,786,055
Payments received and financial assets derecognised	(13,929,591)	(13,929,591)
Accrued interest	2,386	2,386
Gross carrying amount as at 31 December 2024	141,508	141,508
Loss allowance as at 31 December 2024	569	569

BANK		
Placements with other banks	**Stage 1**	**Total**
	TZS' Million	**TZS' Million**
Gross carrying amount as at 1 January 2025	**135,745**	**135,745**
New financial assets originated or purchased	**32,486,242**	**32,486,242**
Payments received and financial assets derecognised	**(32,335,630)**	**(32,335,630)**
Accrued interest	**185**	**185**
Gross carrying amount as at 31 December 2025	**286,542**	**286,542**
Loss allowance as at 31 December 2025	**716**	**716**
Gross carrying amount as at 1 January 2024	196,287	196,287
New financial assets originated or purchased	13,405,688	13,405,688
Payments received and financial assets derecognised	(13,466,337)	(13,466,337)
Accrued interest	107	107
Gross carrying amount as at 31 December 2024	135,745	135,745
Loss allowance as at 31 December 2024	569	569

28 DUE FROM BANKS (CONTINUED)

The table below shows the gross carrying amount of placements with other banks by credit risk, based on the bank's internal credit rating system, and year-end stage classification.

GROUP					In TZS' Million
31 December 2025 Internal rating grade	**12 months PD range**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
High grade	0.0%-0.5%	**-**	**-**	**-**	**-**
Standard grade	0.5%-11.7%	**184,854**	**-**	**-**	**184,854**
Sub-standard grade	11.7%-29.5%	**-**	**-**	**-**	**-**
Low grade	29.5%-100.0%	**-**	**-**	**-**	**-**
Individually impaired	100%	**-**	**-**	**-**	**-**
Gross Carrying amount		**184,854**	**-**	**-**	**184,854**

NOTES (CONTINUED)

28 DUE FROM BANKS (CONTINUED)

GROUP					In TZS' Million
31 December 2024 Internal rating grade	12 months PD range	Stage 1	Stage 2	Stage 3	Total
High grade	0.0%-0.5%	-	-	-	-
Standard grade	0.5%-11.7%	**141,508**	-	-	**141,508**
Sub-standard grade	11.7%-29.5%	-	-	-	-
Low grade	29.5%-100.0%	-	-	-	-
Individually impaired	100%	-	-	-	-
Gross Carrying amount		**141,508**	-	-	**141,508**

BANK					In TZS' Million
31 December 2025 Internal rating grade	12 months PD range	Stage 1	Stage 2	Stage 3	Total
High grade	0.0%-0.5%	-	-	-	-
Standard grade	0.5%-11.7%	**286,542**	-	-	**286,542**
Sub-standard grade	11.7%-29.5%	-	-	-	-
Low grade	29.5%-100.0%	-	-	-	-
Individually impaired	100%	-	-	-	-
Gross Carrying amount		**286,542**	-	-	**286,542**

BANK					In TZS' Million
31 December 2024 Internal rating grade	12 months PD range	Stage 1	Stage 2	Stage 3	Total
High grade	0.0%-0.5%	-	-	-	-
Standard grade	0.5%-11.7%	**135,745**	-	-	**135,745**
Sub-standard grade	11.7%-29.5%	-	-	-	-
Low grade	29.5%-100.0%	-	-	-	-
Individually impaired	100%	-	-	-	-
Gross Carrying amount		**135,745**	-	-	**135,745**

The table below shows the gross carrying amount of nostro accounts balances and cheques and items for clearing per credit risk, based on the bank's internal credit rating system, and year-end stage classification.

GROUP					In TZS' Million
31 December 2025 Internal rating grade	12 months PD range	Stage 1	Stage 2	Stage 3	Total
High grade	0.0%-0.5%	-	-	-	-
Standard grade	0.5%-11.7%	**1,389,932**	-	-	**1,389,932**
Sub-standard grade	11.7%-29.5%	-	-	-	-
Low grade	29.5%-100.0%	-	-	-	-
Individually impaired	100%	-	-	-	-
Gross Carrying amount		**1,389,932**	-	-	**1,389,932**

GROUP					In TZS' Million
31 December 2024 Internal rating grade	12 months PD range	Stage 1	Stage 2	Stage 3	Total
High grade	0.0%-0.5%	-	-	-	-
Standard grade	0.5%-11.7%	**783,448**	-	-	**783,448**
Sub-standard grade	11.7%-29.5%	-	-	-	-
Low grade	29.5%-100.0%	-	-	-	-
Individually impaired	100%	-	-	-	-
Gross Carrying amount		**783,448**	-	-	**783,448**

NOTES (CONTINUED)

28 DUE FROM BANKS (CONTINUED)

BANK					In TZS' Million
31 December 2025 Internal rating grade	**12 months PD range**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
High grade	0.0%-0.5%	-	-	-	-
Standard grade	0.5%-11.7%	**1,461,540**	-	-	**1,461,540**
Sub-standard grade	11.7%-29.5%	-	-	-	-
Low grade	29.5%-100.0%	-	-	-	-
Individually impaired	100%	-	-	-	-
Gross Carrying amount		**1,461,540**	-	-	**1,461,540**

BANK					In TZS' Million
31 December 2024 Internal rating grade	**12 months PD range**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
High grade	0.0%-0.5%	-	-	-	-
Standard grade	0.5%-11.7%	**783,904**	-	-	**783,904**
Sub-standard grade	11.7%-29.5%	-	-	-	-
Low grade	29.5%-100.0%	-	-	-	-
Individually impaired	100%	-	-	-	-
Gross Carrying amount		**783,904**	-	-	**783,904**

An analysis of movement of ECL is, as follows:

GROUP and BANK				
In TZS' Million	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
31 December 2025				
As at 1 January 2025	**890**	-	-	**890**
Charge/(release) for the year	**338**	-	-	**338**
Loss allowance as at 31 December 2025	**1,228**	-	-	**1,228**

In TZS' Million	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
31 December 2024				
As at 1 January 2024	1,495	-	-	1,495
Charge/(release) for the year	(605)	-	-	(605)
Loss allowance as at 31 December 2024	890	-	-	890

For customers with sovereign rating portfolio the PD and LGD are determined by looking up in transition matrices for time horizon of one year, published by external rating agencies. However, when the counterparty is not rated by external rating agencies, so it has no rating, and no externally available value of PD, the Bank set up an internal model for determining the PD value where each customer is assigned a credit rating reflective of their creditworthiness by using Analytic Hierarchy Process (AHP) which is a multi-criteria decision-making method based on mathematics and credit risk analysis rather than using the general country rating PD for each counterpart not rated. The counter-parties' PD range from 0.69% to 3.93%.

NOTES (CONTINUED)

29 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

In TZS' Million	GROUP		BANK	
	2025	2024	2025	2024
UTT Investment in Liquid Fund	**828**	9,616	**-**	-
Investment at Orbit Securities (Inuka Fund)	**5,441**	4,582	**5,441**	4,582
Watumishi Faida Fund	**1,390**	1,230	**1,390**	1,230
Held for trading*	**11,285**	-	**11,285**	-
	18,944	15,428	**18,116**	5,812

Movement

In TZS' Million	GROUP		BANK	
	2025	2024	2025	2024
Opening balance	**15,428**	6,984	**5,812**	1,102
Investment during the year	**10,404**	8,234	**10,404**	4,500
Payment/ (Derecognition)	**(8,788)**	-	**-**	-
Revaluation gains	**1,900**	210	**1,900**	210
	18,944	15,428	**18,116**	5,812
	18,944	15,428	**18,116**	5,812

The total amount includes the Group's subsidiary CRDB Insurance Company Ltd investment in UTT Liquid Fund Unit Trust Scheme and investment by the Parent in Watumishi Housing investments (WHI) (Faida Fund) TZS 1bn at TZS 100 per unit and investment at Orbit Securities (Inuka Fund) TZS 4.5bn at TZS 100 per unit. The share price of the Faida fund appreciated to TZS 135.9 per unit, and the share price of the Inuka fund appreciated to TZS 120.9 at the end of 2025.

Management elected the designation of the financial assets at FVPL since initial recognition as required by IFRS 9, and no changes of classification at the reporting date. The financial asset is not held for trading.

*Includes government securities bonds held for trading, the carrying amount best represents maximum exposure to credit risk.

30 DEBT INSTRUMENTS

In TZS' Million	GROUP		BANK	
	2025	2024	2025	2024
Debt instruments at amortized cost				
Treasury bills	**885,645**	489,373	**635,904**	330,633
Treasury and corporate bonds	**1,938,433**	1,459,084		
Less: Allowance for ECL	**(452)**	(429)	**(452)**	(429)
	2,823,626	1,948,028	**2,013,288**	1,507,906
Sukuk investments				
Corporate Bonds	**45,354**	-	**45,354**	-
Less: Allowance for ECL	**(664)**	-	**(664)**	-
	44,690	-	**44,690**	-
Net debt instruments at amortized cost	**2,868,316**	1,948,028	**2,057,978**	1,507,906
Debt instruments at FVOCI				
Treasury bond	**497,005**	135,310	**497,005**	135,310
Less: Allowance for ECL	**(67)**	(19)	**(67)**	(19)
Net Debt instruments at FVOCI	**496,938**	135,291	**496,938**	135,291

Treasury bills and bonds are debt securities issued by the Government. As at 31 December 2025, treasury bonds amounting to TZS 298,364 million (2024: TZS 703,262 million) had been pledged as collateral for various short-term borrowings from other Banks.

NOTES (CONTINUED)

30 DEBT INSTRUMENTS (CONTINUED)

The fair value of the Treasury bills and bonds pledged as collateral approximate the carrying amount. In case of default, the lender has the rights over the debt securities pledged by the Bank.

The Bank did not have any debt instruments measured at FVOCI which were pledged as collateral as at 31 December 2025 (2024: Nil).

As at 31 December, there were neither transferred financial assets nor repurchase and securities lending transactions (2024: Nil).

The maturity analysis of debt instruments at amortized cost net of ECL is as follows:

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
Within 3 months				
Treasury bills	**302,958**	240,421	**145,203**	218,753
Treasury bonds	**28,531**	83,432	**-**	9,959
After 3 months – 1 year				
Treasury bills	**582,687**	261,920	**490,617**	111,832
Treasury bonds	**94,610**	75,927	**27,120**	48,633
After 1 – 5 years				
Treasury bonds	**674,956**	320,285	**395,206**	215,413
After 5 years				
Treasury bonds	**1,184,574**	966,043	**999,832**	903,316
	2,868,316	1,948,028	**2,057,978**	1,507,906
Current	**1,008,786**	661,700	**662,940**	389,177
Non-current	**1,859,530**	1,286,328	**1,395,038**	1,118,729
	2,868,316	1,948,028	**2,057,978**	1,507,906

The maturity analysis of debt instruments at FVOCI net of ECL is as follows:

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
Within 3 months	**-**	-	-	-
After 3 months – 1 year	**-**	4,223	**-**	4,223
After 1 – 5 years	**6,539**	12,132	**6,539**	12,132
After 5 years	**490,399**	118,936	490,399	118,936
	496,938	135,291	**496,938**	135,291
Current	**-**	4,223	**-**	4,223
Non-current	**496,938**	131,068	496,938	131,068
	496,938	135,291	**496,938**	135,291

NOTES (CONTINUED)

30 DEBT INSTRUMENTS (CONTINUED)

An analysis of changes in the gross carrying amount in relation to debt instruments for the Group is, as follows:

GROUP

In TZS' Million 31 December 2025	Treasury bills	Treasury and Corporate bonds	FVOCI	Total
At start of year	**489,325**	**1,458,703**	**135,291**	**2,083,319**
New financial assets purchased	**867,430**	**630,355**	**323,657**	**1,821,442**
Accrued interest	**18,220**	**18,889**	**13,978**	**51,087**
Payments received and financial assets derecognised	**(489,118)**	**(124,372)**	**(16,511)**	**(630,001)**
Revaluation gains on debt instrument at FVOCI	**-**	**-**	**40,590**	**40,590**
At end of year	**885,857**	**1,983,575**	**497,005**	**3,366,437**
Less: Allowance for ECL	**(89)**	**(1,027)**	**(67)**	**(1,183)**
Net debt instruments	**885,768**	**1,982,548**	**496,938**	**3,365,254**

An analysis of changes in the gross carrying amount in relation to debt instruments for the Group is, as follows:

GROUP

31 December 2024

At start of year	613,979	1,347,300	226,206	2,187,485
New financial assets purchased	481,539	197,747	81,184	760,470
Accrued interest	7,626	36,189	4,332	48,147
Payments received and financial assets derecognised	(613,771)	(122,152)	(184,554)	(920,477)
Revaluation gains on debt instrument at FVOCI	-	-	8,142	8,142
At end of year	489,373	1,459,084	135,310	2,083,767
Less: Allowance for ECL	(48)	(381)	(19)	(448)
Net debt instruments	489,325	1,458,703	135,291	2,083,319

NOTES (CONTINUED)

30 DEBT INSTRUMENTS (CONTINUED)

An analysis of changes in the gross carrying amount in relation to debt instruments for the Bank is, as follows:
BANK

	Amortised Cost			
In TZS' Million 31 December 2025	**Treasury bills**	**Treasury and Corporate bonds**	**FVOCI**	**Total**
At start of year	**330,585**	**1,177,321**	**135,291**	**1,643,197**
New financial assets purchased	**617,689**	**293,694**	**323,657**	**1,235,040**
Accrued interest	**18,220**	**9,238**	**13,978**	**41,436**
Payments received and financial assets derecognised	**(330,585)**	**(57,068)**	**(16,511)**	**(404,164)**
Revaluation gains on debt instrument at FVOCI	**-**	**-**	**40,590**	**40,590**
At end of year	**635,909**	**1,423,185**	**497,005**	**2,556,099**
Less: Allowance for ECL	**(89)**	**(1,027)**	**(67)**	**(1,183)**
Net debt instruments	**635,820**	**1,422,158**	**496,938**	**2,554,916**
As at 31 December 2024				
At start of year	599,220	1,140,013	226,206	1,965,439
New financial assets purchased	325,820	92,374	81,184	499,378
Accrued interest	4,813	27,498	4,332	36,643
Payments received and financial assets derecognised	(599,220)	(82,183)	(184,554)	(865,957)
Revaluation gains on debt instrument at FVOCI	-	-	8,142	8,142
At end of year	330,633	1,177,702	135,310	1,643,645
Less: Allowance for ECL	(48)	(381)	(19)	(448)
Net debt instruments	330,585	1,177,321	135,291	1,643,197

During the year, the Bank did not reclassify instruments from amortised cost into fair value through profit or loss (FVPL) or from FVOCI into FVPL.

NOTES (CONTINUED)

30 DEBT INSTRUMENTS (CONTINUED)

Debt instruments measured at amortised cost

An analysis of changes in the gross carrying amount in relation to debt instruments at amortised cost is, as follows:

GROUP

In TZS' Million	Stage 1		
31 December 2025 Debt instruments at amortised cost	**Treasury bills**	**Treasury and Corporate Bonds**	**Total**
Gross carrying amount as at 1 January 2025	**489,373**	**1,459,084**	**1,948,457**
New financial assets originated or purchased	**867,430**	**630,355**	**1,497,785**
Accrued interest	**18,220**	**18,889**	**37,109**
Payments received and financial assets derecognised	**(489,166)**	**(124,753)**	**(613,919)**
Gross carrying amount as at 31 December 2025	**885,857**	**1,983,575**	**2,869,432**
Loss allowance as at 31 December 2025	**(89)**	**(1,027)**	**(1,116)**
31 December 2024			
Gross carrying amount as at 1 January 2024	613,979	1,347,300	1,961,279
New financial assets originated or purchased	481,539	197,747	679,286
Accrued interest	7,626	36,189	43,815
Payments received and financial assets derecognised	(613,771)	(122,152)	(735,923)
Gross carrying amount as at 31 December 2024	489,373	1,459,084	1,948,457
Loss allowance as at 31 December 2024	(48)	(381)	(429)

BANK

In TZS' Million	Stage 1		
31 December 2025	**Treasury bills**	**Treasury and Corporate Bonds**	**Total**
Gross carrying amount as at 1 January 2025	**330,633**	**1,177,702**	**1,508,335**
New financial assets originated or purchased	**617,689**	**293,694**	**911,383**
Accrued interest	**18,220**	**9,238**	**27,458**
Payments received and financial assets derecognised	**(330,633)**	**(57,449)**	**(388,082)**
Gross carrying amount as at 31 December 2025	**635,909**	**1,423,185**	**2,059,094**
Loss allowance as at 31 December 2025	**(89)**	**(1,027)**	**(1,116)**
31 December 2024			
Gross carrying amount as at 1 January 2024	599,220	1,140,013	1,739,233
New financial assets originated or purchased	325,820	92,374	418,194
Accrued interest	4,813	27,498	32,311
Payments received and financial assets derecognised	(599,220)	(82,183)	(681,403)
Gross carrying amount as at 31 December 2024	330,633	1,177,702	1,508,335
Loss allowance as at 31 December 2024	(48)	(381)	(429)

NOTES (CONTINUED)

30 DEBT INSTRUMENTS (CONTINUED)

The table below shows the gross carrying amount of the debt instruments measured at amortised cost by credit risk, based on the bank's internal credit rating system, and year-end stage classification.

GROUP

31 December 2025		Amounts in TZS' Million			
Internal rating grade	**12 months PD range**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
High grade	0.0%-0.5%	**2,869,432**	**-**	**-**	**2,869,432**
Standard grade	0.5%-11.7%	**-**	**-**	**-**	**-**
Sub-standard grade	11.7%-29.5%	**-**	**-**	**-**	**-**
Low grade	29.5%-100.0%	**-**	**-**	**-**	**-**
Individually impaired	100%	**-**	**-**	**-**	**-**
Gross Carrying amount		**2,869,432**	**-**	**-**	**2,869,432**

31 December 2024

Internal rating grade	**12 months PD range**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
High grade	0.0%-0.5%	1,948,457	-	-	1,948,457
Standard grade	0.5%-11.7%	-	-	-	-
Sub-standard grade	11.7%-29.5%	-	-	-	-
Low grade	29.5%-100.0%	-	-	-	-
Individually impaired	100%	-	-	-	-
Gross Carrying amount		1,948,457	-	-	1,948,457

BANK

31 December 2025		Amounts in TZS' Million			
Internal rating grade	**12 months PD range**	**Stage**	**Stage 2**	**Stage 3**	**Total**
Internal rating grade	**12 months PD range**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
High grade	0.0%-0.5%	**2,059,094**	**-**	**-**	**2,059,094**
Standard grade	0.5%-11.7%	**-**	**-**	**-**	**-**
Sub-standard grade	11.7%-29.5%	**-**	**-**	**-**	**-**
Low grade	29.5%-100.0%	**-**	**-**	**-**	**-**
Individually impaired	100%	**-**	**-**	**-**	**-**
Gross Carrying amount		**2,059,094**	**-**	**-**	**2,059,094**

31 December 2024

Internal rating grade	**12 months PD range**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
High grade	0.0%-0.5%	1,508,335	-	-	1,508,335
Standard grade	0.5%-11.7%	-	-	-	-
Sub-standard grade	11.7%-29.5%	-	-	-	-
Low grade	29.5%-100.0%	-	-	-	-
Individually impaired	100%	-	-	-	-
Gross Carrying amount		1,508,335	-	-	1,508,335

NOTES (CONTINUED)

30 DEBT INSTRUMENTS (CONTINUED)

Debt instruments measured at amortised cost

An analysis of movement of ECL in relation to Debt instruments at amortised cost is, as follows:

GROUP AND BANK

	Stage 1		
In TZS' Million 31 December 2025	**Treasury bills**	**Treasury and Corporate bonds**	**Total**
As at 1 January 2025	**48**	**381**	**429**
Charge/(release) for the year	**41**	**646**	**687**
Loss allowance as at 31 December 2025	**89**	**1,027**	**1,116**
As at 31 December 2024			
As at 1 January 2024	84	480	564
Charge/(release) for the year	(36)	(99)	(135)
Loss allowance as at 31 December 2024	48	381	429

Debt instruments measured at FVOCI

An analysis of changes in the gross carrying amount in relation to Debt instruments at FVOCI is, as follows:

GROUP AND BANK

Debt instruments at FVOCI	**Stage 1**	**Total**
In TZS' Million		
31 December 2025		
Gross carrying amount as at 1 January 2025	**135,310**	**135,310**
New financial assets originated or purchased	**323,657**	**323,657**
Accrued Interest	**13,978**	**13,978**
Payments received and financial assets derecognised	**(16,530)**	**(16,530)**
Revaluation gains on debt instrument at FVOCI	**40,590**	**40,590**
Gross carrying amount as at 31 December 2025	**497,005**	**497,005**
Loss allowance as at 31 December 2025	**67**	**67**

GROUP AND BANK

As at 31 December 2024	**Stage 1**	**Total**
Gross carrying amount as at 1 January 2024	226,206	226,206
New financial assets originated or purchased	81,184	81,184
Accrued Interest	4,332	4,332
Payments received and financial assets derecognised	(184,554)	(184,554)
Revaluation gains on debt instrument at FVOCI	8,142	8,142
Gross carrying amount as at 31 December 2024	135,310	135,310
Loss allowance as at 31 December 2024	(19)	(19)

NOTES (CONTINUED)

30 DEBT INSTRUMENTS (CONTINUED)

Debt instruments measured at FVOCI

The table below shows the fair value of the debt instruments measured at FVOCI (Gross) by credit risk, based on the bank's internal credit rating system, and year-end stage classification.

GROUP AND BANK

In TZS' Million 31 December 2025	12 months PD range	Stage 1	Stage 2	Stage 3	Total
Internal rating grade					
High grade	0.0%-0.5%	**497,005**	**-**	**-**	**497,005**
Standard grade	0.5%-11.7%	**-**	**-**	**-**	**-**
Sub-standard grade	11.7%-29.5%	**-**	**-**	**-**	**-**
Low grade	29.5%-100.0%	**-**	**-**	**-**	**-**
Individually impaired	100%	**-**	**-**	**-**	**-**
Gross Carrying amount		**497,005**	**-**	**-**	**497,005**

31 December 2024	12 months PD range	Stage 1	Stage 2	Stage 3	Total
Internal rating grade					
High grade	0.0%-0.5%	135,310	-	-	135,310
Standard grade	0.5%-11.7%	-	-	-	-
Sub-standard grade	11.7%-29.5%	-	-	-	-
Low grade	29.5%-100.0%	-	-	-	-
Individually impaired	100%	-	-	-	-
Gross Carrying amount		135,310	-	-	135,310

In relation to grading of debt instruments measured at amortised cost and FVOCI, the Bank suggests that 'investment grade' rating which is classified as high grade under the Bank's internal rating system as an indicator for a low credit risk and use PD rate of 0.03% and LGD of 45% as recommended by Basel for non-collateralized facility.

An analysis of the movement of ECL in relation to Debt instruments measured at FVOCI is, as follows:

GROUP AND BANK

In TZS' Million 31 December 2025	FVOCI	Total
As at 1 January 2025	**19**	**19**
Charge/(release) for the year	**48**	**48**
Loss allowance as at 31 December 2025	**67**	**67**

In TZS' Million 31 December 2024	FVOCI	Total
As at 1 January 2024	28	28
Charge/(release) for the year	(9)	(9)
Loss allowance as at 31 December 2024	19	19

NOTES (CONTINUED)

31 EQUITY INVESTMENTS AT FVOCI

Movement	GROUP		BANK	
In TZS' Million	2025	2024	2025	2024
Tanzania Mortgage Refinance Company (TMRC)	**7,299**	7,299	**7,299**	7,299
Dar es Salaam Stock Exchange (DSE)	**2,343**	786	**2,343**	786
Cooperative Bank of Tanzania (CBT)	**8,295**	5,524	**8,295**	5,524
Afrexim Bank	**5,746**	-	**5,746**	-
	23,683	13,609	**23,683**	13,609

An analysis of the movement of equity investment measured at FVOCI is, as follows:

	GROUP		BANK	
In TZS' Million	2025	2024	2025	2024
Opening balance	**13,609**	14,935	**13,609**	14,847
Investment during the year	**8,027**	7,713	**8,027**	7,713
Payment/ Derecognition	**-**	(9,479)	**-**	(9,391)
Revaluation gains	**2,047**	440	**2,047**	440
	23,683	13,609	**23,683**	13,609

- Tanzania Mortgage Refinance Company (TMRC) is a private sector institution owned by banks that supports banks in mortgage lending by refinancing their mortgage portfolios. The bank's percentage shareholding in TMRC as of 31 December 2025 was 17.14% (2024: 17.14%).
- Dar es Salaam Stock Exchange (DSE) is a stock exchange located in Dar es Salaam. It was incorporated in September 1996 and started trading in April 1998. The Capital Market and Securities Authority (CMSA) monitors and supervises the exchange's activities. The Bank's shareholding in DSE as of 31 December 2025 was 1.6% (2024: 1.6%).
- Cooperative Bank of Tanzania (CBT): This is an investment made on 19 December 2024 after the merger of TACOBA and KCBL to form a Cooperative Bank. The CRDB Bank holds a 20% shareholding as at 31 Dec 2025 (2024: 20%).
- Afrexim Bank: This is a new investment made in April 2025, whereby CRDB Bank invests under the second general capital increase of Afrexim Bank. The Bank has received 78 Class B shares, representing a 0.03% shareholding.

The FVOCI designation was made because the investments are expected to be held for strategic purposes in the long term.

The Group receive dividends from its equities TZS 122 million 2025 (2024: TZS 123 million),
The fair value of unquoted equity investments is estimated using discounted cash flow techniques. The following methods and assumptions were used to estimate fair values:

The cash flow projection of the investment for the remaining period has been considered as at 31 December 2025.

A discount rate of 10% per annum as a weighted average lending rate and average Treasury bond rate between 2-5 years.

The Group held the following shares in the above equity investment

	31 December 2025		31 December 2024	
Investment	Number of shares	Value of shares (TZS' Million)	Number of shares	Value of shares (TZS' Million)
Tanzania Mortgage Refinance Company (TMRC)	**4,500,000**	**7,299**	4,500,000	7,299
Dar es Salaam Stock Exchange (DSE)	**327,632**	**2,343**	327,632	786
Investment in Cooperative Bank of Tanzania (CBT)	**16,589,830**	**8,295**	11,048,500	5,524
Afrexim Bank	**78**	**5,746**	-	-

NOTES (CONTINUED)

32 CREDIT CARDS

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to credit cards is as follows.

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
Carrying amount	**3,787**	2,108	**3,787**	2,108
Less: Allowance for ECL	**(732)**	(106)	**(732)**	(106)
Net Credit cards	**3,055**	2,002	**3,055**	2,002

An analysis of credit cards based on internal ratings is summarised as follows:

GROUP AND BANK

In TZS' Million				
31 December 2025	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Current	**2,887**	**-**	**-**	**2,887**
Especially mentioned	**-**	**463**	**-**	**463**
Sub-standard	**-**	**-**	**175**	**175**
Doubtful	**-**	**-**	**261**	**261**
Loss	**-**	**-**	**1**	**1**
Gross Carrying amount	**2,887**	**463**	**437**	**3,787**
Less: Allowance for ECL	**(54)**	**(242)**	**(436)**	**(732)**
Net Credit cards	**2,833**	**221**	**1**	**3,055**
31 December 2024				
Current	2,004	-	-	2,004
Especially mentioned	-	33	-	33
Sub-standard	-	-	63	63
Doubtful	-	-	2	2
Loss	-	-	6	6
Gross Carrying amount	2,004	33	71	2,108
Less: Allowance for ECL	(47)	(8)	(51)	(106)
Net Credit cards	1,957	25	20	2,002

NOTES (CONTINUED)

32 CREDIT CARDS (CONTINUED)

An analysis of changes in the gross carrying amount in relation to credit cards is, as follows:

GROUP AND BANK

31 December 2025 In TZS' Million	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2025	**2,004**	**33**	**71**	**2,108**
Changes in the gross carrying amount				
-Transfer to stage 1	**20**	**(13)**	**(7)**	**-**
-Transfer to stage 2	**(456)**	**457**	**(1)**	**-**
-Transfer to stage 3	**(382)**	**(15)**	**397**	**-**
New financial assets purchased	**2,018**	**-**	**-**	**2,018**
Payment received and financial assets derecognised	**(394)**	**(5)**	**(26)**	**(425)**
Accrued interest	**77**	**6**	**3**	**86**
Gross carrying amount as at 31 December 2025	**2,887**	**463**	**437**	**3,787**
Loss allowance as at 31 December 2025	**54**	**242**	**436**	**732**

An analysis of changes in the gross carrying amount in relation to credit cards is, as follows:

GROUP AND BANK

31 December 2024 In TZS' Million	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2024	2,261	85	198	2,544
Changes in the gross carrying amount				
-Transfer to stage 1	74	(67)	(7)	-
-Transfer to stage 2	(6)	6	-	-
-Transfer to stage 3	(25)	-	25	-
New financial assets purchased	327	-	-	327
Accrued interest	(1,024)	-	(219)	(1,243)
Payment received and financial assets derecognised	434	9	37	480
Gross carrying amount as at 31 December 2024	2,041	33	34	2,108
Loss allowance as at 31 December 2024	47	8	51	106

An analysis of changes in the corresponding ECL allowances in relation to credit cards is, as follows:

GROUP AND BANK

In TZS' Million

31 December 2025	Stage 1	Stage 2	Stage 3	Total
Loss allowance as at 1 January 2025	**47**	**8**	**51**	**106**
Change in the loss allowance				
-Transfer to stage 1	**10**	**(3)**	**(7)**	**-**
-Transfer to stage 2	**(71)**	**72**	**(1)**	**-**
-Transfer to stage 3	**(156)**	**(3)**	**159**	**-**
Write-offs	**-**	**-**	**-**	**-**
New financial assets originated	**246**	**-**	**-**	**246**
Payment received and financial assets derecognised	**(18)**	**(3)**	**(37)**	**(58)**
Unwind discount	**13**	**1**	**2**	**16**
Impact on ECL transfers	**(17)**	**170**	**269**	**422**
Loss allowance as at 31 December 2025	**54**	**242**	**436**	**732**

NOTES (CONTINUED)

32 CREDIT CARDS (CONTINUED)

An analysis of changes in the corresponding ECL allowances in relation to credit cards is, as follows:

GROUP AND BANK

In TZS' Million

31 December 2024	Stage 1	Stage 2	Stage 3	Total
Loss allowance as at 1 January 2024	17	20	198	235
Change in the loss allowance				-
-Transfer to stage 1	32	(20)	(12)	-
-Transfer to stage 2	-	-	-	-
-Transfer to stage 3	(1)	-	1	-
New financial assets originated	15	-	-	15
Payment received and financial assets derecognised	(33)	-	(191)	(224)
Unwind discount	17	-	55	72
Impact on ECL transfers	-	8	-	8
Loss allowance as at 31 December 2024	47	8	51	106

An analysis of the movement of ECL in relation to credit cards is, as follows:

GROUP AND BANK

In TZS' Million

31 December 2025	Stage 1	Stage 2	Stage 3	Total
As at 1 January 2025	**47**	**8**	**51**	**106**
Charge/(release) for the year	**7**	**234**	**385**	**626**
Loss allowance as at 31 December 2025	**54**	**242**	**436**	**732**

In TZS' Million

31 December 2024				
As at 1 January 2024	17	20	198	235
Charge/(release) for the year	30	(12)	(147)	(129)
Loss allowance as at 31 December 2024	47	8	51	106

33 LOANS AND ADVANCES TO CUSTOMERS

By Type:	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
Term loans	**10,866,622**	8,084,557	**10,344,004**	7,802,903
Overdraft	**2,316,790**	1,920,299	**2,193,499**	1,837,179
Staff loans	**547,773**	350,365	**537,547**	343,034
Shariah compliance financing	**240,315**	148,941	**240,315**	148,941
Gross loans and advances to customers	**13,971,500**	10,504,163	**13,315,365**	10,132,057
Less: Provision for impairment	**(248,182)**	(143,339)	**(237,826)**	(136,582)
Net loans and advances to customers	**13,723,318**	10,360,824	**13,077,539**	9,995,475

NOTES (CONTINUED)

33 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

GROUP

As at 31 December 2025	Stage 1	Stage 2	Stage 3	Total
By segment				
In TZS' Million				
Corporate	**6,249,762**	**158,872**	**157,250**	**6,565,884**
SME	**2,215,769**	**62,008**	**101,804**	**2,379,581**
Micro finance	**230,213**	**9,428**	**20,043**	**259,684**
Mortgage	**94,793**	**2,358**	**3,069**	**100,220**
Personal	**4,523,578**	**47,247**	**95,306**	**4,666,131**
Gross loans and advances to customers	**13,314,115**	**279,913**	**377,472**	**13,971,500**
Less: Provision for impairment	**(21,674)**	**(18,042)**	**(208,466)**	**(248,182)**
Net loans and advances to customers	**13,292,441**	**261,871**	**169,006**	**13,723,318**
In TZS' Million				
Corporate	4,455,204	442,491	121,227	5,018,922
SME	1,165,818	37,703	66,975	1,270,496
Microfinance	211,515	5,970	11,831	229,316
Mortgage	76,742	318	1,198	78,258
Personal	3,799,436	32,672	75,063	3,907,171
Gross loans and advances to customers	9,708,715	519,154	276,294	10,504,163
Less: Provision for impairment	(14,710)	(19,204)	(109,425)	(143,339)
Net loans and advances to customers	9,694,005	499,950	166,869	10,360,824

BANK

As at 31 December 2025	Stage 1	Stage 2	Stage 3	Total
In TZS' Million				
Corporate	**5,894,324**	**151,317**	**140,650**	**6,186,291**
SME	**2,114,847**	**57,426**	**89,376**	**2,261,649**
Microfinance	**220,848**	**7,569**	**9,302**	**237,719**
Mortgage	**94,793**	**2,358**	**3,069**	**100,220**
Personal	**4,394,852**	**43,178**	**91,456**	**4,529,486**
Gross loans and advances to customers	**12,719,664**	**261,848**	**333,853**	**13,315,365**
Less: Provision for impairment	**(18,396)**	**(17,449)**	**(201,981)**	**(237,826)**
Net loans and advances to customers	**12,701,268**	**244,399**	**131,872**	**13,077,539**
As at 31 December 2024				
Corporate	4,243,560	441,687	120,643	4,805,890
SME	1,145,356	35,980	65,354	1,246,690
Microfinance	184,329	5,434	8,919	198,682
Mortgage	76,742	318	1,198	78,258
Personal	3,700,628	30,007	71,902	3,802,537
Gross loans and advances to customers	9,350,615	513,426	268,016	10,132,057
Less: Provision for impairment	(11,556)	(19,033)	(105,993)	(136,582)
Net loans and advances to customers	9,339,059	494,393	162,023	9,995,475

NOTES (CONTINUED)

33 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

Despite the current macroeconomic and geopolitical uncertainties, credit portfolio performance has been relatively stable in 2025. The Group NPL ratio stood at 2.9%, due to the successful containment of portfolio migration to higher risk categories through establishing proactive portfolio monitoring strategies, automatic identification of early warning signals and taking corrective actions, strategic growth in portfolio with higher yield but lower credit risk such as consumer loans, de-risking strategy and timely restructuring of credit facilities to align with the anticipated cash flows .

In 2025, the Group and Bank did not acquire a portfolio categorised as purchased or originated credit-impaired assets (POCI)

The contractual amount outstanding on loans and advances written off by the Group as at 31 December 2025 was TZS 77,988 million (2024: TZS 104,092 million).

Maturity analysis

The maturity analysis is based on the remaining periods to contractual maturity from year-end.

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
- Within 3 months	**1,736,720**	1,573,425	**1,666,285**	1,517,023
- After 3 months to 1 year	**2,804,764**	1,889,925	**2,711,999**	1,849,648
- After 1 to 5 years	**4,731,094**	3,696,004	**4,063,726**	3,214,136
- After 5 years	**4,450,740**	3,201,470	**4,635,529**	3,414,668
Net loans and advances to customers	**13,723,318**	10,360,824	**13,077,539**	9,995,475

Analysis by geographical location.

The Bank categorises loans and advances to customers in gross carrying amount into 6 regions of loan origination for the purpose of regulatory reporting to the Bank of Tanzania.

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
Dar es Salaam zone	**6,896,922**	5,258,967	**7,618,074**	5,650,495
Mbeya zone	**1,037,745**	861,886	**1,037,745**	861,886
Lake zone	**1,998,499**	1,619,626	**1,998,499**	1,619,626
Zanzibar zone	**1,481,647**	999,102	**1,481,647**	999,102
Arusha zone	**1,179,400**	1,000,948	**1,179,400**	1,000,948
Burundi	**1,252,119**	757,926	**-**	-
Congo	**125,168**	5,708	**-**	-
Gross loans and advances to customers	**13,971,500**	10,504,163	**13,315,365**	10,132,057

The composition of the zones is as follows:

Zone	Component regions
Dar es Salaam zone	All Dar es Salaam branches
Lake zone	Kagera, Kigoma, Mara, Mwanza, Simiyu, Geita, Shinyanga, Tabora and Singida
Mbeya zone	Mbeya, Sumbawanga, Njombe, Katavi, Rukwa and Ruvuma
Zanzibar zone	Coast, Unguja, Lindi, Morogoro and Mtwara
Arusha zone	Arusha, Kilimanjaro, Manyara, Tanga and Dodoma
Burundi zone	Bujumbura
Congo Zone	Lubumbashi and Kinshasa

NOTES (CONTINUED)

33 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

Analysis of impairment by industry.

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
Agriculture	**111,799**	38,211	**108,186**	34,096
Financial Institutions	**214**	892	**205**	94
Hotels and restaurants	**600**	5,405	**563**	5,396
Manufacturing	**93,302**	789	**89,689**	759
Individual	**66**	49,220	**54**	48,302
Trading	**19,582**	24,975	**17,382**	24,303
Transport and Communication	**21,411**	1,825	**20,551**	1,702
Others	**1,208**	22,022	**1,196**	21,930
Total loss allowance	**248,182**	143,339	**237,826**	136,582

GROUP

Analysis of movement in the Loss allowance.

GROUP

In TZS' Million	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
As at 31 December 2025				
At 1 January 2025	**6,249,762**	**158,872**	**157,250**	**6,565,884**
Charge for the year	**2,215,769**	**62,008**	**101,804**	**2,379,581**
Write-offs	**230,213**	**9,428**	**20,043**	**259,684**
Foreign exchange and other movements	**94,793**	**2,358**	**3,069**	**100,220**
	21,674	**18,042**	**208,466**	**248,182**

31 December 2024	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
At 1 January 2024	23,190	21,211	78,874	123,275
Charge for the year	(8,480)	(2007)	140,514	130,027
Write-offs	-	-	(104,092)	(104,092)
Foreign exchange and other movements	-	-	(5,871)	(5,871)
Total loss allowance	14,710	19,204	109,425	143,339

Analysis of movement in the ECL – charge to profit or loss;

GROUP

	Stage 1	**Stage 2**	**Stage 3**	**Total**
As at 31 December 2025				
Impairment charges for credit losses	**6,964**	**(1,162)**	**177,951**	**183,753**
Provision-Burundi*	**-**	**-**	**5,136**	**5,136**
Amount recovered during the year	**-**	**-**	**(40,331)**	**(40,331)**
Foreign exchange and other movements	**-**	**-**	**(171)**	**(171)**
Charge to profit or loss	**6,964**	**(1,162)**	**142,585**	**148,387**

Analysis of movement in the ECL – charge to profit or loss;

NOTES (CONTINUED)

33 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

Analysis of impairment by industry (continued)

In TZS' Million

GROUP

31 December 2024	Stage 1	Stage 2	Stage 3	Total
Impairment charges for credit losses	(8,480)	(2,007)	140,514	130,027
Provision-Burundi*	-	-	(3,028)	(3,028)
Amount recovered during the year	-	-	(39,782)	(39,782)
Charge to profit or loss	(8,480)	(2,007)	97,704	87,217

**Represent additional impairment charge of our Burundi subsidiary as per Burundi Central Bank against non-distributable reserve*

Analysis of movement in the Loss allowance

BANK

In TZS' Million As at 31 December 2025	Stage 1	Stage 2	Stage 3	Total
At 1 January 2025	**11,556**	**19,033**	**105,993**	**136,582**
Charge for the year	**6,840**	**(1,584)**	**174,575**	**179,831**
Write-offs	**-**	**-**	**(77,665)**	**(77,665)**
Foreign exchange and other movements	**-**	**-**	**(922)**	**(922)**
	18,396	**17,449**	**201,981**	**237,826**

31 December 2024	Stage 1	Stage 2	Stage 3	Total
At 1 January 2024	23,131	21,077	78,573	122,781
Charge for the year	(11,575)	(2,044)	137,267	123,648
Write-offs	-	-	(103,976)	(103,976)
Foreign exchange and other movements	-	-	(5,871)	(5,871)
Total loss allowance	**11,556**	**19,033**	**105,993**	**136,582**

Analysis of movement in the ECL – charge to profit or loss;

BANK

In TZS' Million 31 December 2025	Stage 1	Stage 2	Stage 3	Total
Impairment charges for credit losses	**6,840**	**(1,584)**	**174,575**	**179,831**
Amount recovered during the year	**-**	**-**	**(40,264)**	**(40,264)**
Charge to profit or loss	**6,840**	**(1,584)**	**134,311**	**139,567**
31 December 2024				
Impairment charges for credit losses	(11,575)	(2,044)	137,267	123,648
Amount recovered during the year	-	-	(39,726)	(39,726)
Charge to profit or loss	(11,575)	(2,044)	97,541	83,922

NOTES (CONTINUED)

34 CREDIT LOSS EXPENSE

GROUP

In TZS' Million		Stage 1	Stage 2	Stage 3	Total
31 December 2025					
Loans and advances to customers	Note 33	6,964	(1,162)	142,585	148,387
Debt instruments*	Note 30	735	-	-	735
Placements with other banks	**Note 28**	**338**	**-**	**-**	**338**
Credit cards	**Note 32**	**7**	**234**	**385**	**626**
Off Balance sheet items	**Note 35**	**3,798**	**(697)**	**402**	**3,503**
		11,842	**(1,625)**	**143,372**	**153,589**
31 December 2024		**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Loans and advances to customers	Note 33	(8,480)	(2,007)	97,704	87,217
Debt instruments*	Note 30	(144)	-	-	(144)
Placements with other banks	Note 28	(605)	-	-	(605)
Credit cards	Note 32	30	(12)	(147)	(129)
Off Balance sheet items	Note 35	7,494	1,303	51	8,848
		(1,705)	(716)	97,608	95,187

BANK

In TZS' Million		Stage 1	Stage 2	Stage 3	Total
31 December 2025					
Loans and advances to customers	Note 33	6,840	(1,584)	134,311	139,567
Debt instruments*	Note 30	735	-	-	735
Placements with other banks	**Note 28**	**338**	**-**	**-**	**338**
Credit cards	**Note 32**	**7**	**234**	**385**	**626**
Off Balance sheet items	**Note 35**	**1,554**	**(697)**	**332**	**1,189**
		9,474	**(2,047)**	**135,028**	**142,455**
31 December 2024		**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Loans and advances to customers	Note 33	(11,575)	(2,044)	97,541	83,922
Debt instruments*	Note 30	(144)	-	-	(144)
Placements with other banks	Note 28	(605)	-	-	(605)
Credit cards	Note 32	30	(12)	(147)	(129)
Off Balance sheet items	Note 35	7,481	1,303	51	8,835
		(4,813)	(753)	97,445	91,879

*Includes ECL charge for debt instruments measured at FVOCI and debt instrument at amortized cost.

NOTES (CONTINUED)

35 OFF BALANCE SHEET FINANCIAL ASSETS

An analysis of off-balance sheet items based on internal rating are summarised as follows:

GROUP

In TZS' Million	Stage 1	Stage 2	Stage 3	Total
31 December 2025				
Internal rating grade				
Current	6,310,012	-	-	6,310,012
Especially mentioned	-	30,532	-	30,532
Sub-standard	-	-	2,108	2,108
Doubtful	-	-	355	355
Loss	-	-	-	-
Gross Carrying amount	**6,310,012**	**30,532**	**2,463**	**6,343,007**
Less: Allowance for ECL	**(11,729)**	**(609)**	**(396)**	**(12,734)**
Net Off Balance sheet financial assets	**6,298,283**	**29,923**	**2,067**	**6,330,273**

An analysis of the movement of ECL in relation to off-balance sheet is, as follows:

In TZS' Million	Stage 1	Stage 2	Stage 3	Total
31 December 2025				
As at 1 January 2025	**7,931**	**1,306**	**64**	**9,301**
Charge/(release) for the period	**3,798**	**(697)**	**402**	**3,503**
Foreign exchange difference	**-**	**-**	**(70)**	**(70)**
Loss allowance as at 31 December 2025	**11,729**	**609**	**396**	**12,734**

GROUP

In TZS' Million	Stage 1	Stage 2	Stage 3	Total
31 December 2024				
Internal rating grade				
Current	5,281,958	-	-	5,281,958
Especially mentioned	-	55,192	-	55,192
Sub-standard	-	-	244	244
Doubtful	-	-	74	74
Loss	-	-	-	-
Gross Carrying amount	**5,281,958**	**55,192**	**318**	**5,337,468**
Less: Allowance for ECL	**(7,931)**	**(1,306)**	**(64)**	**(9,301)**
Net Off Balance sheet financial assets	**5,274,027**	**53,886**	**254**	**5,328,167**

An analysis of movement of ECL in relation to off balance sheet is, as follows:

In TZS' Million	Stage 1	Stage 2	Stage 3	Total
31 December 2024				
As at 1 January 2024	437	3	13	453
Charge/(release) for the year	7,494	1,303	51	8,848
Loss allowance as at 31 December 2024	7,931	1,306	64	9,301

NOTES (CONTINUED)

35 OFF BALANCE SHEET FINANCIAL ASSETS (CONTINUED)

An analysis of off-balance sheet items based on internal rating are summarised as follows:

BANK

In TZS' Million	Stage 1	Stage 2	Stage 3	Total
31 December 2025				
Internal rating grade				
Current	6,130,336	-	-	6,130,336
Especially mentioned	-	30,532	-	30,532
Sub-standard	-	-	2,108	2,108
Doubtful	-	-	355	355
Loss	-	-	-	-
Gross Carrying amount	**6,130,336**	**30,532**	**2,463**	**6,163,331**
Less: Allowance for ECL	**(9,472)**	**(609)**	**(396)**	**(10,477)**
Net Off Balance sheet financial assets	**6,120,864**	**29,923**	**2,067**	**6,152,854**

An analysis of the movement of ECL in relation to off-balance sheet is as follows:

In TZS' Million	Stage 1	Stage 2	Stage 3	Total
31 December 2025				
As at 1 January 2024	**7,918**	**1,306**	**64**	**9,288**
Charge/(release) for the year	**1,554**	**(697)**	**332**	**1,189**
Loss allowance as at 31 December 2024	**9,472**	**609**	**396**	**10,477**

BANK

In TZS' Million	Stage 1	Stage 2	Stage 3	Total
31 December 2024				
Internal rating grade				
Current	5,221,007	-	-	5,221,007
Especially mentioned	-	55,192	-	55,192
Sub-standard	-	-	244	244
Doubtful	-	-	74	74
Loss	-	-	-	-
Gross Carrying amount	5,221,007	55,192	318	5,276,517
Less: Allowance for ECL	(7,918)	(1,306)	(64)	(9,288)
Net Off Balance sheet financial assets	5,213,089	53,886	254	5,267,229

An analysis of movement of ECL in relation to off balance sheet is, as follows:

In TZS' Million	Stage 1	Stage 2	Stage 3	Total
31 December 2024				
As at 1 January 2024	437	3	13	453
Charge/(release) for the year	7,481	1,303	51	8,835
Loss allowance as at 31 December 2024	7,918	1,306	64	9,288

NOTES (CONTINUED)

35 OFF BALANCE SHEET FINANCIAL ASSETS (CONTINUED)

An analysis of changes in the exposure amount in relation to financial guarantees is, as follows:

GROUP

In TZS' Million	Stage 1	Stage 2	Stage 3	Total
31 December 2025				
31 December 2025				
Gross carrying amount as at 01 January 2025	**2,795,332**	**18,803**	**318**	**2,814,453**
Changes in the gross carrying amount				
– Transfer to stage 1	**13**	**(13)**	**-**	**-**
– Transfer to stage 2	**(30,218)**	**30,218**	**-**	**-**
– Transfer to stage 3	**(2,463)**	**-**	**2,463**	**-**
New financial assets originated or purchased	**1,537,487**	**-**	**-**	**1,537,487**
Financial assets that have been derecognised	**(1,515,555)**	**(18,790)**	**(318)**	**(1,534,663)**
Gross carrying amount as at 31 December 2025	**2,784,596**	**30,218**	**2,463**	**2,817,277**
Loss allowance as at 31 December 2025	**6,239**	**609**	**396**	**7,244**

An analysis of movement of ECL in relation to financial guarantee is, as follows:

In TZS' Million	Stage 1	Stage 2	Stage 3	Total
31 December 2025				
Loss allowance as at 01 January 2025	**4,611**	**282**	**64**	**4,957**
Changes in the loss allowance	**-**	**-**	**-**	**-**
– Transfer to stage 1	**-**	**-**	**-**	**-**
– Transfer to stage 2	**(609)**	**609**	**-**	**-**
– Transfer to stage 3	**(381)**	**-**	**381**	**-**
New financial assets originated or purchased	**5,959**	**-**	**-**	**5,959**
Financial assets that have been derecognised	**(2,037)**	**(282)**	**(64)**	**(2,383)**
Impact on ECL transfers	**(1,304)**	**-**	**15**	**(1,289)**
Loss allowance as at 31 December 2025	**6,239**	**609**	**396**	**7,244**
31 December 2024				
Gross carrying amount as at 01 January 2024	2,417,862	-	733	2,418,595
Changes in the gross carrying amount				
-Transfer to stage 1	-	-	-	-
-Transfer to stage 2	(18,803)	18,803	-	-
-Transfer to stage 3	(290)	-	290	-
New financial assets originated or purchased	1,793,005	-	-	1,793,005
Financial assets that have been derecognised	(1,396,442)	-	(705)	(1,397,147)
Gross carrying amount as at 31 December 2024	2,795,332	18,803	318	2,814,453
Loss allowance as at 31 December 2024	4,611	282	64	4,957

NOTES (CONTINUED)

35 OFF BALANCE SHEET FINANCIAL ASSETS (CONTINUED)

An analysis of movement of ECL in relation to financial guarantee is, as follows:

31 December 2024

In TZS' Million	Stage 1	Stage 2	Stage 3	Total
Loss allowance as at 1 January 2024	312	-	13	325
Changes in the loss allowance	-	-	-	-
-Transfer to stage 1	-	-	-	-
-Transfer to stage 2	(1)	1	-	-
-Transfer to stage 3	-	-	-	-
New financial assets originated or purchased	3,605	-	-	3,605
Financial assets that have been derecognised	(1,445)	-	-	(1,445)
Unwind discount	-	-	-	-
Impact on ECL Transfers	2,140	281	51	2,472
Loss allowance as at 31 December 2024	4,611	282	64	4,957

An analysis of changes in the exposure amount in relation to financial guarantees is, as follows:

BANK

In TZS' Million	Stage 1	Stage 2	Stage 3	Total
31 December 2025				
Exposure amount as at 1 January 2025	**2,793,488**	**18,803**	**318**	**2,812,609**
Changes in the gross carrying amount				**-**
– Transfer to stage 1	**13**	**(13)**	**-**	**-**
– Transfer to stage 2	**(30,218)**	**30,218**	**-**	**-**
– Transfer to stage 3	**(2,463)**	**-**	**2,463**	**-**
New financial assets originated or purchased	**1,509,310**	**-**	**-**	**1,509,310**
Financial assets that have been derecognised	**(1,513,760)**	**(18,790)**	**(318)**	**(1,532,868)**
Exposure amount as at 31 December 2025	**2,756,370**	**30,218**	**2,463**	**2,789,051**
Loss allowance as at 31 December 2025	**3,982**	**609**	**396**	**4,987**

An analysis of movement of ECL in relation to financial guarantee is, as follows:

In TZS' Million	Stage 1	Stage 2	Stage 3	Total
31 December 2025				
Loss allowance as at 01 January 2025	**4,598**	**282**	**64**	**4,944**
Changes in the loss allowance				
– Transfer to stage 1	**-**	**-**	**-**	**-**
– Transfer to stage 2	**(609)**	**609**	**-**	**-**
– Transfer to stage 3	**(381)**	**-**	**381**	**-**
New financial assets originated or purchased	**3,705**	**-**	**-**	**3,705**
Financial assets that have been derecognised	**(2,024)**	**(282)**	**(64)**	**(2,370)**
Impact on ECL Transfers	**(1,307)**	**-**	**15**	**(1,292)**
Loss allowance as at 31 December 2025	**3,982**	**609**	**396**	**4,987**

NOTES (CONTINUED)

35 OFF BALANCE SHEET FINANCIAL ASSETS (CONTINUED)

An analysis of changes in the exposure amount in relation to financial guarantees is, as follows

BANK

In TZS' Million	Stage 1	Stage 2	Stage 3	Total
31 December 2024				
Exposure amount as at 1 January 2024	1,426,304	20,636	3,171	1,450,111
Changes in the gross carrying amount				-
– Transfer to stage 1	-	-	-	-
– Transfer to stage 2	(18,803)	18,803	-	-
– Transfer to stage 3	(290)	-	290	-
New financial assets originated or purchased	1,791,281	-	-	1,791,281
Financial assets that have been derecognised	(1,395,068)	-	(705)	(1,395,773)
Exposure amount as at 31 December 2024	2,793,488	18,803	318	2,812,609
Loss allowance as at 31 December 2024	4,598	282	64	4,944

An analysis of the movement of ECL in relation to financial guarantee is, as follows:

In TZS' Million	Stage 1	Stage 2	Stage 3	Total
31 December 2024				
Loss allowance as at 01 January 2024	312	-	13	325
Changes in the loss allowance	-	-	-	-
– Transfer to stage 1	-	-	-	-
– Transfer to stage 2	(1)	1	-	-
– Transfer to stage 3	-	-	-	-
New financial assets originated or purchased	3,592	-	-	3,592
Financial assets that have been derecognised	(1,445)	-	-	(1,445)
Impact on ECL Transfers	2,140	281	51	2,472
Loss allowance as at 31 December 2024	4,598	282	64	4,944

An analysis of changes in the exposure amount in relation to letters of credit is, as follows:

GROUP AND BANK

In TZS' Million	Stage 1	Stage 2	Stage 3	Total
31 December 2025				
Exposure amount as at 1 January 2025	**1,415,111**	**36,389**	**-**	**1,451,500**
Changes in the gross carrying amount				
– Transfer to stage 1	**39**	**(39)**	**-**	**-**
– Transfer to stage 2	**(314)**	**314**	**-**	**-**
– Transfer to stage 3	**-**	**-**	**-**	**-**
New financial assets originated or purchased	**1,998,507**	**-**	**-**	**1,998,507**
Financial assets that have been derecognised	**(1,358,677)**	**(36,350)**	**-**	**(1,395,027)**
Exposure amount as at 31 December 2025	**2,054,666**	**314**	**-**	**2,054,980**
Loss allowance as at 31 December 2025	**5,490**	**-**	**-**	**5,490**

NOTES (CONTINUED)

35 OFF BALANCE SHEET FINANCIAL ASSETS (CONTINUED)

An analysis of movement of ECL in relation to letters of credit is, as follows:

In TZS' Million	Stage 1	Stage 2	Stage 3	Total
31 December 2025				
Loss allowance as at 1 January 2025	**3,320**	**1,024**	**-**	**4,344**
New exposures				**-**
-Transfer to stage 1	**-**	**-**	**-**	**-**
-Transfer to stage 2	**-**	**-**	**-**	**-**
-Transfer to stage 3	**-**	**-**	**-**	**-**
New financial assets originated or purchased	**4,765**	**-**	**-**	**4,765**
Financial assets that have been derecognised	**(2,646)**	**(1,024)**	**-**	**(3,670)**
Impact on ECL Transfers	**51**	**-**	**-**	**51**
Loss allowance as at 31 December 2025	**5,490**	**-**	**-**	**5,490**

An analysis of changes in the exposure amount in relation to letters of credit is, as follows:

GROUP AND BANK

In TZS' Million	Stage 1	Stage 2	Stage 3	Total
31 December 2024				
Exposure amount as at 1 January 2024	1,266,216	3,801	-	1,270,017
Changes in the gross carrying amount	-	-	-	-
– Transfer to stage 1	-	-	-	-
– Transfer to stage 2	(32,588)	32,588	-	-
– Transfer to stage 3	(290)	-	290	-
New financial assets originated or purchased	925,848	-	-	925,848
Financial assets that have been derecognised	(744,075)	-	(290)	(744,365)
Exposure amount as at 31 December 2024	1,415,111	36,389	-	1,451,500
Loss allowance as at 31 December 2024	3,320	1,024	-	4,344

An analysis of movement of ECL in relation to letters of credit is, as follows:

In TZS' Million	Stage 1	Stage 2	Stage 3	Total
31 December 2024				
Loss allowance as at 1 January 2024	**125**	**3**	**-**	**128**
New exposures				
Exposures derecognised/ matured				
-Transfer to stage 1	**-**	**-**	**-**	**-**
-Transfer to stage 2	**(1)**	**1**	**-**	**-**
-Transfer to stage 3	**-**	**-**	**-**	**-**
New financial assets originated or purchased	**2,295**	**1,020**	**-**	**3,315**
Financial assets that have been derecognised	**-**	**-**	**-**	**-**
Unwind discount	**-**	**-**	**-**	**-**
Impact on ECL Transfers	**901**	**-**	**-**	**901**
Loss allowance as at 31 December 2024	**3,320**	**1,024**	**-**	**4,344**

NOTES (CONTINUED)

35 OFF BALANCE SHEET FINANCIAL ASSETS (CONTINUED)

An analysis of changes in the exposure amount in relation to commitment to extend credit is, as follows:

GROUP

In TZS' Million	Stage 1	Stage 2	Stage 3	Total
31 December 2025				
Exposure amount as at 1 January 2025	**1,071,515**	**-**	**-**	**1,071,515**
New exposures	**1,470,750**	**-**	**-**	**1,470,750**
Exposures derecognised/ matured	**(1,071,515)**	**-**	**-**	**(1,071,515)**
Exposure amount as at 31 December 2025	**1,470,750**	**-**	**-**	**1,470,750**
31 December 2024				
Exposure amount as at 1 January 2024	333,997	-	-	333,997
New exposures	1,071,515	-	-	1,071,515
Exposures derecognised/ matured	(333,997)	-	-	(333,997)
Exposure amount as at 31 December 2024	1,071,515	-	-	1,071,515

An analysis of changes in the exposure amount in relation to commitment to extend credit is, as follows:

BANK

Commitment to extend credit				
In TZS' Million	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
31 December 2025				
Exposure amount as at 1 January 2025	**1,012,408**	**-**	**-**	**1,012,408**
New exposures	**1,319,300**	**-**	**-**	**1,319,300**
Exposures derecognised/ matured	**(1,012,408)**	**-**	**-**	**(1,012,408)**
Exposure amount as at 31 December 2025	**1,319,300**	**-**	**-**	**1,319,300**
31 December 2024				
Exposure amount as at 1 January 2024	305,613	-	-	305,613
New exposures	1,012,408	-	-	1,012,408
Exposures derecognised/ matured	(305,613)	-	-	(305,613)
Exposure amount as at 31 December 2024	1,012,408	-	-	1,012,408

NOTES (CONTINUED)

36 OTHER ASSETS

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
*Other financial Assets**				
Due from a related party (Note 64)	**-**	-	**28,838**	3,616
Receivable from mobile phone companies	**156,593**	32,936	**156,593**	32,936
Other receivables**	**216,489**	84,702	**108,436**	67,925
Less: Impairment	**(16,075)**	(13,834)	**(15,461)**	(13,637)
	357,007	103,804	**278,406**	90,840
Other non-financial assets				
Advance payment for capital expenditure	**3,584**	29,681	**3,584**	29,681
Unamortized staff benefit	**81,867**	52,883	**81,867**	52,883
Prepaid expenses	**69,112**	56,207	**52,239**	46,594
Bank card stock	**890**	2,350	**833**	2,257
Islamic financing advance payment	**53,779**	15,165	**53,779**	15,165
Stationery stock	**2,940**	1,688	**2,940**	1,688
	212,172	156,174	**195,242**	148,268
Total	**569,179**	259,978	**473,648**	239,108

* Impairment of other financial assets is determined based on the expected credit loss model under IFRS 9.
**Within 'Other receivables', includes receivables of fees and commissions of TZS 44,246 million (2024: TZS 16,543 million) which represent the Bank's right to an amount of consideration that is unconditional, only the passage of time is required before payment of the consideration is due. These are measured at amortised cost and subject to the impairment provisions of IFRS 9. As at 31 December 2025, the impairment provisions which relates to these receivables is TZS 2,115 million (2024: TZS 762 million).

As at 31 December 2025 the Group had no contract assets (2024: Nil)

Maturity analysis

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
Within 3 months	565,595	230,297	470,064	209,427
After 3 months – 1 year	**3,584**	29,681	**3,584**	29,681
After 1 – 5 years	**-**	-	**-**	-
After 5 years	**-**	-	**-**	-
	569,179	259,978	**473,648**	239,108

Movement in provision for impairment on other assets is as shown below:

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
At 1 January	**13,834**	14,516	**13,637**	14,512
charge to P& L	**5,609**	2,069	**4,598**	1,819
Write-offs	**(3,368)**	(2,751)	**(2,774)**	(2,694)
At 31 December	**16,075**	13,834	**15,461**	13,637

NOTES (CONTINUED)

36 OTHER ASSETS (CONTINUED)

Maturity analysis (continued)

Historical loss rate used for the ECL Simplified Approach:

The Bank has used a simplified approach to estimate the ECL for receivables in scope of IFRS 9. The loss rate is derived as a percentage of outstanding balance out of total receivables per transaction. Given the short-term nature of other receivables management has assessed that the impact of macro -economic and geopolitical uncertainties is insignificant on ECL measurement.

GROUP

2025

Receivables					
Amount in TZS million	**Days past due**				
	0-30	**31-60**	**61-90**	**91-180**	**Above 180 days**
Expected credit loss rate	**0.8%**	**7.5%**	**2.9%**	**12.9%**	**100.0%**
Gross carrying amount	**329,170**	**9,078**	**3,000**	**4,408**	**11,351**
Expected credit loss	**2,633**	**681**	**87**	**569**	**11,351**

2024

Receivables					
Amount in TZS million	**Days past due**				
	0-30	31-60	61-90	91-180	Above 180 days
Expected credit loss rate	**0.2%**	**1.6%**	**4.7%**	**7.6%**	**100.0%**
Gross carrying amount	78,886	3,308	2,271	8,297	11,042
Expected credit loss	158	53	107	631	11,042

BANK

2025

Receivables					
Amount in TZS million	**Days past due**				
Amount in TZS million	**Days past due**				
	0-30	**31-60**	**61-90**	**91-180**	**Above 180 days**
Expected credit loss rate	**0.8%**	**7.5%**	**2.9%**	**12.9%**	**100.0%**
Gross carrying amount	**250,569**	**9,078**	**3,000**	**4,408**	**11,351**
Expected credit loss	**2,005**	**681**	**87**	**569**	**11,351**

2024

Receivables					
Amount in TZS million	**Days past due**				
	0-30	31-60	61-90	91-180	Above 180 days
Expected credit loss rate	**0.2%**	**1.6%**	**4.7%**	**7.6%**	**100.0%**
Gross carrying amount	65,922	3,308	2,271	8,297	11,042
Expected credit loss	132	53	107	631	11,042

NOTES (CONTINUED)

37 INVESTMENTS IN SUBSIDIARIES

In TZS' Million	Incorporation	Held %	2024	2025
CRDB Bank Burundi S. A	**Burundi**	**100%**	48,481	48,481
CRDB Insurance Company Ltd	**Tanzania**	**100%**	3,500	3,500
CRDB Bank Congo	**DRC**	**55%**	69,871	55,623
			121,852	107,604

The Group also has a non-profit organization "CRDB Bank Foundation", as a Corporate Social Investment wing of the Group. The Foundation is 100% controlled by the Group. No capital investment was made to the Foundation during the year.

An analysis of changes in the investment amount in relation to subsidiaries is, as follows:

In TZS' Million	2025	2024
At 1 January	**107,604**	86,477
Additions	**14,248**	21,127
At 31 December	**121,852**	107,604

- CRDB Bank Burundi S.A. is a licensed bank in Burundi under the Banks and Financial Institutions Act, 2003 of the Republic of Burundi.
- CRDB Insurance Company Limited is engaged in providing insurance services.
- CRDB Bank DR Congo is a Public Limited Company and licensed Bank registered under the Ohada Uniform Act, relating to the law of commercial companies and G.I.E and the Banking Regulation of DR Congo
- The countries of incorporation are also their principal place of business.
- All subsidiaries are unlisted and have the same financial statement date (31 December) as the parent.
- The investment in the subsidiaries includes the cost of shares and other initial payments made for the subsidiaries.
- The subsidiaries listed above have share capital consisting solely of ordinary shares.
- During the year, no significant judgements and assumptions were made in determining the Bank's interest in the subsidiaries.
- There are no protective rights of the subsidiaries which can significantly restrict the parent from accessing or using the assets and settling the liabilities of the Group.
- There are no contingent liabilities relating to the Bank's interest in the subsidiaries during the year.
- During the year, the Group had no structured entity.

Restrictions

- During the year, there were no significant restrictions (statutory, contractual, or regulatory) of a parent or its subsidiaries to transfer cash or other assets to or from other entities within a Group.
- There were no guarantees or other requirements that could restrict dividends and other capital distributions being paid or loans and advances being made or repaid to (or from) other entities within the group.
- There are no protective rights of non-controlling interests that can significantly restrict the entity's ability to access or use the assets and settle the liabilities of the Group.

NOTES (CONTINUED)

38 MOTOR VEHICLES

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
Cost				
At 1 January	**40,605**	33,809	**36,042**	31,312
Additions	**6,628**	7,336	**4,690**	5,150
Revaluation	**-**	(32)	**-**	-
Disposals	**(2,295)**	(728)	**(1,506)**	(420)
Exchange differences	**(181)**	220	**-**	-
At 31 December	**44,757**	40,605	**39,226**	36,042
Depreciation				
At 1 January	**(16,788)**	(12,292)	**(15,807)**	(11,518)
Charge for the year	**(6,048)**	(4,998)	**(5,501)**	(4,525)
Disposals	**1,232**	502	**918**	236
At 31 December	**(21,604)**	(16,788)	**(20,390)**	(15,807)
Net book value	**23,153**	23,817	**18,836**	20,235

The Group's Motor vehicles were last revalued in 2019 by independent valuers Coswil Consult Ltd and M & R Agency Limited, respectively. The valuers are registered and licensed to conduct valuations. The valuation, which conforms to International Valuation Standards, was determined by comparative method, and the valuation approach adopted was depreciated replacement cost, alternatively secondhand markets were visited, and comparable sales taken note. The valuation done was because the NPV of the valued assets was below market value and the assets are in use and based on assessment done the assets are expecting to have long life.

Replacement method is based on the rationale that value of vehicles involves the estimation of the cost as if it were new, using the comparison method or the available data. The amount of depreciation and obsolescence is then estimated and deducted from the cost of new vehicle to arrive at the depreciated replacement cost. The resultant figure is now the depreciated replacement cost, which in our case is equated to the market value/fair Value.

The valuation techniques used are the same as those used in previous years.

Based on the management assessment, the impact of fair value changes during the year is insignificant.

NOTES (CONTINUED)

38 MOTOR VEHICLES (CONTINUED)

If motor vehicles were stated on a historical basis, the amount would be as follows.

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
Cost	**64,985**	60,397	**58,161**	54,976
Accumulated depreciation	**(50,881)**	(50,166)	**(47,458)**	(46,946)
Net book value	**14,104**	10,231	**10,703**	8,030

Non-financial assets measured at fair value

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
Fair value hierarchy – Level 3				
At 1 January	**23,817**	21,517	**20,235**	19,794
Exchange rate difference	**(181)**	220	**-**	-
Purchases	**6,628**	7,336	**4,690**	5,150
Revaluation	**-**	(32)	**-**	-
Net carrying amount at disposals	**(1,063)**	(226)	**(588)**	(184)
Depreciation charge	**(6,048)**	(4,998)	**(5,501)**	(4,525)
Net book value	**23,153**	23,817	**18,836**	20,235

- As at 31 December 2025, the Group had neither restriction on title nor motor vehicle pledged as security for liabilities (2024: Nil).
- There were no capitalized borrowing costs related to the acquisition Motor vehicles during the year ended 31 December 2025 (2024: Nil).
- There were no idle assets as at 31 December 2025 (2024: Nil).
- There was no Motor vehicle acquired during the year through business combinations.
- During the year there was no revaluation for Motor vehicles.
- There were no other changes under Motor vehicles during the year.
- As at 31 December 2025, management has assessed impairment of motor vehicles, there was no impairment recognised or reversed during the year.

NOTES (CONTINUED)

39 PROPERTY AND EQUIPMENT

In TZS' Million

GROUP 31 December 2025	Land & buildings	Leasehold improvement	Office equipment	Computer equipment	Smart card equipment	Security equipment	Work in Progress*	Total
Cost								
At 1 January	222,152	112,475	141,613	149,109	91,333	24,854	15,697	757,233
Exchange rate difference**	-	586	575	471	113	(208)	(551)	986
Additions	8,173	11,272	19,990	19,246	2,588	2,853	13,156	77,278
WIP capitalization	20	644	221	86	-	93	(9,413)	(8,349)
Disposals	(11)	(17,996)	(8,030)	(1,279)	-	(105)	-	(27,421)
At 31 December	230,334	106,981	154,369	167,633	94,034	27,487	18,889	799,727
Depreciation								
At 1 January	(37,350)	(78,823)	(109,592)	(89,817)	(52,753)	(14,891)	-	(383,226)
Charge for the year	(3,875)	(8,701)	(14,836)	(17,608)	(14,845)	(4,345)	-	(64,210)
Disposal	3	17,689	7,933	1,279	-	105	-	27,009
Reclassification/reversal	-	(7)	(27)	(200)	-	-	-	(234)
At 31 December	(41,222)	(69,842)	(116,522)	(106,346)	(67,598)	(19,131)	-	(420,661)
Net book value	189,112	37,139	37,847	61,287	26,436	8,356	18,889	379,066

NOTES (CONTINUED)

39 PROPERTY AND EQUIPMENT (CONTINUED)

In TZS' Million

GROUP 31 December 2024	Land & buildings	Leasehold improvement	Office equipment	Computer equipment	Smart card equipment	Security equipment	Work in Progress*	Total
Cost								
At 1 January	218,576	114,392	130,578	127,381	98,003	21,343	10,907	721,180
Exchange rate difference**	-	(206)	(131)	(362)	(342)	(32)	82	(991)
Additions	3,576	5,580	11,410	23,592	3,013	3,390	10,361	60,922
WIP capitalization	-	761	114	23	3	153	(2,601)	(1,547)
Disposals	-	(8,133)	(264)	(1,242)	(9,344)	-	-	(18,983)
Reclassification***	-	81	(94)	(283)	-	-	(3,052)	(3,348)
At 31 December	222,152	112,475	141,613	149,109	91,333	24,854	15,697	757,233
Depreciation								
At 1 January	(34,260)	(76,740)	(96,776)	(76,979)	(52,573)	(11,153)	-	(348,481)
Charge for the year	(3,101)	(9,886)	(12,821)	(14,014)	(10,389)	(3,738)	-	(53,949)
Disposal	-	7,102	263	1,237	9,195	-	-	17,797
Reclassification***	11	701	(258)	(61)	1,014	-	-	1,407
At 31 December	(37,350)	(78,823)	(109,592)	(89,817)	(52,753)	(14,891)	-	(383,226)
Net book value	184,802	33,652	32,021	59,292	38,580	9,964	15,697	374,007

NOTES (CONTINUED)

39 PROPERTY AND EQUIPMENT (CONTINUED)

In TZS' Million

BANK 31 December 2025	Land & buildings	Leasehold improvement	Office equipment	Computer equipment	Smart card equipment	Security equipment	Work in Progress*	Total
Cost								
At 1 January	213,210	106,225	134,903	141,474	88,728	24,841	1,340	710,721
Additions	8,173	5,168	13,691	13,961	904	2,483	920	45,300
WIP Capitalization	20	644	221	86	-	93	(1,056)	8
Disposals	(11)	(17,996)	(7,902)	(1,222)	-	(105)	-	(27,236)
At 31 December	221,392	94,041	140,913	154,299	89,632	27,312	1,204	728,793
Depreciation								
At 1 January	(28,408)	(82,013)	(105,779)	(86,951)	(52,230)	(14,952)	-	(370,333)
Charge for the year	(3,875)	(7,940)	(13,757)	(15,606)	(14,520)	(4,242)	-	(59,940)
Disposal	3	17,689	7,866	1,222	-	105	-	26,885
At 31 December	(32,280)	(72,264)	(111,670)	(101,335)	(66,750)	(19,089)	-	(403,388)
Net book value	189,112	21,777	29,243	52,964	22,882	8,223	1,204	325,405

NOTES (CONTINUED)

39 PROPERTY AND EQUIPMENT (CONTINUED)

In TZS'Million

BANK 31 December 2024	Land & buildings	Leasehold improvement	Office equipment	Computer equipment	Smart card equipment	Security equipment	Work in Progress*	Total
Cost								
At 1 January	209,634	108,962	125,020	119,683	96,097	21,336	1,144	681,876
Additions	3,576	4,628	10,033	23,010	1,972	3,352	1,250	47,821
WIP Capitalization	-	761	114	23	3	153	(1,054)	-
Disposals	-	(8,133)	(264)	(1,242)	(9,344)	-	-	(18,983)
Reclassification***	-	7	-	-	-	-	-	7
At 31 December	213,210	106,225	134,903	141,474	88,728	24,841	1,340	710,721
Depreciation								
At 1 January	(25,307)	(80,269)	(93,350)	(75,620)	(52,134)	(11,187)	-	(337,867)
Charge for the year	(3,101)	(8,833)	(12,434)	(12,507)	(10,302)	(3,764)	-	(50,941)
Reclassification***	-	7,102	263	1,237	9,195	-	-	17,797
Disposals	-	(13)	(258)	(61)	1,011	(1)	-	678
At 31 December	(28,408)	(82,013)	(105,779)	(86,951)	(52,230)	(14,952)	-	(370,333)
Net book value	184,802	24,212	29,124	54,523	36,498	9,889	1,340	340,388

* Work in progress relates to the Bank's buildings under construction and other PPE.

** Exchange rate differences arising from the translation of the financial statements of CRDB Burundi (BIF) and CRDB Congo (USD)management into the presentation currency (TZS).

*** Reclassification relates to the correction of items initially recognised under the wrong asset class, and advance capital expenditure payments wrongly recognised under other assets or under property and equipment.

NOTES (CONTINUED)

39 PROPERTY AND EQUIPMENT (CONTINUED)

- As of 31 December 2025, the Group had neither restriction on title nor property and equipment pledged as security for liabilities (2024: Nil).
- There were no capitalized borrowing costs related to the acquisition of property. plant and equipment during the year ended 31 December 2025 (2024: Nil).
- There were no idle assets as at 31 December 2025 (2024: Nil).
- As at 31 December 2025, contractual commitment for the acquisition of property, plant and equipment amount of TZS 8,769 million (2024: TZS 11,652 million) Note 61.
- There were no property, plant and equipment acquired during the year through business combinations.
- There were no other changes under property, plant and equipment during the year.
- As at 31 December 2025, management has assessed impairment of property, plant and equipment, there were no impairment recognised or reversed during the year.

40 RIGHT-OF-USE OF ASSETS

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
At 1 January	**100,615**	**83,898**	**82,435**	**78,601**
Additions	**18,597**	**31,516**	**18,532**	**18,633**
Derecognition	**(9,597)**	**(14,799)**	**(9,597)**	**(14,799)**
At 31 December	**109,615**	**100,615**	**91,370**	**82,435**
Depreciation				
At 1 January	**(43,197)**	**(37,843)**	**(40,367)**	**(36,617)**
Charge for the year	**(15,315)**	**(14,065)**	**(12,727)**	**(12,519)**
Derecognition	**8,600**	**8,769**	**8,600**	**8,769**
Exchange rate difference	**3,036**	**(58)**	**-**	**-**
At 31 December	**(46,876)**	**(43,197)**	**(44,494)**	**(40,367)**
Net book value	**62,739**	**57,418**	**46,876**	**42,068**

The Right-of-use of assets relates to leases of office spaces.

41 PREPAID LEASES

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
Cost prepaid				
At 1 January	**11,715**	**11,732**	**11,715**	**11,732**
Additions	**70**		**70**	
Disposal	**-**	**(17)**	**-**	**(17)**
At 31 December	**11,785**	**11,715**	**11,785**	**11,715**
Amortization				
At 1 January	**(2,978)**	**(2,725)**	**(2,978)**	**(2,725)**
Charge for the year	**(256)**	**(255)**	**(256)**	**(255)**
Disposal	**-**	**2**	**-**	**2**
At 31 December	**(3,234)**	**(2,978)**	**(3,234)**	**(2,978)**
Net book value	**8,551**	**8,737**	**8,551**	**8,737**

Prepaid leases relate to advance payments made for the right of occupancy of various portions of leasehold land where the Bank has its business premises.

NOTES (CONTINUED)

42 **A. INTANGIBLE ASSETS IN USE**

In TZS' Million	GROUP		BANK	
	2025	2024	2025	2024
Cost				
At 1 January	121,540	111,633	114,503	106,992
Additions	22,276	14,693	15,668	11,958
Disposal	-	(4,446)	-	(4,446)
Capitalization during the year	80,451	-	80,451	
Exchange rate difference**	138	(340)	-	-
At 31 December	224,405	121,540	210,622	114,504
Amortization				
At 1 January	(80,256)	(73,589)	(76,062)	(69,594)
Charge for the year	(10,722)	(10,997)	(10,305)	(10,798)
Reclassification	-	378	-	378
Disposal	-	3,953	-	3,953
At 31 December	(90,978)	(80,255)	(86,367)	(76,061)
Net book value At 31 December	133,427	41,285	124,255	38,443

Intangible assets relate to computer software used by the Group. Fully amortised intangible assets with a gross value of TZS 30.6 million (2024: TZS 56,435 million) are still in use. The notional amortisation charge would have been TZS 6,116 million (2024: TZS 5,643 million). Some fully depreciated software includes SimBanking Enhancement – New Product (GePG), the ECollect System, Video Conference System, Mwallet Software, Credit Management System – Collect Approach, Digital Personal Loan System, Oracle System Renewal and the License for PSQL Version 11 (PSQL 2000i).

- As at 31 December 2025, included in intangible assets is the New Core Banking System T24 Temenos, which is material with a carrying amount of TZS 80,451 million (with a remaining amortisation period of nine years and 8 months.
- No intangible asset was pledged as security for liabilities as at 31 December 2025.
- There are also no restrictions other than those outlined in the software license.
- As at 31 December 2025, there were no significant intangible assets controlled by the Group which have not been recognized as assets.
- There was no internally developed software during the year (2025; Nil).
- There were no intangible assets acquired during the year through business combinations.
- No revaluation of intangible assets was carried out during the year.
- Write off related to intangible assets (software) that were decommissioned during the year and the full carrying value was written off. Based on management assessment there were no any other intangible assets that were impaired as at year end.
- During the year there were no intangible assets assessed as having indefinite useful life.
- There were no intangible assets acquired by way of government grants during the year.
- As at 31 December 2025, there were no contractual commitments for the acquisition of intangible assets.
- As at 31 December 2025, there were no significant intangible assets controlled by the Group which have not been recognized as assets.

**Exchange rate differences arising from the translation of a subsidiary's financial statement, CRDB Burundi (BIF), into the presentation currency (TZS).

NOTES (CONTINUED)

42 B. INTANGIBLES ASSETS (WIP)

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
Cost				
At 1 January	**64,043**	**35,601**	**64,043**	**35,601**
Additions	**27,173**	**28,442**	**27,173**	**28,442**
Capitalization during the year	**(80,451)**	**-**	**(80,451)**	**-**
At 31 December	**10,765**	**64,043**	**10,765**	**64,043**
	144,192	**105,328**	**135,020**	**102,486**

43 DEFERRED INCOME TAX

Deferred income tax is calculated on all temporary differences under the liability method using a principal tax rate of 30%. The movement on the deferred income tax account is as follows:

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
At 1 January	**98,416**	93,917	**95,748**	91,347
Adjustment to opening balance	**-**	(1)	-	-
(Debit)/ Credit to profit or loss	**(1,590)**		-	
In respect to current year (Note 24a)	**25,609**	4,963	**25,609**	4,982
Under provision in prior year (Note 24a)	**(723)**	(3,318)	**(559)**	(3,435)
(Debit)/ Credit to OCI				
Charge to other comprehensive income*	**(12,629)**	2,855	**(12,629)**	2,855
At 31 December	**109,083**	98,416	**108,169**	95,749

*Charge to other comprehensive income includes;

Tax related to Debt instrument at FVOCI	**(12,177)**	1,154	**(12,177)**	1,154
Tax related to equity instrument at FVOCI	**(452)**	1,701	**(452)**	1,701
	(12,629)	2,855	**(12,629)**	2,855

Deferred income tax asset/(liability) is attributed to the following items:

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
Accelerated capital allowance	**(21,995)**	(21,462)	**(22,133)**	(21,490)
Other provisions*	**35,073**	32,579	**34,297**	29,939
ECL related to loans and advances	**92,060**	69,959	**92,060**	69,959
Deferred income	**16,495**	17,296	**16,495**	17,296
Leases	**1,230**	1,194	**1,230**	1,194
Unrealised (gain)/ loss on debt instrument at fair value through OCI	**(14,620)**	(2,443)	**(14,620)**	(2,443)
Unrealised (gain)/loss on equity instrument at fair value through OCI	**840**	1,293	**840**	1,293
	109,083	98,416	**108,169**	95,748
Expected to be recovered within 12months	**9,604**	8,665	**9,534**	8,430
Expected to be recovered after 12months	**99,479**	89,751	**98,635**	87,318
	109,083	98,416	**108,169**	95,748

*Includes a deferred tax on other assets, legal claim provisions, accrued expenses, fair value gain or loss, and interest in suspense.

NOTES (CONTINUED)

43 DEFERRED INCOME TAX (CONTINUED)

Deferred income tax recognized in profit or loss during the year.

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
Accelerated capital allowance	**533**	1,917	**643**	1,954
Other provisions*	**(4,083)**	1,344	**(4,358)**	1,405
ECL related to loans and advances	**(22,101)**	(3,879)	**(22,101)**	(3,879)
Deferred income	**801**	(1,535)	**801**	(1,535)
Leases	**(36)**	509	**(35)**	507
Total charge/credit)	**(24,886)**	(1,644)	**(25,050)**	(1,548)

*Includes a deferred tax movement on other assets, legal claim provisions, accrued expenses, fair value gain or loss, and interest in suspense

44 BALANCES DUE TO OTHER BANKS

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
Balances from other banks	**1,132,828**	1,108,682	**1,003,636**	994,029

All balances from other banks are current.

45 DEPOSITS FROM CUSTOMERS

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
Deposits from conventional business				
Demand deposits	**6,878,100**	5,162,144	**5,961,172**	4,642,679
Savings deposits	**5,091,225**	3,902,157	**4,928,054**	3,786,348
Term/call deposits	**2,604,597**	1,692,033	**2,592, 616**	1,607,875
	14,573,922	10,756,334	**10,889,226**	10,036,902
Deposits from non- conventional business				
Customer demand deposits CASA (Qardh)	**256,620**	168,300	**256,620**	168,300
Customer Investment deposit (Mudharabah)	**99,962**	9,497	**99,962**	9,497
	356,582	177,797	**356,582**	177,797
Total deposits	**14,930,504**	**10,934,131**	**13,738,462**	**10,214,699**
Current deposits	**14,775,064**	10,884,854	**13,584,271**	10,165,952
Non-current deposits	**155,440**	49,277	**154,191**	48,747
	14,930,504	10,934,131	**13,738,462**	10,214,699

Savings accounts, term/call deposits, and some current and demand deposits are interest-bearing accounts from conventional business. These interest-bearing customer deposit accounts carry variable interest rates.

NOTES (CONTINUED)

45 DEPOSITS FROM CUSTOMERS (CONTINUED)

Maturity analysis

GROUP

In TZS' Million
31 December 2025

	On Demand	Within 3 months	After 3 months to 1 year	After 1 to 5 years	After 5 years	Total
Demand deposits	**7,134,720**	**-**	**-**	**-**	**-**	**7,134,720**
Saving deposits	**5,091,225**	**-**	**-**	**-**	**-**	**5,091,225**
Time and Call Deposits	**534,200**	**987,094**	**1,027,825**	**124,614**	**30,826**	**2,704,559**
	12,760,145	**987,094**	**1,027,825**	**124,614**	**30,826**	**14,930,504**

In TZS' Million
31 December 2024

	On Demand	Within 3 months	After 3 months to 1 year	After 1 to 5 years	After 5 years	Total
Demand deposits	5,330,444	-	-	-	-	5,330,444
Saving deposits	3,902,157	-	-	-	-	3,902,157
Time and Call Deposits	312,657	492,040	847,556	49,277	-	1,701,530
	9,545,258	492,040	847,556	49,277	-	10,934,131

BANK

In TZS' Million
31 December 2025

	On Demand	Within 3 months	After 3 months to 1 year	After 1 to 5 years	After 5 years	Total
Demand deposits	**6,217,792**	**-**	**-**	**-**	**-**	**6,217,792**
Saving deposits	**4,928,054**	**-**	**-**	**-**	**-**	**4,928,054**
Time and Call Deposits	**533,804**	**917,376**	**987,245**	**123,365**	**30,826**	**2,592,616**
	11,679,650	**917,376**	**987,245**	**123,365**	**30,826**	**13,738,462**

In TZS' Million
31 December 2024

	On Demand	Within 3 months	After 3 months to 1 year	After 1 to 5 years	After 5 years	Total
Demand deposits	4,810,979	-	-	-	-	4,810,979
Saving deposits	3,786,348	-	-	-	-	3,786,348
Time and Call Deposits	303,848	447,111	817,666	48,747	-	1,617,372
	8,901,175	447,111	817,666	48,747	-	10,214,699

NOTES (CONTINUED)

46 OTHER LIABILITIES

In TZS' Million	GROUP 2025	GROUP 2024	BANK 2025	BANK 2024
Bills payable	**4,601**	2,048	**960**	1,049
Dividend payable	**17,268**	16,667	**17,268**	16,667
Accrued expenses	**76,741**	73,002	**70,762**	66,657
Contract liabilities (Deferred income) *	**63,264**	65,927	**57,690**	61,076
Outstanding credits	**3,562**	5,106	**-**	5,067
Unclaimed customer balances	**39,931**	143,142	**36,549**	141,501
ECL Off-balance sheet items (Note 35)	**12,734**	9,301	**10,477**	9,288
Other payables**	**124,478**	105,440	**115,416**	76,508
	342,579	420,633	**309,122**	377,813

- Bills payable represents Banker's cheques issued to customers that have not yet been presented for payment.
- Dividend payable represents uncollected dividends by the Bank's shareholders.
- Outstanding credits represent suspended customer balances while their Bank accounts are in the process of being opened.
- Other liabilities are expected to be settled within no more than 12 months after the reporting date.

Dividend paid

In TZS' Million	GROUP 2025	GROUP 2024
At 1 January	**16,667**	13,482
Dividend declared	**169,770**	130,592
Dividend paid	**(169,169)**	(127,407)
At 31 December	**17,268**	16,667

Contract Liabilities (Deferred income) *

In TZS' Million	GROUP 2025	GROUP 2024	BANK 2025	BANK 2024
At 1 January	**65,927**	57,358	**61,076**	53,709
Additional	**43,350**	36,276	**42,627**	35,074
Revenue recognised	**(46,013)**	(27,707)	**(46,013)**	(27,707)
At 31 December	**63,264**	65,927	**57,690**	61,076

Contract liabilities are unearned fees and commissions related to various services offered by the Bank and funds from various strategic partners TZS 2,708 million.

* Revenue recognized during the year that was included in the opening balance is TZS 24,132 million (2024: TZS 6,448 million) for commission income from the letters of credit and guarantees.

** Includes mainly amount payable to suppliers/ vendors and funds from the Loan Board to be transferred to student accounts to other banks.

NOTES (CONTINUED)

47 LEASE LIABILITIES

The Group leases various branch premises and offices under non-cancellable lease agreements. The lease terms are between 5 and 10 years, and most lease agreements are renewable at the end of the lease period at market rate. No arrangements have been entered into for contingent rental payments, and no restrictions have been imposed by these lease arrangements.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are considered in the lease term when there is reasonable certainty that those options will be exercised. The assessment of reasonable certainty is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

The carrying amounts of lease liabilities and the movement during the year is shown below:

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
As at 1 January	**63,064**	49,817	**47,123**	45,628
Additions	**18,597**	31,609	**18,532**	18,633
Interest expense	**5,819**	4,755	**3,880**	3,413
Interest paid	**(5,819)**	(4,755)	**(3,880)**	(3,413)
Principal paid	**(14,177)**	(12,537)	**(11,732)**	(11,449)
Derecognition	**(1,082)**	(5,689)	**(1,082)**	(5,689)
Fx differences	**3,817**	(136)	**-**	-
At 31 December	**70,219**	63,064	**52,841**	47,123

The Group had total cash outflows for leases of TZS 19,996 million (2024: TZS 17,978)

The maturity analysis for the lease liability is as follows.

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
Within 3 Months	**64**	29	**64**	29
After 3 months to years	**2,817**	1,728	**2,780**	1,679
After 1 to 5 years	**22,632**	27,547	**18,063**	22,559
After 5 years	**44,706**	33,760	**31,934**	22,856
At 31 December	**70,219**	63,064	**52,841**	47,123

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
Current	**2,881**	1,757	**2,844**	1,708
Non – Current	**67,338**	61,307	**49,997**	45,415
	70,219	63,064	**52,841**	47,123

The maturity analysis of the lease liabilities on an undiscounted basis is set out in the liquidity risk section of note 10.4.4.

The following are the minimum lease payment commitments considered under IFRS 16 Relating to recognised liabilities.

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
Present value of minimum lease commitment	**70,219**	63,064	**52,841**	47,123
Future finance costs	**90,823**	67,205	**65,160**	58,988
Total minimum lease commitments	**161,042**	130,269	**118,001**	106,111

NOTES (CONTINUED)

47 LEASE LIABILITIES (CONTINUED)

The maturity analysis for the minimum lease payment commitment (contractual) is as follows.

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
Within 3 Months	**65**	73	65	73
After 3 months to 1 year	**2,922**	1,987	**2,885**	1,936
After 1 to 5 years	**26,344**	32,548	**20,459**	26,399
After 5 years	**131,711**	95,661	**94,592**	77,703
Total minimum lease commitments	**161,042**	130,269	**118,001**	106,111

48 INSURANCE AND REINSURANCE CONTRACTS

Insurance and Reinsurance contract liabilities

The breakdown of groups of insurance and reinsurance contracts issued, and reinsurance contracts held, that are in an asset position and those in a liability position is set out in the table below:

GROUP Insurance contracts issued	**Insurance contracts assets**	**Insurance contracts liabilities**	**Net Insurance contracts liabilities**
31 December 2025			
In TZS' Million			
Motor Commercial	**-**	**10,006**	**(10,006)**
Motor private	**-**	**5,556**	**(5,556)**
Fire	**-**	**3,133**	**(3,133)**
Engineering	**-**	**124**	**(124)**
Bond	**-**	**6,485**	**(6,485)**
Others	**-**	**3,349**	**(3,349)**
Total insurance contracts issued	**-**	**28,654**	**(28,654)**
31 December 2024			
Motor	-	4,843	(4,843)
Fire	-	1,098	(1,098)
Engineering	-	1,163	(1,163)
Others	-	1,059	(1,059)
Total insurance contracts issued	-	8,163	(8,163)

Maturity analysis:

- A significant portion of the insurance contract liability relates to the liability for remaining coverage, which is expected to be recognised as revenue in the next one year.
- The maturity profile of portfolios of insurance contracts issued that are liabilities and portfolios of reinsurance contracts held that are liabilities of the Group are based on the estimates of the present value of the future cash flows expected to be paid out in the periods presented.

NOTES (CONTINUED)

48 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

Insurance and Reinsurance contract liabilities (continued)

GROUP Reinsurance contracts held	Reinsurance contracts assets	Reinsurance contracts liabilities	Net reinsurance contracts liabilities
31 December 2025			
In TZS' Million			
Motor Commercial	**1,609**	**-**	**1,609**
Motor Private	**-**	**(1,439)**	**(1,439)**
Fire	**4,190**	**-**	**4,190**
Engineering	**2,014**	**-**	**2,014**
Bond	**2,121**	**-**	**2,121**
Others	**1,069**	**-**	**1,069**
Total reinsurance contracts held*	**11,003**	**(1,439)**	**9,564**
31 December 2024			
Motor	377	-	377
Fire	-	(1,758)	(1,758)
Engineering	1,510	-	1,510
Others	-	(1,302)	(1,302)
Total reinsurance contracts held*	**1,887**	**(3,060)**	**(1,173)**

* reinsurance is in liability position due to outstanding premiums payable to reinsurers.

Maturity analysis:

The liability in respect of reinsurance contract assets is expected to be settled within 1 year.

NOTES (CONTINUED)

48 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

Insurance contract Liabilities

*Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC)**

GROUP 31 December 2025	Liability for remaining coverage excluding loss component	Liability for incurred claims including the risk adjustment**	Total
In TZS' Million			
Insurance contract liabilities as at 1 Jan 2025	**9,338**	**2,875**	**12,213**
Net insurance contract liabilities as at 01 Jan 2025	**9,338**	**2,875**	**12,213**
Insurance revenue	**41,444**	**-**	**41,444**
Insurance service expenses:			
Incurred claims and other expenses	**-**	**(16,640)**	**(16,640)**
Losses on onerous contracts and reversals of those losses			**-**
Allocation of insurance acquisition cash flows	**(5,910)**	**-**	**(5,910)**
Changes to liabilities for incurred claims	**-**	**(409)**	**(409)**
Insurance service result	**35,534**	**(17,049)**	**18,485**
Insurance finance expenses	**-**	**-**	**-**
Effect of movements in exchange rates	**-**	**-**	**-**
Total changes in the statement of comprehensive income	**35,534**	**(17,049)**	**18,485**
Cash flows:			
Premiums received	**55,672**	**-**	**55,672**
Claims and other expenses paid	**-**	**(12,996)**	**(12,996)**
Insurance acquisition cash flows-commission expenses	**(7,750)**	**-**	**(7,750)**
Total cash flows	**47,922**	**(12,996)**	**34,926**
Net insurance contract liabilities as at 31 December 2025	**21,726**	**6,928**	**28,654**

NOTES (CONTINUED)

48 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

Insurance contract Liabilities

*Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC)**

GROUP 31 December 2024	Liability for remaining coverage excluding loss component	Liability for incurred claims including the risk adjustment**	Total
In TZS' Million			
Insurance contract (assets)/liabilities on 1 January 2024	1,320	21	1,341
Net insurance contract liabilities as at 01 Jan 2024	**1,320**	**21**	**1,341**
Insurance revenue	14,351	-	14,351
Insurance service expenses:			
Incurred claims and other expenses	-	(2,577)	(2,577)
Losses on onerous contracts and reversals of those losses	-	-	-
Allocation of insurance acquisition cash flows	(2,170)	-	(2,170)
Changes to liabilities for incurred claims	-	(120)	(120)
Insurance service result	**12,181**	**(2,697)**	**9,484**
Insurance finance expenses	-	-	-
Effect of movements in exchange rates	-	-	-
Total changes in the statement of comprehensive income	**12,181**	**(2,697)**	**9,484**
Cash flows:			
Premiums received	**21,416**	**-**	**21,416**
Claims and other expenses paid		**(1,914)**	**(1,914)**
Insurance acquisition cash flows-commission expenses	**(3,196)**		**(3,196)**
Total cash flows	**18,220**	**(1,914)**	**16,306**
Net Insurance contract liabilities as at 31 December 2024	**7,359**	**804**	**8,163**

NOTES (CONTINUED)

48 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

Reinsurance Contract liabilities

*Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC)**

GROUP 31 December 2025	Assets for remaining coverage, excluding loss component	Recoverable on incurred claims, including risk adjustment**	Total
In TZS' Million			
Reinsurance contract assets as at 1 Jan 2025	**-**	**1,880**	**1,880**
Reinsurance contract liabilities as at 1 Jan 2025	**1,238**		**1,238**
Net insurance contract (assets)/liabilities as at 1 Jan 2025	**(1,238)**	**1,880**	**642**
An allocation of reinsurance premiums	**22,454**	**-**	**22,454**
Amounts recoverable from reinsurers for incurred claims		**(2,700)**	**(2,700)**
Amounts recoverable for incurred claims and other expenses (Including Loss-recovery)		**(1,241)**	**(1,241)**
allocation of insurance acquisition cash in-flows	**(4,225)**		**(4,225)**
Profit Commission from reinsurers			**-**
Net income or expense from reinsurance contracts held	**18,229**	**(3,941)**	**14,288**
Insurance finance expenses			**-**
Effect of movements in exchange rates			**-**
Total changes in the statement of comprehensive income	**18,229**	**(3,941)**	**14,288**
Cash flows:			
Premiums received	**11,833**	**-**	**11,833**
Claims and other expenses paid	**-**	**(1,648)**	**(1,648)**
Insurance acquisition cash flows-commission expenses	**(6,103)**		**(6,103)**
Total cash flows	**5,730**	**(1,648)**	**4,082**
Net insurance contract (assets)/liabilities as at 31 Dec 2025	**(13,737)**	**4,173**	**(9,564)**

NOTES (CONTINUED)

48 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

Reinsurance Contract liabilities

*Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC)**

GROUP 31 December 2024	Assets for remaining coverage excluding loss component	Amounts recoverable on incurred claims including the risk adjustment**	Total
In TZS' Million			
Reinsurance contract liabilities as at 1 Jan 2024	85	-	85
Net reinsurance contract assets/(liabilities) as at 1 Jan 2024	(85)	-	(85)
An allocation of reinsurance premiums	7,228	-	7,228
Amounts recoverable from reinsurers for incurred claims	-	(684)	(684)
Amounts recoverable for incurred claims and other expenses (Including Loss-recovery)	-	-	-
allocation of insurance acquisition cash in-flows	(1,602)	-	(1,602)
Net income or expense from reinsurance contracts held			
Insurance service result	5,626	(684)	4,942
Insurance finance expenses			
Effect of movements in exchange rates			
Total changes in the statement of comprehensive income	5,626	(684)	4,942
Cash flows:			
Premiums received	6,777	-	6,777
Claims and other expenses paid	-	(139)	(139)
Insurance acquisition cash flows-commissions expenses	(2,784)		(2,784)
Total cash flows	3,993	(139)	3,854
Net insurance contract (assets)/liabilities as at 31 December 2024	(1,718)	545	(1,173)

* The Group has provided the net assets or liabilities reconciliations for insurance and reinsurance contracts. In view of this, the group views the entire insurance operations as one reportable group for disclosure purposes due to the size of the insurance business.

** Management has assessed the risk adjustment for the liabilities for the incurred claims to be immaterial.

- There was no loss recovery component recognised during the period.
- There was no asset or amounts recoverable for incurred claims as at year end.
- The reinsurance contracts held balance is in a liability position at the year end due to unpaid premiums due to re-insurance companies. Premiums to reinsurance companies are paid on quarterly basis. The liability balance of TZS 9,564mn (2024: 1,173mn)represents net payable to reinsurance companies.

NOTES (CONTINUED)

49 BONDS

In TZS' Million	GROUP 2025	GROUP 2024	BANK 2025	BANK 2024
At 1 January	**175,204**	175,204	**175,204**	175,204
The amount received during the year	**529,024**	-	**529,024**	-
Interest charge for the year	**52,134**	17,612	**52,134**	17,612
Profit accrued for the year	**4,637**	-	**4,637**	-
Interest paid in the year	**(46,611)**	(17,612)	**(46,611)**	(17,612)
At 31 December	**714,388**	175,204	**714,388**	175,204
Current	**13,538**	3,378	13,538	3,378
Non-current	**700,850**	171,826	700,850	171,826
	714,388	175,204	**714,388**	175,204

49.1 GREEN BOND

In TZS' Million	GROUP 2025	GROUP 2024	BANK 2025	BANK 2024
At 1 January	**175,204**	175,204	**175,204**	175,204
Interest charge for the year	**17,612**	17,612	**17,612**	17,612
Interest paid in the year	**(17,612)**	(17,612)	**(17,612)**	(17,612)
At 31 December	**175,204**	175,204	**175,204**	175,204
Current	**3,378**	3,378	**3,378**	3,378
Non-current	**171,826**	171,826	**171,826**	171,826
	175,204	175,204	**175,204**	175,204

In 2023, we issued the Green Bond branded as "Kijani Bond." This financial instrument aims to finance sustainable and green projects that align with the Bank's mission to support environmentally friendly initiatives.

This Medium-Term Note Programme (MTN) worth TZS 780 billion, equivalent to US$300 million, becomes the first bond with green, social and sustainability components to be issued in Tanzania and the largest in Sub-Saharan Africa by a corporation listed on a stock exchange. The MTN will be issued in tranches. The first tranche was issued in 2023, and TZS171.8 billion was raised and oversubscribed by 429.6%.

The Bond is for the period of up to 5 years with semi-annual interest and bears the annual interest rate of 10.25%.

49.2 SAMIA INFRASTRUCTURE BOND

In TZS' Million	GROUP 2025	GROUP 2024	BANK 2025	BANK 2024
The amount received during the year	**323,091**	-	**323,091**	-
Interest charge for the year	**34,522**	-	**34,522**	-
Interest paid in the year	**(28,999)**	-	**(28,999)**	-
At 31 December	**328,614**	-	**328,614**	-

On 10 February 2025, the Bank issued the Samia Infrastructure Bond, a senior and unsecured five-year instrument offered at par with a 12.00% annual coupon payable quarterly. The issuance attracted exceptional investor demand, resulting in an oversubscription rate of 215.4% and raising TZS 323.09 billion against the TZS 150 billion initially offered, with the full amount accepted.
The proceeds of the bond are used to finance local contractors working with Tanzania Rural and Urban Roads Agency (TARURA) to effectively implement various road projects within urban and rural areas in Tanzania and are expected to boost infrastructure development and economic growth in Tanzania.

The Bond is for the period of up to 5 years.

NOTES (CONTINUED)

49 BONDS (CONTINUED)

49.3 SUKUKU BOND

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
The amount received during the year	**205,933**	-	**205,933**	-
Profit accrued for the year	**4,637**	-	**4,637**	-
Profit distributed in the year	**-**	-	**-**	-
At 31 December	**210,570**	-	**210,570**	-

The CRDB Al Barakah Sukuk is a Shariah compliant bond issued by CRDB Bank Plc through its Islamic banking window, Al Barakah Banking. It is designed to offer an ethical and faith-aligned investment option for both local and international investors. This Sukuk forms part of CRDB's USD 300 million Medium-Term Note Programme, approved by the Capital Markets and Securities Authority (CMSA).

Annual profit rate of 12%, paid quarterly (four times a year) for the investment made in TZS. Annual profit rate of 6%, paid quarterly (four times a year) for the investment made in USD.

The Bond is for the period of up to 5 years.

50 BORROWINGS

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
At 1 January	**1,659,620**	933,109	**1,659,620**	933,109
Loan received during the year	**627,436**	978,057	**627,436**	978,057
Interest charge	**116,714**	85,328	**116,714**	85,328
Interest paid	**(113,463)**	(82,020)	**(113,463)**	(82,020)
Principal repayment during the year	**(370,676)**	(246,588)	**(370,676)**	(246,588)
Exchange rate differences	**20,420**	(8,266)	**20,420**	(8,266)
At 31 December	**1,940,051**	1,659,620	**1,940,051**	1,659,620
Current	**227,695**	94,085	**227,695**	94,085
Non-current	**1,712,356**	1,565,535	**1,712,356**	1,565,535
	1,940,051	1,659,620	**1,940,051**	1,659,620

The Group and Bank has not had any defaults of principal, interest, or other breaches regarding borrowings during 2025 or 2024.

NOTES (CONTINUED)

50 BORROWINGS (CONTINUED)

LONG-TERM BORROWINGS

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
AFDB	**17,901**	22,652	**17,901**	22,652
EIB	**276,583**	336,163	**276,583**	336,163
TMRC	**27,065**	27,065	**27,065**	27,065
TIB	**-**	25	**-**	25
NBC	**-**	9,586	**-**	9,586
PROPACO	**82,819**	133,245	**82,819**	133,245
IFC	**60,373**	119,697	**60,373**	119,697
INVESTEC	**366,544**	156,760	**366,544**	156,760
GCPF	**62,648**	25,087	**62,648**	25,087
GCF	**130,049**	85,217	**130,049**	85,217
CITI BANK	**25,395**	50,068	**25,395**	50,068
DFC	**476,297**	506,722	**476,297**	506,722
FMO	**124,246**	162,946	**124,246**	162,946
RESPONSIBILITY	**16,884**	24,387	**16,884**	24,387
DEG	**124,163**	-	**124,163**	-
DFIC	**149,084**	-	**149,084**	-
At 31 December	**1,940,051**	1,659,620	**1,940,051**	-

50.1 AFDB BORROWING

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
At 1 January	**22,652**	64,549	**22,652**	64,549
Loan repaid during the year	**(4,954)**	(40,864)	**(4,954)**	(40,864)
Interest charge for the year	**982**	3,292	**982**	3,292
Interest paid in the year	**(1,068)**	(3,643)	**(1,068)**	(3,643)
Foreign exchange difference	**289**	(682)	**289**	(682)
At 31 December	**17,901**	22,652	**17,901**	22,652

In 2023, the Bank and the African Development Bank (AFDB) entered into a Senior Credit Line agreement amounting to USD 10 million, with a duration of eight years. This agreement is designed to support the Bank's initiatives aimed at fostering the growth of enterprises owned by women. In addition, the facility includes Technical Assistance to bolster the Bank's ability to effectively engage and support a greater number of women-owned businesses.

In April 2017, the Bank secured a long-term loan facility of USD 90 million, which was initially signed in November 2016. The facility was fully repaid and a matured in August 2024. This fund was allocated for financing infrastructure projects, with a stipulation that at least 25% of the proceeds be directed towards lending activities for Small and Medium-sized Enterprises (SMEs) in critical sectors of the Tanzanian economy, including agriculture, construction, transport, and services.

As at 31 December 2025, the Group and Bank were compliant with all the lender's covenants.

NOTES (CONTINUED)

50 BORROWINGS (CONTINUED)

50.2 EIB BORROWING

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
At 1 January	**336,163**	378,752	**336,163**	378,752
Loan received during the year	**26,750**	17,277	**26,750**	17,277
Interest charge for the year	**20,450**	10,987	**20,450**	10,987
Interest paid in the year	**(20,267)**	(26,165)	**(20,267)**	(26,165)
Principal repayment during the year	**(90,623)**	(44,556)	**(90,623)**	(44,556)
Foreign exchange difference	**4,110**	(132)	**4,110**	(132)
At 31 December	**276,583**	336,163	**276,583**	336,163

In 2014, the Bank entered into a facility agreement with European Investment Bank (EIB) for a senior credit line of Euro 55 million converted to TZS from initial recognition in 2016. These funds were earmarked for Mid-caps and SMEs in the country. The facility was for a period of 8 years which has been fully repaid and matured in April 2024.

In 2023 the Bank entered into a new facility agreement with European Investment Bank (EIB) for senior credit line of EUR 150 million, these funds were dedicated to supporting Small and Medium Enterprises with a special focus on Blue Economy and Gender. The facility was disbursed in different tranches with varying maturities of up to12 years.

As at 31 December 2025, the Group and Bank were compliant with all the lender's covenants.

50 BORROWINGS (CONTINUED)

50.3 TMRC BORROWING

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
At 1 January	**27,065**	27,063	**27,065**	27,063
Interest charge for the year	**2,036**	2,038	**2,036**	2,038
Interest paid in the year	**(2,036)**	(2,036)	**(2,036)**	(2,036)
At 31 December	**27,065**	27,065	**27,065**	27,065

The Bank signed a master finance agreement with Tanzania Mortgage Refinance Company (TMRC) in 2014, to support growth in the Bank's mortgage portfolio. As at 31 December the Bank had an outstanding loan of TZS 27 billion which is fully deployed to the mortgage portfolio.

The facility is for the period of up to 5 years with an expected maturity of June 2028.

As at 31 December 2025, the Group and Bank were compliant with all the lender's covenants.

NOTES (CONTINUED)

50 BORROWINGS (CONTINUED)

50.4 TIB BORROWING

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
At 1 January	**25**	103	**25**	103
Interest charge for the year	**1**	4	**1**	4
Interest paid in the year	**(1)**	(6)	**(1)**	(6)
Principal repayment during the year	**25**	(76)	**25**	(76)
At 31 December	**-**	25	**-**	25

On 15 March 2017, the Bank received funds amounting to TZS 399.5 million in favour of Andoya Hydro power. There is no collateral pledged to secure these loans. The Bank complied with all terms and conditions of each of the agreements during the year and there were no any defaults on either principal or interest of loan payable.

The loan tenure is 9 years.

As at 31 December 2025, the Group and Bank were compliant with all the lender's covenants.

50.5 NBC BORROWING

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
At 1 January	**9,586**	18,118	**9,586**	18,118
Amount received	**-**	1,431	**-**	1,431
Interest charge for the year	**375**	(1,840)	**375**	(1,840)
Interest paid in the year	**(835)**	(8,123)	**(835)**	(8,123)
Loan repayment during the year	**(9,126)**		**(9,126)**	
At 31 December	**-**	9,586	**-**	9,586

The Borrowing from NBC Tanzania successfully followed invitation and agreement with NBC Bank to Risk participation arrangement (RPA) of TZS 20.97 billion (equivalent to USD 9 million) for on lending to the Agricultural sector. The facility expected to mature in August 2025.

As at 31 December 2025, the Group and Bank were compliant with all the lender's covenants.

50.6 PROPARCO

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
At 1 January	**133,245**	76,189	**133,245**	76,189
Loan received during the year	**-**	108,257	**-**	108,257
Interest charge for the year	**8,864**	11,563	**8,864**	11,563
Interest paid in the year	**(8,372)**	(13,292)	**(8,372)**	(13,292)
Principal repayment during the year	**(52,293)**	(48,716)	**(52,293)**	(48,716)
Foreign exchange difference	**1,375**	(756)	**1,375**	(756)
At 31 December	**82,819**	133,245	**82,819**	133,245

The Bank has entered into a Senior facility agreement amounting to USD 50 million with Société De Promotion Et De Participation Pour La Cooperation **Économique** S.A. (PROPARCO). This facility, which spans three years, is designed to strengthen the Bank's initiatives aimed at supporting Small and Medium Enterprises, with a particular emphasis on Micro enterprises.

NOTES (CONTINUED)

50 BORROWINGS (CONTINUED)

50.6 PROPARCO (CONTINUED)

To further reinforce the Bank's capabilities, the agreement includes a Portfolio guarantees totaling Euro 26.5 million and Technical Assistance, focusing on key areas of mutual interest, such as Micro Women Businesses and Enterprises, as well as Micro, Small, and Medium Enterprises impacted by COVID-19. The disbursement of this facility took place in April 2023, with a maturity date anticipated in May 2025.

The facility was disbursed in April 2023 for a period of up to 3 years with an expected maturity of May 2025.

As at 31 December 2025, the Group and Bank were compliant with all the lender's covenants.

50.7 IFC

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
At 1 January	**119,697**	182,490	**119,697**	182,490
Interest charge for the year	**8,872**	13,855	**8,872**	13,855
Interest paid in the year	**(8,599)**	(15,158)	**(8,599)**	(15,158)
Principal repayment during the year	**(60,113)**	(59,597)	**(60,113)**	(59,597)
Foreign exchange difference	**516**	(1,893)	**516**	(1,893)
At 31 December	**60,373**	119,697	**60,373**	119,697

In August 2022, the Bank received a disbursement of USD 100 Million from International Finance Corporations (IFC), a senior debt facility signed between the two institutions in June 2022. The facility aims at supporting Bank's lending program to Eligible Sub-borrowers through Eligible Sub-loans in response to the COVID-19 pandemic as well as SME and Women-Owned SME eligible sub-borrowers.

The facility is for a period of 5 years with an expected maturity on December 2026

As at 31 December 2025, the Group and Bank were compliant with all the lender's covenants.

50.8 INVESTEC

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
At 1 January	**156,760**	72,060	**156,760**	72,060
Loan received during the year	**247,705**	109,610	**247,705**	109,610
Interest charge for the year	**10,273**	4,104	**10,273**	4,104
Interest paid in the year	**(6,207)**	(3,295)	**(6,207)**	(3,295)
Principal repayment during the year	**(43,844)**	(24,358)	**(43,844)**	(24,358)
Foreign exchange difference	**1,857**	(1,361)	**1,857**	(1,361)
At 31 December	**366,544**	156,760	**366,544**	156,760

NOTES (CONTINUED)

50 BORROWINGS (CONTINUED)

50.8 INVESTEC (CONTINUED)

In 2023, the Bank successfully raised USD 150 million through a syndication led by Investec Bank and Intesa Sanpaolo. This funding was structured in two tranches: a one-year tranche amounting to USD 122 million and a two-year tranche totaling USD 28 million. The one-year tranche was fully repaid upon maturity in September 2024, while the two-year tranche received partial repayment.

In September 2024, the Bank returned to the market, again partnering with Investec Bank and Intesa Sanpaolo to secure an additional USD 150 million through syndication. This new funding was also divided into two tranches: a one-year tranche of USD 105 million and a two-year tranche of USD 45 million.

The syndication included participants from various countries, including South Africa, the United Arab Emirates, the United Kingdom, Qatar, Italy, Mauritius, Luxembourg, Egypt, and Germany

As at 31 December 2025, the Group and Bank were compliant with all the lender's covenants.

50.9 GCPF BORROWING

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
At 1 January	**25,087**	25,879	**25,087**	25,879
Loan received during the year	**37,156**	-	**37,156**	-
Interest charge for the year	**2,081**	2,098	**2,081**	2,098
Interest paid in the year	**(2,088)**	(2,133)	**(2,088)**	(2,133)
Foreign exchange difference	**412**	(757)	**412**	(757)
At 31 December	**62,648**	25,087	**62,648**	25,087

The Bank entered into a facility agreement with Global Climate Partnership Fund S.A (GCPF) for a senior credit line of USD 25 million for Green and Climate facility projects. The bank received its first tranche of USD 10 million on August 2023. This facility included technical support to enhance the Bank's efforts in managing climate-related projects.

The facility is for a period of up to 7 years with 2 years grace period expected to mature in 2030.

As at 31 December 2025, the Group and Bank were compliant with all the lender's covenants.

50.10 GCF BORROWING

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
At 1 January	**85,217**	87,900	**85,217**	87,900
Loan received during the year	**43,350**	-	**43,350**	-
Interest charge for the year	**1,137**	889	**1,137**	889
Interest paid in the year	**(1,099)**	(886)	**(1,099)**	(886)
Foreign exchange difference	**1,444**	(2,686)	**1,444**	(2,686)
At 31 December	**130,049**	85,217	**130,049**	85,217

CRDB entered an agreement with the United Nations Green Climate Fund (GCF) to receive a concessional agriculture adaptation credit of USD 70 million. The loan is disbursed in tranches within a program implementation period of 5 years. On 22nd December 2023, the Bank received the first tranche of USD 35 million as an adaptation credit facility for the execution of a lending program titled Tanzania Agriculture Climate Adaptation Technology Deployment Programme (TACATDP). The program is expected to support farmers in Tanzania to access loans that will enable them to acquire climate adaptation technologies to increase resilience in farming activities to combat the effects of climate change in agriculture.

The concessional loan is for up to 20 years, has a 5-year grace period, and is expected to mature in 2043.

As at 31 December 2025, the Group and Bank were compliant with all the lender's covenants.

NOTES (CONTINUED)

50 BORROWINGS (CONTINUED)

50.11 FMO

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
At 1 January	**162,946**		**162,946**	
Loan received during the year	**-**	182,684	**-**	182,684
Interest charge for the year	**12,844**	7,461	**12,844**	7,461
Interest paid in the year	**(12,324)**	(6,901)	**(12,324)**	(6,901)
Principal repayment during the year	**(41,284)**	(20,298)	**(41,284)**	(20,298)
Foreign exchange difference	**2,064**	-	**2,064**	-
At 31 December	**124,246**	162,946	**124,246**	162,946

The Bank has entered into a Senior credit facility agreement amounting to USD 125 million with Société De Promotion Et De Participation Pour La Cooperation **Économique** S.A. (PROPARCO) and Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V. (FMO). (Out of USD 125 million, USD 50 from PROPARCO and USD 75 million from FMO).

During the year 2024 USD 75 million was received.

This facility, which spans five years, is designed to bolster the Bank's efforts in Climate Financing, Agriculture, Agro-processing, and Gender initiatives. The full amount was disbursed in July 2024, with a maturity date set for December 2028.

As of December 31, 2025, both the Group and the Bank were in compliance with all covenants set forth by the lenders.

50.12 RESPONSIBILITY

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
At 1 January	**24,387**	-	**24,387**	-
Loan received during the year	**-**	24,358	**-**	24,358
Interest charge for the year	**1,967**	29	**1,967**	29
Interest paid in the year	**(1,489)**	-	**(1,489)**	-
Principal repayment during the year	**(8,256)**	-	**(8,256)**	-
Foreign exchange difference	**275**	-	**275**	-
At 31 December	**16,884**	24,387	**16,884**	24,387

ResponsAbility Investments AG is an international access private sector entity based in Switzerland acting as an asset manager for a collective of investment schemes for private and institutional investors as well as portfolio manager, advisor, originator, and service provider for other investment products. ResponsAbility offered the Bank with credit facilities totalling USD 35 million through various managed funds.

In 2024, ResponsAbility extended an additional USD 10 million to the Bank through its three funds: the Micro & SME Finance Debt Fund, the Financial Inclusion Fund, and the Micro and SME Finance Leaders Fund. This funding is aimed at promoting financial inclusion by fostering growth among micro and small to medium-sized enterprises. The funds were received in December 2024, with an anticipated maturity date in September 2027.

As of December 31, 2025, both the Group and the Bank complied with all lender covenants.

NOTES (CONTINUED)

50 BORROWINGS (CONTINUED)

50.13 CITIBANK

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
At 1 January	**50,068**	-	**50,068**	-
Loan received during the year	**-**	48,716	**-**	48,716
Interest charge for the year	**3,746**	2,539	**3,746**	2,539
Interest paid in the year	**(4,061)**	(1,187)	**(4,061)**	(1,187)
Principal repayment during the year	**(24,771)**	-	**(24,771)**	
Foreign exchange difference	**413**	-	**413**	
At 31 December	**25,395**	50,068	**25,395**	50,068

50.14 DFC

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
At 1 January	**506,722**	-	**506,722**	-
Loan received during the year	**-**	487,156	**-**	487,156
Interest charge for the year	**38,778**	25,046	**38,778**	25,046
Interest paid in the year	**(41,481)**	(5,480)	**(41,481)**	(5,480)
Principal repayment during the year	**(35,386)**		**(35,386)**	
Foreign exchange difference	**7,664**		**7,664**	
At 31 December	**476,297**	506,722	**476,297**	506,722

The Bank has successfully established a Senior Credit facility agreement amounting to USD 320 million with the United States International Development Finance Corporation (DFC) and Citibank Europe Plc. In this agreement, DFC has allocated USD 300 million as a long-term investment for a duration of up to eight years, while Citibank Europe has committed USD 20 million for a two-year period.

This facility aims to enhance financing opportunities for small businesses in the East Africa region, thereby strengthening the Bank's capacity to provide loans to small and medium-sized enterprises (SMEs) in Tanzania and Burundi, with a particular emphasis on businesses led or owned by women. During the year, the Bank received a disbursement of USD 220 million from the total loan commitment, with the DFC portion maturing in January 2032 and the Citibank portion (as per note 51.13) maturing in March 2026.

As of December 31, 2025, both the Group and the Bank were fully compliant with all covenants.

50.15 DEG

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
Loan received during the year	**123,853**	-	**123,853**	-
Interest charge for the year	**310**	-	**310**	-
Interest paid in the year	**-**	-	**-**	-
At 31 December	**124,163**	-	**124,163**	-

In December 2025, Bank successfully received Senior Credit facility amounting USD 60 million with from DEG- DEUTSCHE INVESTITIONS to support General SME. The facility is for the period of 5 years with one year grace period which also includes comprehensive technical assistance programs.

As of December 31, 2025, both the Group and the Bank were fully compliant with all covenants

NOTES (CONTINUED)

50 BORROWINGS (CONTINUED)

50.16 DFIC

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
Loan received during the year	**148,623**	-	**148,623**	-
Interest charge for the year	**3,999**	-	**3,999**	-
Interest paid in the year	**(3,538)**	-	**(3,538)**	-
At 31 December	**149,084**	-	**149,084**	-

In August 2025, Bank successfully received Senior Credit facility amounting USD 60 million with from DEVELOPMENT FINANCE INSTITUTE CANADA INC (Fin Dev) to support Gender, Green lending initiative and MSME's. The facility is for a period of 5 years without grace period.

As of December 31, 2025, both the Group and the Bank were fully compliant with all covenants.

51 SUBORDINATED DEBT- AFDB AND FMO

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
In TZS' Million	**2025**	2024	**2025**	2024
At 1 January	**126,882**	130,986	**126,882**	130,986
Loan received during the year	**185,779**	-	**185,779**	-
Interest charge for the year	**16,357**	13,020	**16,357**	13,020
Interest paid in the year	**(15,795)**	(13,325)	**(15,795)**	(13,325)
Foreign exchange difference	**2,063**	(3,799)	**2,063**	(3,799)
At 31 December	**315,286**	126,882	**315,286**	126,882
Current	**5,655**	5,109	**5,655**	5,109
Non-current	**309,631**	121,773	**309,631**	121,773
	315,286	126,882	**315,286**	126,882

In February 2022, the Bank received a disbursement of USD 50 million a subordinated USD term facility from African Development Bank (AfDB) per the facility agreement signed in November 2021. The facility is for a period of seven years with a five years' grace period. The facility is geared towards augmenting the Bank's capital base to enable it to expand its operations in East and Central African regions particularly providing finance in the agriculture, manufacturing, and trade sectors as well as SME's and local corporates.

Also, during the year, the Bank received from FMO USD 75 million as subordinated debts. As at 31 December 2025, the Group and Bank were compliant with all the lender's covenants.

52 GRANTS

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
At 1 January	**18,470**	21,536	**18,470**	21,536
Grant received during the year	**15,534**	-	**15,534**	-
Grant amount utilised	**(4,021)**	(3,066)	**(4,021)**	(3,066)
Exchange rate difference	**318**	-	**318**	-
At 31 December	**30,301**	18,470	**30,301**	18,470

NOTES (CONTINUED)

52.1 FSDT GRANTS

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
At 1 January	**451**	1,178	**451**	1,178
Reclassification to deferred income	**-**	-	**-**	-
Grant amount utilised	**(451)**	(727)	**(451)**	(727)
At 31 December	**-**	451	**-**	451

On 26 May 2008, CRDB Bank Plc signed a four-year funding agreement with the Financial Sector Deepening Trust of Tanzania (FSDT) amounting to USD 3,806,500 as a grant for strengthening the Bank's microfinance partner institutions and increasing outreach.

The grant was utilized to construct service centres and purchase motor vehicles.

There are no conditions attached to the grant during the year.

52.2 MIVARF ASSET GRANT

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
At 1 January	**-**	458	**-**	458
Grant amount utilised	**-**	(458)	**-**	(458)
At 31 December	**-**	-	**-**	-

On 2 January 2013, the Group signed a six-year funding agreement with the Marketing Infrastructure, Value Addition and Rural Finance Support Programme (MIVARF) amounting to USD 4,000,008 as a grant for improving/ strengthening and developing access to financial services on a sustainable basis to rural micro and small-scale entrepreneurship activities that will lead to increased productivities in rural areas. The grant was utilized to construct service centres and purchase motor vehicles.

This grant expired in 2019. The outstanding amount relates to a deferred grant, which is being amortized in line with the corresponding depreciation for the respective PPE.

There are no conditions attached to the grant during the year.

52.3 GCF GRANT

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
At 1 January	**18,019**	19,900	**18,019**	19,900
Grant received during the year	**15,534**	-	**15,534**	-
Grant amount utilised	**(3,570)**	(1,881)	**(3,570)**	(1,881)
Exchange rate difference	**318**		**318**	
At 31 December	**30,301**	18,019	**30,301**	18,019

During the year, the Bank received a grant of USD 6.27million for to be used in training, capacity building and policy interventions as specified in component 2 of Tanzania Agriculture Climate Adaptation Technology Deployment Programme (TACATDP) approved by Green Climate Fund (GCF). This grant will help the bank to enhance capacity on adaptation lending while facilitating promoting policy interventions to government agencies, ministries, and private institutions to unlock any significant barriers towards addressing climate change impacts through concessional lending.

NOTES (CONTINUED)

53 NET DEBT RECONCILIATION

The analysis and movement of the net debt is, as follows:

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
Lease liability (Note 47)	**70,219**	63,064	**52,841**	47,123
Borrowings (Note 50)	**1,940,051**	1,659,620	**1,940,051**	1,659,620
Bond (Note 49)	**714,388**	175,204	**714,388**	175,204
Subordinated debts (Note 51)	**315,286**	126,882	**315,286**	126,882
Net debt	**3,039,944**	2,024,770	**3,022,566**	2,008,829

Reconciliation of movements of liabilities to cash flows arising from financing activities

In TZS' Million GROUP	**Lease Liability**	**Borrowings**	**Bonds**	**Subordinated Debts**	**Total**
Balance as at 1 January 2025	**63,064**	**1,659,620**	**175,204**	**126,882**	**2,024,770**
Changes from financing cashflows	**-**	**-**	**-**	**-**	**-**
Borrowings received	**-**	**627,436**	**529,024**	**185,779**	**1,342,239**
Repayment of borrowings	**-**	**(370,676)**	**-**	**-**	**(370,676)**
Principal payment on lease liabilities	**(14,177)**	**-**	**-**	**-**	**(14,177)**
Total changes from financing cash flows	**(14,177)**	**256,760**	**529,024**	**185,779**	**957,386**
The effect of changes in FX rates	**3,817**	**20,420**	**-**	**2,063**	**26,300**
Other changes				**-**	**-**
Liability-related	**17,515**	**-**	**-**	**-**	**17,515**
Interest charge	**5,819**	**116,714**	**56,771**	**16,357**	**195,661**
Interest paid	**(5,819)**	**(113,463)**	**(46,611)**	**(15,795)**	**-181,688**
Total liability-related other changes	**17,515**	**3,251**	**10,160**	**562**	**31,488**
Balance at 31 December 2025	**70,219**	**1,940,051**	**714,388**	**315,286**	**3,039,944**

In TZS' Million GROUP	**Lease Liability**	**Borrowings**	**Bonds**	**Subordinated Debts**	**Total**
Balance as at 1 January 2024	49,817	933,109	175,204	130,986	1,289,116
Changes from financing cashflows					
Borrowings received	-	978,057	-	-	978,057
Repayment of borrowings	-	(246,588)	-	-	(246,588)
Principal payment on lease liabilities	(12,537)	-	-	-	(12,537)
Total changes from financing cash flows	(12,537)	731,469	-	-	718,932
The effect of changes in FX rates	(136)	(8,266)	-	(3,799)	(12,201)
Other changes					
Liability-related	25,920	-	-	-	25,920
Interest charge	4,755	85,328	17,660	13,020	120,763
Interest paid	(4,755)	(82,020)	(17,660)	(13,325)	(117,760)
Total liability-related other changes	25,920	3,308	-	(305)	28,923
Balance at 31 December 2024	63,064	1,659,620	175,204	126,882	2,024,770

NOTES (CONTINUED)

53 NET DEBT RECONCILIATION (CONTINUED)

Reconciliation of movements of liabilities to cash flows arising from financing activities

In TZS' Million BANK	Lease Liability	Borrowings	Bonds	Subordinated Debts	Total
Balance as at 1 January 2025	**47,123**	**1,659,620**	**175,204**	**126,882**	**2,008,829**
Changes from financing cashflows	**-**	**-**	**-**	**-**	**-**
Borrowings received	**-**	**627,436**	**529,024**	**185,779**	**1,342,239**
Repayment of borrowings	**-**	**(370,676)**	**-**	**-**	**(370,676)**
Principal payment on lease liabilities	**(11,732)**	**-**	**-**	**-**	**(11,732)**
Total changes from financing cash flows	**(11,732)**	**256,760**	**529,024**	**185,779**	**959,831**
The effect of changes in FX rates	**-**	**20,420**	**-**	**2,063**	**22,483**
Other changes				**-**	**-**
Liability-related	**17,450**	**-**	**-**	**-**	**17,450**
Interest charge	**3,880**	**116,714**	**56,771**	**16,357**	**193,722**
Interest paid	**(3,880)**	**(113,463)**	**(46,611)**	**(15,795)**	**(179,749)**
Total liability-related other changes	**17,450**	**3,251**	**10,160**	**562**	**31,423**
Balance at 31 December 2025	**52,841**	**1,940,051**	**714,388**	**315,286**	**3,022,566**

In TZS' Million BANK	Lease Liability	Borrowings	Bonds	Subordinated Debts	Total
Balance as at 1 January 2024	45,628	933,109	175,204	130,986	1,284,927
Changes from financing cashflows					
Borrowings received	-	978,057	-	-	978,057
Repayment of borrowings	-	(246,588)	-	-	(246,588)
Principal payment on lease liabilities	(11,449)	-	-	-	(11,449)
Total changes from financing cash flows	(11,449)	731,469	-	-	720,020
The effect of changes in FX rates	-	(8,266)		(3,799)	(12,065)
Other changes					
Liability-related	12,944	-	-	-	12,944
Interest charge	3,413	85,328	17,660	13,020	119,421
Interest paid	(3,413)	(82,020)	(17,660)	(13,325)	(116,418)
Total liability-related other changes	12,944	3,308	-	(305)	15,947
Balance at 31 December 2024	47,123	1,659,620	175,204	126,882	2,008,829

NOTES (CONTINUED)

54 SHARE CAPITAL

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
Authorized				
4,000,000,000 ordinary shares of TZS 25 each	**100,000**	100,000	**100,000**	100,000
Issued and fully paid				
2025 (2024: 2,611,838,584) ordinary shares of TZS 25 each				
Number of shares				
At 1 January	**2,612**	2,612	**2,612**	2,612
Issued shares	**-**	-	**-**	-
At 31 December	**2,612**	2,612	**2,612**	2,612
Value of shares				
At 1 January	**65,296**	65,296	**65,296**	65,296
Issued shares	**-**	-	**-**	-
At 31 December	**65,296**	65,296	**65,296**	65,296

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at Annual General Meetings of the Company. For the time being, there is no any restriction which has been attached to the ordinary shares of the company.

Share premium

Share premium represents the surplus of market price over the nominal value of the shares issued, comprising the rights issue and Initial Public offering (IPO) TZS 158,314 million (2024:TZS 158,314 million)

55 NON-CONTROLLING INTERESTS (NCI)

Non-controlling interest balance relates to the value of the interest held by the non-controlling shareholders in CRDB DRC. CRDB DRC was incorporated and started its operations during the year 2024. CRDB Bank owns 55% shares in CRDB DRC. Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Summarised balance sheet

31 December In TZS' Million	**CRDB DRC 2025**	**CRDB DRC 2024**
Summarised statement of financial position		
Current assets	**140,976**	171,106
Current liabilities	**(97,574)**	(93,529)
Current net assets	**43,402**	77,577
Non-current assets	**8,206**	13,516
Non-current liabilities	**(5,507)**	-
Non-current net assets	**2,699**	13,516
Net assets	**46,101**	91,093
Accumulated balance for material NCI	**36,766**	40,657

NOTES (CONTINUED)

55 NON-CONTROLLING INTERESTS (NCI)

Summarized statement of comprehensive income

31 December In TZS' Million	CRDB DRC 2025	CRDB DRC 2024
Loss for the year	**(8,647)**	(6,566)
Other comprehensive income	**-**	-
Total comprehensive loss	**(8,647)**	(6,566)
Loss allocated to NCI (45%)	**(3,891)**	(2,955)

Summarised cash flows

31 December In TZS' Million	CRDB DRC 2025	CRDB DRC 2024
Cash flows from operating activities	**(63,858)**	22,290
Cash flows from investing activities	**(8,541)**	(4,956)
Cash flows from financing activities	**20,225**	-
Net increase/ (decrease) in cash and cash equivalents	**(52,174)**	17,334

Transactions with non-controlling interests
There were no transactions with non-controlling interests during the year.
No dividends were paid to non-controlling interests during the year.

56 A. RESERVES

	GROUP		BANK	
In TZS' Million	2025	2024	2025	2024
Legal reserve	**36,576**	35,864	**-**	-
Non distributable reserve	**5,058**	15,602	**-**	15,479
Exchange differences on translation of foreign operations	**(5,472)**	(22,307)	**-**	-
Contingency reserve	**829**	-	**-**	-
Revaluation reserve	**40,234**	10,765	**40,234**	10,765
At 31 December	**77,225**	39,924	**40,234**	26,244

Non distributable reserve

The reserves represent the excess of Central Bank provisions over IFRS provisions. These reserves do form part of Tier 2 capital. As per central Bank of Tanzania the reserve is charged against the retained earning while as per Burundi Central Bank the reserve is charged against profit and Loss.

Exchange differences on translation of foreign operations

Represents exchange differences arising from translation of the financial performance and position of a subsidiary company that has a functional currency different from the Group's presentation currency. This is a non-distributable reserve.

Legal provision reserve

This represents five percent of net profit which is set aside in compliance with the Burundi company law for CRDB Bank Burundi SA.

NOTES (CONTINUED)

56 B. NON-CONTROLLING INTERESTS (NCI)

Revaluation reserve

The reserve is made up of periodic adjustment arising from the fair valuation of motor vehicles, net of related deferred taxation and fair valuation of debt and equity instruments at fair value through OCI financial assets and liabilities. The reserve is not available for distribution to the shareholders.

Contingency reserve

The contingency reserve is in accordance to Section 27 (2)b of the Insurance Regulation of Burundi, stating " Contingency reserves which shall not be less than three percent of the total premium or twenty percent of the net profits whichever is the greater and that amount shall accumulate until it reaches the minimum paid up capital or fifty percent of the net premium whichever is the greater."

The revaluations reserve movements for the Group are as shown below:

GROUP AND BANK In TZS' Million	Motor vehicles	Debt instrument at fair value through OCI	Equity instrument at fair value through OCI	Total
31 December 2025				
At 1 January	**1,106**	**6,538**	**3,121**	**10,765**
Gain on debt instrument at FVOCI reclassified to Profit and loss	**-**	**(7,836)**	**-**	**(7,836)**
Gain on debt instrument at FVOCI	**-**	**48,426**	**-**	**48,426**
Revaluation gain on equity instrument at FVOCI	**-**	**-**	**2,047**	**2,047**
Deferred tax on OCI	**-**	**(12,629)**	**-**	**(12,629)**
Derecognition of the investment at FVOCI	**-**	**-**	**-**	**-**
Release to retained earnings. (net of deferred tax)	**(540)**	**-**	**-**	**(540)**
At 31 December	**566**	**34,500**	**5,168**	**40,234**

In TZS' Million 31 December 2024				
At 1 January	1,869	9,232	89	11,190
Gain on debt instrument at FVOCI reclassified to Profit and loss	-	(5,510)	-	(5,510)
Gain on debt instrument at FVOCI	-	1,662	-	1,662
Revaluation loss on equity instrument at FVOCI	-	-	(5,669)	(5,669)
Deferred tax on OCI	-	1,154	1,701	2,855
Derecognition of the investment at FVOCI	-	-	7,000	7,000
Release to retained earnings. (net of deferred tax)	(763)	-	-	(763)
At 31 December	1,106	6,538	3,121	10,765

57 CAPITAL MANAGEMENT

The Bank's objectives for managing capital, which is a broader concept than the 'equity' on the face of balance sheets, are:

- To comply with the capital requirements set by the Central Bank i.e., Bank of Tanzania.
- To safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its business.

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 Bank of Tanzania, for supervisory purposes. The required information is filed with the Central Bank on a quarterly basis.

NOTES (CONTINUED)

57 CAPITAL MANAGEMENT (CONTINUED)

The Central Bank requires the Banking Group to: hold the minimum level of core capital of TZS15 billion.

a) maintain a ratio of core capital to the risk-weighted assets plus risk-weighted off-balance sheet assets (the 'Basel ratio') at or above the required minimum of 12.5%; and

b) Maintain total capital of not less than 14.5% of risk-weighted assets plus risk-weighted off-balance sheet items.

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. Intangible assets and prepaid expenses are deducted in arriving at Tier 1 capital: and
- Tier 2 capital: qualifying subordinated loan capital and general banking reserve

The risk-weighted assets are measured by means of a hierarchy of five risk weights classified according to the nature of – and reflecting an estimate of credit, market and other risks associated with each asset and counterparty, considering 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.

Capital allocation

Management uses regulatory capital ratios to monitor its capital base. The allocation of capital between specific operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The process of allocating capital is undertaken by Treasury department and is subject to review by the Group Asset and Liability Management Committee (ALCO).

New regulations

In 2024, the Central Bank issued several regulations for the implementation of Basel II and III. Basel II introduced the concept of Risk-weighted assets, acknowledging that not all assets carry the same level of risk. This allowed banks to allocate capital more accurately based on the riskiness of their portfolios. The framework was segregated into three pillars: Minimum Capital Requirements, Supervisory Review, and Market Discipline. These pillars aimed to enhance Risk Management practices, regulatory oversight, and market transparency.

Basel III went beyond Basel II's focus on Risk Management and aimed to build resilience and stability in the banking sector. The framework introduced higher Minimum Capital Requirements and, Critically Capital Buffers. These buffers act as cushions during economic stress, making sure that banks have sufficient capital to absorb losses.

The mandatory compliance of Basel II and III started in April 2025. The Group complied with laws and regulations and embraced their positive effects on the industry. The Group will continue to focus on increasing sources of revenue to increase available capital and growing assets with low-risk weights to reduce the anticipated capital stress resulting from the new Basel II and III regulations.

The table below summarises the composition of regulatory capital and the ratios of the Bank for the year ended 31 December 2025 and 2024. During those two periods, the Group and Bank complied with all the externally imposed capital requirements to which they are subject.

NOTES (CONTINUED)

57 CAPITAL MANAGEMENT (CONTINUED)

New regulations (continued)

		GROUP		GROUP	
In TZS' Million		**2025**	2024	**2025**	2024
Tier 1 capital					
Share capital		**65,296**	65,296	**65,296**	65,296
Share Premium		**158,314**	158,314	**158,314**	158,314
Retained earnings*		**2,211,154**	1,869,055	**2,139,325**	1,825,984
Legal & non-distributable reserves		**41,634**	-	**-**	-
Prepaid expenses		**(62,522)**	(73,763)	**(45,591)**	(65,858)
Deferred tax asset		**(109,083)**	(98,416)	**(108,169)**	(95,749)
Total qualifying Tier 1 capital		**2,304,793**	1,920,486	**2,209,175**	1,887,987
Tier 2 capital					
General Banking reserve		**-**	15,602	**-**	15,479
Subordinated debt		**255,256**	91,963	**255,256**	91,963
Total qualifying Tier 2 capital		**255,256**	107,565	**255,256**	107,442
Total regulatory capital		**2,560,049**	2,028,051	**2,464,431**	1,995,429
Risk-weighted assets					
On-balance sheet		**11,031,666**	8,242,648	**9,963,847**	7,733,324
Off-balance sheet		**2,196,680**	2,626,383	**2,153,232**	2,610,319
Market risk		**112,645**	36,242	**87,029**	13,322
Operational risk		**1,007,312**	884,276	**924,351**	833,695
Total risk-weighted assets		**14,348,303**	11,789,549	**13,128,459**	11,190,660
Required		**Group's**	Group's	**Bank's**	Bank's
	ratio	**ratio**	Ratio	**Ratio**	ratio
		2025	2024	**2025**	2024
	%	**%**	%	**%**	%
Tier 1 capital	12.5	**16.1**	16.3	**16.8**	**16.9**
Tier 1 + Tier 2 capital (Total capital)	14.5	**17.8**	17.2	**18.8**	**17.8**

Throughout the year, the Group remained committed to prudent capital management practices, selectively growing our portfolio with high-yield and Risk-Weighted assets while also de-risking to ensure optimal capital utilisation. Despite the microeconomic and geopolitical uncertainties, we remained well-capitalised and maintained healthy buffers above the minimum regulatory requirements. Our Group's core and total capital ratios stood at 16.1% and 17.8%, respectively, exceeding the minimum regulatory requirements of 12.5% and 14.5% for Tier I and Tier II capital, respectively.

*The retained earnings after deduction of the proposed dividend for the FY 2025 to be paid in 2026 as per Basel III requirements.

NOTES (CONTINUED)

58 ADDITIONAL CASHFLOW INFORMATION

A. Cash flow from operating activities

In TZS' Million	Note	GROUP 2025	GROUP 2024	BANK 2025	BANK 2024
Profit before income tax		**1,030,511**	778,796	**1,000,650**	752,852
Adjustment for:					
Depreciation of property and equipment	39	**64,210**	53,949	**59,940**	50,941
Depreciation of motor vehicles	38	**6,048**	4,998	**5,501**	4,525
Depreciation of right-of-use assets	40	**15,315**	14,065	**12,727**	12,519
Amortization of intangible assets	42	**10,722**	10,997	**10,305**	10,798
Depreciation of prepaid leases	41	**256**	255	**256**	255
Loss on disposal of property and equipment, Motor vehicle, Prepaid leases, and Intangible assets	21	**(216)**	1,029	**(226)**	1,407
Loan impairment charges	33	**188,718**	126,999	**179,831**	123,648
ECL- Debt instruments	34	**735**	(144)	**735**	(144)
ECL - Placements	34	**338**	(605)	**338**	(605)
ECL - Off-balance sheet	34	**3,503**	8,848	**1,188**	8,835
ECL - Credit cards	34	**626**	(129)	**626**	(129)
Dividend income from investments	19	**(122)**	(156)	**(13,755)**	(11,132)
Impairment other assets	36	**5,609**	2,069	**4,598**	1,819
Grant utilization	52	**-**	(3,066)	**-**	(3,066)
Interest income	12	**(1,999,339)**	(1,540,826)	**(1,822,709)**	(1,422,466)
Interest expense	13	**591,172**	422,649	**520,868**	378,560
Losses on equity investment at fair value through profit or loss		**(1,900)**	2,145	**(1,900)**	2,145
Foreign currency exchange (gains)/ losses on borrowings	50	**20,420**	(8,266)	**20,420**	(8,266)
Foreign currency exchange (gains)/ losses on grants	52	**318**	-	**318**	-
Foreign currency exchange losses on subordinated debt	51	**2,063**	(3,799)	**2,063**	(3,799)
Foreign currency exchange gain on operating activities		**24,896**	13,995	**30,282**	8,427
Foreign currency exchange gain on cash and cash equivalents		**(61,469)**	(31,551)	**(58,396)**	(27,150)
		(97,586)	(147,748)	**(46,340)**	(120,026)
Changes in operating assets and liabilities:					
Statutory minimum reserve		**(135,170)**	(75,785)	**(135,170)**	(75,785)
Due from banks		**-**	60,591	**-**	16,231
Financial Assets at FVPL		**(1,616)**	(8,444)	**(10,404)**	(4,710)
Debt Instruments at FVOCI		**(307,127)**	85,474	**(307,127)**	85,474
Credit card		**(1,679)**	436	**(1,679)**	436
Loans and advances to customers		**(3,379,782)**	(2,084,130)	**(3,126,501)**	(2,107,675)
Debt Instrument at amortized costs		**(902,338)**	13,751	**(541,521)**	230,021
Other assets		**(315,704)**	12,985	**(227,525)**	13,423
Deposits from customers		**3,857,951**	2,132,869	**3,401,400**	1,955,577
Deposits and balances due to other banks		**24,146**	113,121	**9,608**	11,012
Other liabilities		**(82,088)**	25,929	**(70,481)**	18,611
Provisions on legal claims		**(1,037)**	1,433	**(1,037)**	1,433
Reinsurance contract assets		**(9,564)**	-	**-**	-
Insurance contract liabilities		**20,491**	6,823	**-**	-
Re-insurance contract liabilities		**(1,173)**	989	**-**	-
		(1,234,690)	286,042	**(1,010,437)**	144,048

NOTES (CONTINUED)

58 ADDITIONAL CASHFLOW INFORMATION (CONTINUED)

A. Cash flow from operating activities (continued)

Operational cashflow from interest and tax paid.

In TZS' Million	Note	GROUP		BANK	
		2025	2024	**2025**	2024
Interest received from loans and advances to Banks		**45,437**	34,431	**36,306**	28,737
Interest received from loans and advances to customers		**1,561,671**	1,218,000	**1,459,496**	1,137,001
Interest received from credit card		**837**	1,622	**837**	1,622
Interest received from Debt instruments at amortized cost		**221,626**	223,334	**169,541**	195,821
Interest received from Debt instruments at FVOCI		**34,257**	20,480	**34,257**	20,480
Interest received from financial assets FVPL		**483**	-	**483**	-
Interest paid on deposits (customers and banks)		**(329,340)**	(296,310)	**(271,872)**	(260,284)
Income tax paid	24B	**(312,189)**	(218,714)	**(308,578)**	(215,249)
		1,222,782	982,843	**1,120,470**	908,128
Net cash generated from / used in operating activities		**(109,494)**	1,121,137	**63,693**	932,150

The aggregate amount of cash flows used to increase operating capacity

During the year the Bank invested TZS 14,248 million in our subsidiaries, CRDB Insurance Company Ltd and CRDB Bank Burundi, as disclosed in Note 37, "Investment in Subsidiaries". All investments were made in cash.

Cash flows used to maintain our operating capacity

The Group spent a total of TZS 114,241 million to purchase property and equipment, motor vehicles to replace the old ones (obsolete), and software to upgrade existing software resulting from new technological advancements. In addition, the Group received borrowings amounting to TZS 1,342,238 million mainly to fund business growth and meet the expectations of our stakeholders.

A. Analysis of cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following balances with less than three months maturity from the date of acquisition.

In TZS' Million	GROUP		BANK	
	2025	2024	**2025**	2024
		Restated*		Restated*
Cash in hand (Note 27)	**582,662**	554,312	**563,076**	534,213
Statutory Minimum reserves (20%) **	**127,765**	93,972	**127,765**	93,972
Balances with Central Bank (Note 27)	**1,072,972**	1,347,158	**898,997**	1,159,651
Due from banks (Note 28)	**1,575,926**	925,428	**1,748,082**	919,649
	3,359,325	2,920,870	**3,337,920**	2,707,485

* The opening balance has been restated to reflect the access of the 20% of the required statutory minimum reserve (SMR)

**More details under Note 27: Cash and Balances with the central bank.

NOTES (CONTINUED)

59 FINANCIAL INSTRUMENTS BY CATEGORY

GROUP TZS' Million	Amortised cost	At fair value through OCI	At fair value through PL	Total
At 31 December 2025				
Financial assets				
Cash and balances with Central bank	**2,294,457**	**-**	**-**	**2,294,457**
Due from banks	**1,574,698**	**-**	**-**	**1,574,698**
Financial assets at FVPL	**-**	**-**	**18,944**	**18,944**
Debt instruments at FVOCI	**-**	**496,938**	**-**	**496,938**
Loans and advances to customers	**13,723,318**	**-**	**-**	**13,723,318**
Debt instruments at amortised cost	**2,868,316**	**-**	**-**	**2,868,316**
Credit cards	**3,055**	**-**	**-**	**3,055**
Equity investment	**-**	**23,683**	**-**	**23,683**
Other assets	**357,007**	**-**	**-**	**357,007**
	20,820,851	**520,621**	**18,944**	**21,360,416**

GROUP

IN TZS' MILLION	Amortised cost	At fair value through OCI	At fair value through PL	Total
At 31 December 2024				
Cash and balances with Central bank	2,371,330	-	-	2,371,330
Due from banks	924,538	-	-	924,538
Financial assets at FVPL	-	-	15,428	15,428
Debt instruments at FVOCI	-	135,291	-	135,291
Loans and advances to customers	10,360,824	-	-	10,360,824
Debt instruments at amortised cost	1,948,028	-	-	1,948,028
Credit cards	2,002	-	-	2,002
Equity investment	-	13,609	-	13,609
Other assets	103,804	-	-	103,804
	15,710,526	148,900	15,428	15,874,854

* Other assets (excludes prepayments, stock, staff loans valuation stock, Islamic financing advance payment and advanced payment for capital expenditure as they are not financial assets).

GROUP Financial liabilities at amortised cost		
In TZS' Million	**2025**	2024
Deposits from banks	**1,132,828**	1,108,682
Deposits customers	**14,930,504**	10,934,131
Other liabilities*	**266,584**	345,408
Lease liabilities	**70,219**	63,064
Subordinated debt	**315,286**	126,882
Bonds	**714,388**	175,204
Borrowings	**1,940,051**	1,659,620
	19,369,860	14,412,991

*Other liabilities (excludes deferred income and ECL of off-balance sheet as they are not financial liabilities).

NOTES (CONTINUED)

59 FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

BANK In TZS' Million	Amortised cost	At fair value through OCI	At fair value through PL	Total
At 31 December 2025				
Financial assets				
Cash and balances with Central bank	**2,100,896**	**-**	**-**	**2,100,896**
Due from banks	**1,746,854**	**-**	**-**	**1,746,854**
Financial assets at FVPL	**-**	**-**	**18,116**	**18,116**
Debt instruments at FVOCI	**-**	**496,938**	**-**	**496,938**
Loans and advances to customers	**13,077,539**	**-**	**-**	**13,077,539**
Debt instruments at amortized cost	**2,057,978**	**-**	**-**	**2,057,978**
Credit cards	**3,055**	**-**	**-**	**3,055**
Equity investment	**-**	**23,683**	**-**	**23,683**
Other assets	**278,406**	**-**	**-**	**278,406**
	19,264,728	**520,621**	**18,116**	**19,803,465**

BANK
In TZS' Million

At 31 December 2024	Amortised cost	At fair value through OCI	At fair value through PL	Total
Financial assets				
Cash and balances with Central bank	2,163,724	-	-	2,163,724
Due from banks	918,759	-	-	918,759
Financial assets at FVPL	-	-	5,812	5,812
Debt instruments at FVOCI	-	135,291	-	135,291
Loans and advances to customers	9,995,475	-	-	9,995,475
Debt instruments at amortized cost	1,507,906	-	-	1,507,906
Credit cards	2,002	-	-	2,002
Equity investment	-	13,609	-	13,609
Other assets	90,840	-	-	90,840
	14,678,706	148,900	5,812	14,833,418

*Other assets (excludes prepayments, stock, staff loans valuation stock, Islamic financing advance payment and advanced payment for capital expenditure as they are not financial assets).

BANK	2025	2024
Financial liabilities at amortised cost		
Deposits from banks	**1,003,636**	994,029
Deposits customers	**13,738,462**	10,214,699
Other liabilities*	**240,955**	307,449
Lease liabilities	**52,841**	47,123
Subordinated debt	**315,286**	126,882
Bonds	**714,388**	175,204
Borrowings	**1,940,051**	1,659,620
	18,005,619	13,525,006

*Other liabilities (excludes deferred income and ECL of off-balance sheet as they are not financial liabilities).

NOTES (CONTINUED)

60 PROVISIONS OF LEGAL CLAIMS

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
Provision for litigation				
At 1 January	**2,656**	1,223	**2,656**	1,223
Additional provisions/ (release)	**(947)**	3,426	**(947)**	3,426
Amount paid in the year	**(90)**	(1,993)	**(90)**	(1,993)
At 31 December	**1,619**	2,656	**1,619**	2,656

A Group recognised provision when it has a present obligation because of a past event, and it is probable that a transfer of economic benefits will be required to settle the obligation. Further, a reliable estimate of the amount of the obligation is required to be made.

When the Bank can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Bank records a provision against the case. Where the probability of outflow is remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

However, when the Bank is of the opinion that disclosing these estimates on a case-by-case basis would prejudice their outcome, then the Bank does not include detailed, case-specific disclosers in its financial statements.

Various assumptions are therefore required to determine if a provision is required to be recognised, and further, the carrying amount thereof. With regards to the assessment of matters of a significant nature, including potential litigation and claims, management relies on the advice of the Group's legal counsel.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Bank considers several assumptions concerning future events including;

- legal advice,
- the stage of the matter and
- historical evidence from similar incidents.

As at year end, there were several pending legal cases where the Bank was a defendant. Provision has been made for legal cases where professional advice indicates that it is probable that loss will arise. The Directors have considered it probable that the unfavourable outcome of these cases to the Bank could result into an estimated loss of TZS 1,619 million (2024:TZS 2,656 million). For cases whose outcomes are uncertain, contingent liabilities have been considered as disclosed in Note 62.

Base on the nature of such disputes the outcome and expected timing of resulting outflows of economic benefits from settlement of these cases is uncertain.

The opinion of those charged with governance after taking proper legal advice, the outcome of these legal claims will not give rise to any significant loss beyond the amounts provided as at 31 December 2025.

In the year ending 31 December 2025, the company did not expect any reimbursement from the amount provided (2024: NIL).

61 CONTINGENT LIABILITIES

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
Guarantees	**2,817,277**	2,808,197	**2,789,051**	2,808,197
Letters of credit	**2,054,980**	1,429,508	**2,054,980**	1,429,508
Commitment to extend credit	**1,470,750**	1,012,408	**1,319,300**	1,012,408
Legal claims	**9,315**	4,366	**9,315**	4,366
Tax assessments	**76,434**	87,681	**76,434**	87,681
	6,428,756	5,342,160	**6,249,080**	5,342,160

Letters of credit are commitments by the Bank to make payments to third parties, on production of agreed documents on behalf of customers, and are reimbursed by the customers. Guarantees are generally issued by the Bank on behalf of customers to guarantee customers to third parties.

NOTES (CONTINUED)

61 CONTINGENT LIABILITIES (CONTINUED)

The Bank will only be required to meet these obligations in the event of the customer's default.

The Group and Bank are, in the normal course of business, involved in several court cases and tax disputes with the revenue authorities. The Group management has taken appropriate legal measures to defend its position. Appropriate provisions have been made by the management for the liabilities arising as disclosed in Note 60. Contingent liabilities arise for cases for which the outcome cannot be reliably determined at the date of signing these financial statements.

The tax assessments represent contingent tax liabilities of the Group currently pending determination at various stages of dispute resolution. Management's assessment considers the likelihood of these liabilities materializing to be low.

For events whose outcomes are uncertain, the Group management considers contingent liabilities given the subjectivity and uncertainty of determining the probability and amount of losses. The Group management considers several factors, including legal advice, the stage of the matter and historical evidence from similar incidents.

In the year ending 31 December 2025, the company did not expect any reimbursement from the amount provided (2024: NIL).

62 COMMITMENTS AND LEASES

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
Commitments to extend credit	**1,319,300**	1,012,408	**1,319,300**	1,012,408
Capital commitments				
Authorised and contracted for	**78,245**	32,794	**64,902**	27,283
Authorised and not yet contracted for	**89,985**	87,923	**64,886**	72,329
	168,230	120,717	**129,788**	99,612

Group major capital commitments authorised and contracted for are in respect of the following projects.

- Card Program TZS 1,509mn
- Collective Scheme Fund Management System TZS 1,207mn
- Stress Testing System TZS 1,616mn
- Trade Finance (Front End) TZS 3,029mn
- AI&ML Platform TZS 5,021mn
- Implementation of Web Applications Firewall (WAF) to improve the security of Web and Mobile
- Data Management Platform (Data Catalog, Data Quality, Master Data Management, Data Governance and Privacy TZS 2,200mn
- Master Data Management (MDM) Solution TZS 2,000mn
- Data Centre Firewalls TZS 1,500mn
- Data Archival Solution for 5 Critical Systems (T24 &ESB) TZS 1,000mn
- ESB + Smart Vista TZS 2,338mn
- New Servers for CBS, Migration of Systems (IBM Server and Dell servers) TZS 1,375mn
- Cyber Security Equipment (Imperva WAF & Radware Defence Pro) TZS 701mn
- Airgap Backup Solution TZS 1,876
- New Agency Banking System TZS 963mn
- applications (CMA) TZS 850mn

62.2 Group as lessee

The Group has entered commercial leases for various office spaces, including ATM lobbies. The leases have an average life of between three (3) and ten (10) years.
The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs.

NOTES (CONTINUED)

62 COMMITMENTS AND LEASES (CONTINUED)

62.2 Group as lessee (continued)

Management exercises significant judgment in determining whether these extension and termination options are reasonably certain to be exercised.

- The lease agreements do not impose any covenants. However, leased assets may not be used as security for borrowing purposes.
- There are no restrictions placed upon the lessee entering into these lease agreements.
- During the year, the Group had no sale and leaseback transactions.
- There were no leases which were not yet commenced to which the Group was committed during the year.
- There were no variable lease payments during the year.
- There were no residual value guarantees during the year.
- The Group had no short-term leases or leases of low-value assets during the year (2024: Nil).

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term:

In TZS' Million 31 December 2025	1-5 years	Over 5 years	Total
Extension options not to be exercised	**427**	**-**	**427**
Termination options expected to be exercised	**-**	**-**	**-**
	427	**-**	**427**
31 December 2024			
Extension options not to be exercised	203	-	203
Termination options expected to be exercised	-	-	-
	203	-	203

During the year, no concessions were given in terms of rent payments from Landlords.

62.3 Group and Bank as lessor

The Group and Bank acts as lessor of the land and building. These leases have an average contract lease of between three and six months with no renewal option included in the contracts. There are no restrictions placed upon the lessee by entering these leases.

Rental income recognised by the Group during the year is TZS 519 million (2024: TZS 123 million). The rental income includes TZS 19.7million (2024: TZS 19.7 million) resulted from subleasing of the right of use assets.

Future minimum lease payments under non-cancellable operating leases as of 31 December were, as follows;

In TZS' Million	2025	2024
Within one year	**519**	123
After one year	**-**	-
	519	123

The above lease arrangements are mainly for the bank's staff on a short-term basis. The Bank has the option to terminate the lease with no significant penalties.

63 RELATED PARTY DISCLOSURES

Parties are related to if one party can control the other party or exercise significant influence over the other party in making financial or operational decisions.

In the normal course of business, several Banking transactions are entered into with related parties' i.e., key management staff, Directors, their associates, and companies associated with Directors. These include loans and deposits. Loans and advances to customers as at 31 December 2025 include loans and advances to Directors, other key management personnel and companies associated with Directors.

NOTES (CONTINUED)

63 RELATED PARTY DISCLOSURES (CONTINUED)

The volume of related party transactions for the year and the outstanding amount at the year-end for the Group are as follows:

	Companies associated with Directors		Directors and other key management personnel	
In TZS' Million	**2025**	2024	**2025**	2024
Loans and advances to related parties				
At 1 January	**3,828**	1,637	**16,587**	13,593
Net movement during the year*	**19,922**	2,191	**(4,110)**	2,994
At 31 December	**23,750**	3,828	**12,477**	16,587
Interest earned	**274**	110	**577**	667
Current	**-**	-	**-**	-
Non-current	**23,750**	3,828	**12,477**	16,587
	23,750	3,828	**12,477**	16,587

*Includes disbursements and repayments throughout the year.

Loans to key management personnel were issued at an off-market interest rate as per Group policy. They are treated as employee benefits like other staff loans. Mortgage loans issued to key management are secured and repayable within 20 years, while personal loans are unsecured and repayable within 5 years.

- Loans to non-executive Directors were issued on commercial terms.
- As of 31 December 2025, the total outstanding loan balances were TZS 21,629 million (2024: TZS 20,415 million).
- As at 31 December 2025, the Group and Bank held collateral valued of TZS 51,554 million (2024: TZS 19,328 million) from key management personnel and non-executive Directors.
- Loans and advances to related parties fall under Stage 1, and the balance sheet provisions for doubtful debts relate to the outstanding balances, which are TZS 14 million (2024: TZS 12 million).
- Provision expenses recognised/ charged to profit or loss during the year in respect of bad or doubtful debts due from related parties are TZS 11 million (2024: TZS 9 million).

Deposits from related parties	Companies associated with Directors		Directors and other key management personnel	
In TZS' Million	**2025**	2024	**2025**	2024
At 1 January	**769**	2,149	**3,191**	3,233
Net movement during the year*	**2,043**	(1,380)	**(470)**	(42)
At 31 December	**2,812**	769	**2,721**	3,191
Interest paid	**-**	-	**1.9**	-

*Includes deposits and withdrawals throughout the year

NOTES (CONTINUED)

63 RELATED PARTY DISCLOSURES (CONTINUED)

Balances outstanding with related companies were as follows;

	GROUP		BANK	
In TZS' Million	**2025**	2024	**2025**	2024
Due from related parties*				
CRDB Burundi S. A	**-**	-	**17,577**	3,713
CRDB Insurance Company	**-**	-	**104**	-
CRDB Congo			**11,157**	-
Due to related parties*				
CRDB Insurance Company	**-**	-	**-**	97
Loan advanced to subsidiary**				
CRDB Burundi S. A	**-**	-	**724,887**	383,322
Nostro to subsidiary				
CRDB Burundi S. A	**-**	-	**96,274**	76,046
Placement to subsidiary				
CRDB Burundi S. A****	**-**	-	**61,926**	23,871
CRDB Congo****	**-**	-	**61,926**	36,537

*Amount due to/from subsidiaries relating to sales and purchases related parties which are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest-free, and settlement occurs in cash. There have been no guarantees provided or received for any related party receivable or payable. The TZS 13 bn in the year 2025 (2024: TZS 10.6bn) relates to a dividend distribution to the parent.

** Loans advanced to subsidiaries relate to facilities which were intended to finance economic activities which are approximately average of 10% and above.

***Placement to subsidiary relates to a placement with CRDB Burundi S.A and CRDB Congo intended to finance subsidiary operations. The Placement is made on terms equivalent to those that prevail in arm's length transactions. The outstanding balance at the year-end is unsecured. Interest is charged at an average of 4.5% per annum.

NOTES (CONTINUED)

63 RELATED PARTY DISCLOSURES (CONTINUED)

Interest received and paid from and to related parties respectively were as follows;

In TZS' Million	GROUP		BANK	
	2025	2024	2025	2024
Interest Income received from subsidiary				
CRDB Burundi S. A	-	-	**17,991**	**3,630**
Transactions with related companies were as follows;				
Payments made on behalf of subsidiaries				
CRDB Burundi S. A	-	-	-	-
CRDB Insurance Broker Company Ltd	-	-	-	-
	-	-	-	-
Rent paid to the parent				
CRDB Burundi S. A	-	-	-	-
CRDB Insurance Broker Company Ltd	-	-	-	-
	-	-	-	-
Transactions with Related Parties				
Transaction with CIC				
Gross written premium	-	-	**45,617**	16,235
Rental payment	-	-	**135**	135
Commission expense	-	-	**6,461**	2,570
	-	-	**52,213**	18,940
Transaction with CRDB Bank Foundation (CBF)				
Grant to CBF	-	-	**6,975**	4,126

Purchase/ sale of properties on behalf of subsidiaries

In the year ending 31 December 2025, the company did not sale or purchase properties to/from any related party (2024: NIL).

Transfer of research and development
In the year ending 31 December 2025, the company did not transfer any cost of research and development to/from any related party (2024: Nil).

Guarantee
In the year ended 31 December 2025, there was no guarantee given or received to/from any related party (2024: Nil).

Settlement of liabilities on behalf of the entity or by the entity on behalf of another party
In the year ended 31 December 2025, there were no settlements of liabilities on behalf of the entity or by the entity on behalf of another entity (2024: Nil).

Rendering or receiving services
During the year, there were neither services rendered nor received to/from a related party.

Leases
There were no lease transactions with related parties during the year (2025: nil).

Treasury Shares
During the year, the Bank did not reacquire its own equity instruments from related parties.

NOTES (CONTINUED)

63 RELATED PARTY DISCLOSURES (CONTINUED)

Compensation of Key Management Personnel

The remuneration of key management personnel has been disclosed under section 23 of the report by those charged with governance. Key management personnel comprise the Board of Directors, Managing Director, Chief Commercial Officer, Chief Operations Officer, Chief Financial Officer, and Directors of departments who report directly to the Managing Director.

The remuneration of key management personnel during the year was as follows:

In TZS' Million	2025	2024
Short-term employee benefits (salary)	**17,461**	11,267
Other long-term benefit (gratuity)	**5,929**	1,321
	23,390	12,588

- The above compensation is a total salary package including all employment benefits and pension.
- There was no separation costs during the year related to severance pay of some key management personnel (2024: Nil).
- The amounts disclosed above are the amounts recognised as an expense during the reporting period related to key management personnel.
- During the year ended 31 December 2025, there were no pension contributions paid on behalf of Directors to defined contribution schemes.

The group does not have a defined benefit scheme for Directors. Generally, the non-executive Directors do not receive pension entitlements from the Group.
There were neither termination benefits nor share-based payment benefits made during the year (2024: Nil).

Transactions and Balances with the Government of Tanzania

The Government of Tanzania owns 34.3% (2024: 34.3%) equity in the Bank through DANIDA Investment funds and Pension Funds and has significant influence. The Bank invested in government securities during the year, and at the year-end, the amount receivable from the Government of Tanzania in the form of treasury bills and bonds amounted to TZS 2,556,103 million (2024: TZS1,643,645 million). Interest earned from investment in government securities during the year was TZS 222,246 million (2024: TZS 213,849 million). ECL related to transactions and balances are disclosed under note 30.

The Bank also accepts deposits from various Government institutions and related agencies, which attract interest like other deposits. As at 31 December 2025, deposit balances relating to the Government institutions and related agencies collectively amounted to TZS 516,124 million (2024: TZS 606,592 million).

64 EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

Subsequent to the reporting date, armed conflict between Iran and a coalition led by the United States and Israel has escalated, resulting in increased uncertainty surrounding global energy supply and distribution. These developments may exert additional inflationary pressure across international markets.

The Group's diversified investment portfolio continues to offer resilience against sectorspecific risks. While it is currently too early to comprehensively determine the potential implications for the Group and its customers, certain business segments may be indirectly affected by broader economic volatility. Management is closely monitoring the evolving situation and will assess any material impacts as further information becomes available.

NOTES (CONTINUED)

65. COMPARATIVES RECLASSIFICATION

Financial statement line item affected	GROUP			BANK			Remarks
	As reported in 2025	As Reported in 2024	Changes	As reported in 2025	Reported in 2024	Changes	
Statement of cashflows							
Cash and Cash equivalent as at 01.01.2024	1,412,572	1,337,549	75,023	1,382,694	1,307,671	75,023	▪ Reclassification of 20% of SMR in the opening balance of cash and cash equivalent.
Cash and Balance with Central Bank (20% of SMR) as at 31.12.2023	-	75,023	(75,023)	-	75,023	(75,023)	
Net effect	**1,412,572**	1,412,572	-	**1,382,694**	1,382,694	-	
Cash and Cash equivalent as at 31.12.2024	**2,920,870**	2,826,898	93,972	**2,707,485**	2,613,513	93,972	
Cash and Balance with Central Bank (20% of SMR) as at 31.12.2024	-	93,972	(93,972)	-	93,972	(93,972)	
Net effect	**2,920,870**	2,920,870	-	**2,707,485**	2,707,485	-	
Profit or loss and other comprehensive income							
Interest income Calculated using EIR*	**1,528,377**	1,562,110	(33,733)	**1,410,017**	1,443,750	(33,733)	▪ Reclassification of loan fees and commission, income related to Islamic banking financing and investments against interest income calculated using EIR ▪ Reclassification of Income from Islamic financing and investment from conventional banking interest income calculated using EIR ▪ Reclassification of loan fees and commission against interest income calculated using EIR
Income from Islamic financing and investment products*		(12,449)	12,449		(12,449)	12,449	
Fees and commission income		(21,284)	21,284		(21,284)	21,284	
Net effect	**1,528,377**	1,528,377	-	**1,410,017**	1,410,017	-	
Income from Islamic financing and investment products*	**12,449**	-	12,449	**12,449**	-	12,449	
Interest income Calculated EIR*	-	12,449	(12,449)	-	12,449	(12,449)	
	12,449	12,449	-	**12,449**	12,449	-	
Fees and commission income	**538,925**	517,641	21,284	**529,226**	507,942	21,284	
Interest income Calculated using the EIR	-	21,284	(21,284)	-	21,284	(21,284)	
Net effect	**538,925**	538,925	-	**529,226**	529,226	-	
Net gains or loss on equity invest at FVPL	**(2,145)**	(2,018)	(127)	**(2,145)**	(2,018)	(127)	▪ Reclassification of gains on financial assets FVPL against Net Gains/loss on equity FVPL
Net gains/(losses) on financial assets at FVPL	-	(127)	127	-	(127)	127	
Net effect	**(2,145)**	(2,145)	-	**(2,145)**	(2,145)	-	
Net gains/(losses) on financial assets at FVPL	**1,556**	1,429	(127)	**209**	82	127	
Net gains or loss on equity invest at FVPL	-	127	127	-	127	(127)	
Net effect	**1,556**	1,556	-	**209**	209	-	

*The changes have been made to comply with the Non-Interest Banking Business Regulations, 2025 published on 19th December 2025.



CRDB BANK

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