



ANNUAL INTEGRATED REPORT 2025

Driving Growth Through Digital Momentum



Report Scope and Boundary, Reporting Period and Basis

This Integrated Annual Report presents the performance, governance and outlook of Exim Bank (Tanzania) Limited (the "Bank") and, where stated, the Group.

For purposes of this report, the Group comprises the Bank and its subsidiaries: Exim Bank Djibouti S.A., Exim Bank Uganda Limited, and Exim Bank Comores S.A.

The financial information is presented on two bases:

- Consolidated (Group) financial information: Incorporates the Bank and entities it controls (subsidiaries), with consolidation commencing when control is obtained and ceasing when control is lost, and with accounting policies aligned across the Group as required.

- Separate (Bank) financial information: Reflects Exim Bank (Tanzania) Limited on a standalone basis.

The reporting period covered by this report is the year ended 31 December 2025.

The audited consolidated and separate financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board, and in the manner required by the Companies Act, 2002 and the Banking and Financial Institutions Act, 2006.

The financial statements are prepared under the historical cost convention, as modified by the revaluation of certain debt and equity instruments measured at:

- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVTPL)

Forward-Looking Statements Disclaimer

This report may include forward-looking statements relating to Exim Bank's expectations, intentions, projections, targets, outlook, plans or future prospects.

Such statements are based on management's current assumptions and information available at the time of publication and are subject to known and unknown risks, uncertainties and other factors that may cause actual results, performance or outcomes to differ materially from those expressed or implied.

Forward-looking statements are not guarantees of future performance.

Exim Bank undertakes no obligation to publicly update or revise any forward-looking statements, except as may be required by applicable laws and regulations.



Reporting Scope & Boundary
Reporting Period & Basis

Navigational Guide

To help you locate key information quickly, this report is organised around how Exim Bank creates value, how it is governed, how it performs, and how it manages future priorities and risks:

Strategy, business model and value creation: See the sections covering the Group's purpose, strategic direction, business model and performance drivers (including segment highlights).

ESG, sustainability and social investment: See the Sustainability / Social Impact section, including Exim Cares initiatives and outcomes, and the Bank's environmental and social approach.

Governance: See the Corporate Governance Statement and related disclosures, including Board oversight, committee structures, key activities and risk governance.

Financial performance and position: See the Audited Consolidated and Separate Financial Statements (primary statements and Notes), which provide the full IFRS disclosures supporting the financial narrative.

Risk and internal control: See the sections on principal risks, risk management framework, and internal control and assurance.

Driving Growth Through Digital Momentum

This theme reflects the role of technology in strengthening service delivery, operational resilience and customer access during 2025. Key initiatives included the rollout of upgraded retail and corporate digital channels, expanded QR-payment capability, automation in card operations, customer-relationship-management deployment and core-banking enhancements.

Together, these initiatives supported growth while positioning Exim Bank as a technology-enabled, customer-centric financial institution.

Acronyms & Abbreviations

ACPA	Associate Certified Public Accountant	IFRS	International Financial Reporting Standards
AG	Aktiengesellschaft (German public limited company)	ILAAP	Internal Liquidity Adequacy Assessment Process
ALCO	Assets and Liabilities Committee	IMMMA	IMMMA Advocates
AML	Anti-Money Laundering	ISSB	International Sustainability Standards Board
AML/CFT	Anti-Money Laundering /Combating the Financing of Terrorism	JKCI	Jakaya Kikwete Cardiac Institute
AMT	Alternate Minimum Tax	JP	J.P. Morgan Chase Bank, N.A.
ATE	Association of Tanzania Employers	KPI	Key Performance Indicator
ATM	Automated Teller Machine	KPMG	KPMG (audit firm)
BARMC	Board Audit and Risk Management Committee	KYC	Know Your Customer
BCC	Board Credit Committee	LC	Letter of Credit
BCM	Business Continuity Management	LGD	Loss Given Default
BHRC	Board Human Resource Committee	LTECL	Lifetime Expected Credit Loss
BIA	Basic Indicator Approach	MBA	Master of Business Administration
BOT	Bank of Tanzania	NBAA	National Board of Accountants and Auditors
BOU	Bank of Uganda	NBTS	National Blood Transfusion Service
CDSB	Climate Disclosure Standards Board	NCI	Non-Controlling Interests
CEO	Chief Executive Officer	NCMC	National Carbon Monitoring Centre
CET1	Common Equity Tier 1	NPA	Non-Performing Assets
CFT	Combating the Financing of Terrorism	NSSF	National Social Security Fund
CGU	Cash-Generating Unit	OBSE	Off-Balance Sheet Exposure
CIA	Chief Internal Auditor	OCDE	Organisation for Economic Co-operation and Development
CMISA	Capital Markets and Securities Authority (Tanzania)	OCI	Other Comprehensive Income
CPA	Certified Public Accountant	PD	Probability of Default
CPI	Consumer Price Index	PF	Practising Firm Number (professional firm registration)
CSR	Corporate Social Responsibility	PII	Personally Identifiable Information
DCF	Discounted Cash Flow	PMS	Performance Management System
DFI	Development Finance Institution	POCI	Purchased or Originated Credit-Impaired
DSE	Dar es Salaam Stock Exchange	PoS	Point of Sale
EAC	East African Community	PPE	Property, Plant and Equipment
EAD	Exposure at Default	ROU	Right-of-Use
ECL	Expected Credit Loss	RWA	Risk-Weighted Assets
EDI	Employee Diversity and Inclusion	SADC	Southern African Development Community
EIR	Effective Interest Rate	SASB	Sustainability Accounting Standards Board
EPS	Earnings Per Share	SICR	Significant Increase in Credit Risk
ERMF	Enterprise Risk Management Framework	SME	Small and Medium Enterprise(s)
ESG	Environmental, Social and Governance	SMR	Statutory Minimum Reserve
ESRMP	Environmental and Social Risk Management Policy	SN	Serial Number
EXCOM	Board Executive Committee	SPPI	Solely Payments of Principal and Interest
FCA	Fellow Chartered Accountant	STEM	Science, Technology, Engineering and Mathematics
FNB	First National Bank (T) Limited	SWIFT	Society for Worldwide Interbank Financial Telecommunication
FNCB	FN-CB (SASB Commercial Banks Standard industry code)	TAT	Turnaround Time
FRM	Financial Risk Management	TFRS	Tanzania Financial Reporting Standards
FVPL	Fair Value through Profit or Loss	TIN	Taxpayer Identification Number
FVTOCI	Fair Value through Other Comprehensive Income	TIOB	Tanzania Institute of Bankers
FY	Financial Year	TMRC	Tanzania Mortgage Refinancing Company
FX	Foreign Exchange	TOL	Tanzania Oxygen Limited
GBP	British Pound Sterling	TRA	Tanzania Revenue Authority
GDP	Gross Domestic Product	TRWA	Total Risk-Weighted Assets
GHG	Greenhouse Gas	TZS	Tanzanian Shilling
HQ	Headquarters	UGX	Ugandan Shilling
HR	Human Resources	USD	United States Dollar
IAS	International Accounting Standard(s)	USSD	Unstructured Supplementary Service Data
IASB	International Accounting Standards Board	UWASA	Urban Water Supply and Sanitation Authority (UWASA)
IBOR	Interbank Offered Rate	WEP	Women Empowerment Programme
IC	Interpretations Committee (context: IFRS-IC)	YST	Young Scientists Tanzania
ICAAP	Internal Capital Adequacy Assessment Process		
ICT	Information and Communication Technology		
ID	Identification		
IESBA	International Ethics Standards Board for		

Accountants
International Financial Reporting Standards
Internal Liquidity Adequacy Assessment Process
IMMMA Advocates
International Sustainability Standards Board
Jakaya Kikwete Cardiac Institute
J.P. Morgan Chase Bank, N.A.
Key Performance Indicator
KPMG (audit firm)
Know Your Customer
Letter of Credit
Loss Given Default
Lifetime Expected Credit Loss
Master of Business Administration
National Board of Accountants and Auditors
National Blood Transfusion Service
Non-Controlling Interests
National Carbon Monitoring Centre
Non-Performing Assets
National Social Security Fund
Off-Balance Sheet Exposure
Organisation for Economic Co-operation and Development
Other Comprehensive Income
Probability of Default
Practising Firm Number (professional firm registration)
Personally Identifiable Information
Performance Management System
Purchased or Originated Credit-Impaired
Point of Sale
Property, Plant and Equipment
Right-of-Use
Risk-Weighted Assets
Southern African Development Community
Sustainability Accounting Standards Board
Significant Increase in Credit Risk
Small and Medium Enterprise(s)
Statutory Minimum Reserve
Serial Number
Solely Payments of Principal and Interest
Science, Technology, Engineering and Mathematics
Society for Worldwide Interbank Financial Telecommunication
Turnaround Time
Tanzania Financial Reporting Standards
Taxpayer Identification Number
Tanzania Institute of Bankers
Tanzania Mortgage Refinancing Company
Tanzania Oxygen Limited
Tanzania Revenue Authority
Total Risk-Weighted Assets
Tanzanian Shilling
Ugandan Shilling
United States Dollar
Unstructured Supplementary Service Data
Urban Water Supply and Sanitation Authority (UWASA)
Women Empowerment Programme
Young Scientists Tanzania

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01/ About Exim Bank





About Exim Bank

Who we are

Exim Bank's story is one of deliberate growth, regional ambition, and an unwavering focus on serving customers with banking solutions that match the pace of modern commerce.

Incorporated in Tanzania in 1993 as a private company limited by shares under the Companies Act, No. 12 of 2002, the Bank has steadily evolved from a local institution into a diversified regional Group. From 1997 to date, Exim expanded its physical footprint from four branches in Dar es Salaam to 32 branches across Tanzania, complemented by 21 branches in subsidiaries, bringing the Group network to 53 branches.

At the core of our business is the essential role banks play in enabling economies to function and grow —mobilising deposits and transforming them into productive lending and investment, while providing a full suite of commercial banking services that support trade, consumption, enterprise growth and long-term wealth creation. Exim Bank (Tanzania) Limited is licensed under the Tanzania Banking and Financial Institutions Act, 2006, while our subsidiaries operate under the respective banking laws of Uganda, Comores S.A, Ethiopia and Djibouti, ensuring strong regulatory alignment across our markets.

Our strength lies in the breadth of relationships we serve. The Group supports a highly diversified customer base ranging from governments and public entities, large corporates, SMEs, and individual customers; delivering a comprehensive range of financial, investment and insurance solutions across the region. With our growing presence and customer-first approach, we continue to connect capital to opportunity, help clients scale responsibly, and contribute meaningfully to the markets and communities in which we operate.


1993
Year
incorporated


5
Countries of
operation (Group)


32
Branches in
Tanzania


21
Branches in
subsidiaries


53
Branches across the
Group


98
ATMs


3,515
Agents in Tanzania
(2025)


58%
of customers
Mobile banking
usage (2025)


1,318
Employees
(Group)



Group overview and subsidiaries


**Exim Bank (Tanzania)
Limited**
Tanzania
Parent company; licensed
commercial bank.


**Exim Bank Comores
S.A.**
Comores
Banking subsidiary.


**Exim Bank Djibouti
S.A.**
Djibouti
Banking subsidiary


Representative Office
Ethiopia


Exim Bank Uganda Limited
Uganda
Banking subsidiary; one subsidiary with
material non-controlling interests disclosed
for the Group.

Exim Bank (Tanzania) Limited (the "Bank" or the "Company") and its subsidiaries, Exim Bank Djibouti S.A., Exim Bank Uganda Limited and Exim Bank Comores S.A. (collectively referred to as the "Group") provide retail and corporate banking services in the United Republic of Tanzania, The Union of Comores S.A, The Republic of Djibouti and The Republic of Uganda. Exim Bank Djibouti S.A. has representative office in Ethiopia.

Vision mission purpose and strategic values.

Our direction


Vision
To be the Bank of choice.


Mission
The Bank is committed to remaining an innovative Tanzanian Bank offering service of international standards.


Purpose and Strategic Proposition
Our mission is to provide competitive and innovative financial solutions through digital transformation, to achieve distinctive customer experience, while caring for our people and delivering a sustainable contribution to society. Our purpose is to transform lives through financial sector innovation, intuitive action and sustainable business.

What guides our decisions


Integrity
Integrity, transparency and
accountability


Innovation
Competitive and innovative
financial solutions through digital
transformation


Customer experience
Distinctive customer experience and
international standards of service


People and society
Caring for our people and delivering
a sustainable contribution to society

The Bank and its subsidiaries are committed to the principles of effective corporate governance. In this regard, the Directors also recognize the importance of integrity, transparency and accountability.

Footprint and delivery model

The Bank has been evolving around the needs and requirements of the market since inception. It has managed to open and run 32 branches in Tanzania and 21 more in the region where it has subsidiaries and the core service delivery channels.

The Bank has rolled out several alternative delivery channels such as ATMs which are 98, Mobile banking services, online banking services and cash management solutions.

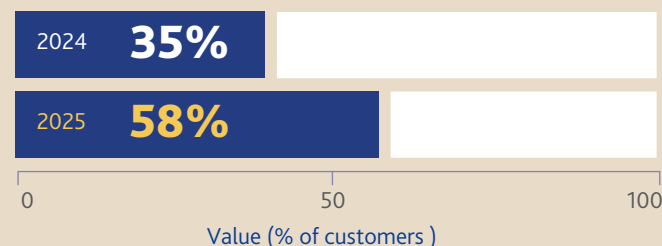
The Bank is looking to engage agents across the country to increase accessibility of our services. As at 31 December 2025 the bank had 3,515 agents (31 December 2024: 2,807 agents).



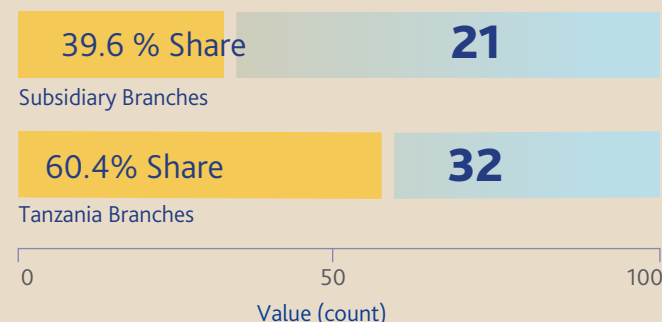
Agent network growth in Tanzania



Mobile banking adoption indicator



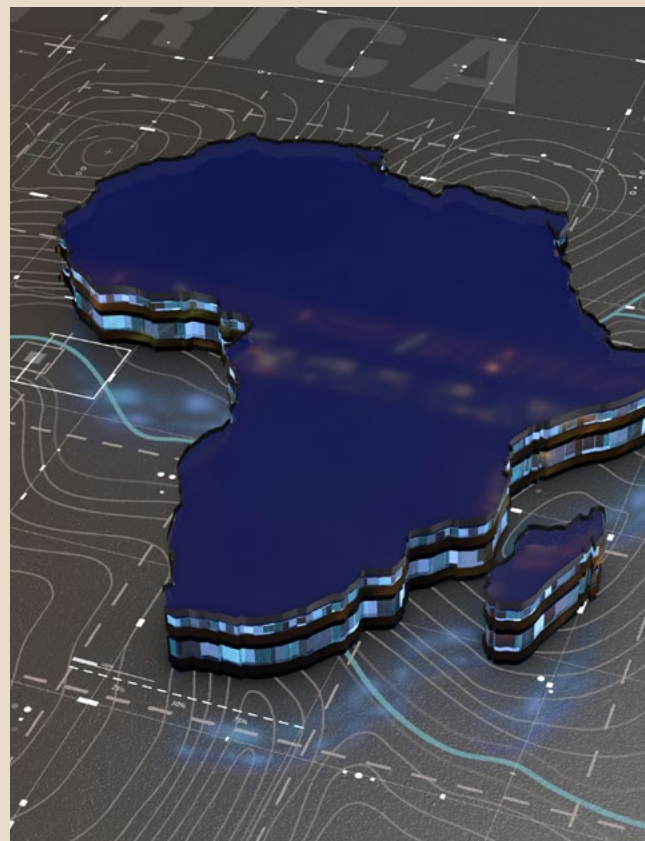
Branch footprint split across the Group (2025)



Delivery model (customer access journey)

	Branches Advisory, complex servicing and relationship depth
	Agents Proximity banking and expanded access
	ATMs Self-service convenience
	Digital Mobile and online banking; cash management solutions

Geographically, the Group has a presence in five countries through 53 branches: 32 in Tanzania, 8 in Uganda, 7 in Comoros and 6 in Djibouti, supported by a representative office in Ethiopia. This physical footprint is complemented by an electronic distribution network comprising 86 ATMs and 2,807 banking agents, which extends access to financial services into rural and peri-urban areas where a full branch presence may not be economically viable. Digital channels, particularly mobile and internet banking, are increasingly central to the Group's service delivery. Mobile banking usage rose from approximately 35 per cent in 2024 to 58 per cent of customers in 2025, reflecting the Group's emphasis on digital transformation and financial inclusion.



Products and customer segments

The Group provides commercial banking services through a diversified business model. The Bank's activities include accepting deposits for lending and investments and delivering other commercial banking services. The Group serves a diverse customer base ranging from governments and public entities to corporate customers, small and medium enterprises and individual customers, offering a full bucket of financial, investment and insurance products across the region.

Revenue-generating units and customer segments (overview)

Business unit	Primary customer focus	Illustrative service themes
Corporate and Institutional Banking	Large corporates, institutions, public entities	Relationship banking, structured solutions and broader corporate banking services.
Commercial Banking	Mid-market enterprises and SMEs	Relationship-led banking supporting growing businesses and transaction-led services.
Retail Banking	Individuals and micro/SMEs	Everyday banking supported by branches and alternative channels (agents, ATMs, mobile/online).
Treasury and Global Markets	Balance sheet and markets activities; customers requiring market access	Liquidity, funding and market solutions; supports foreign exchange execution and investment positioning.

How customer needs are served across segments

Save and transact Deposits, payments, digital channels	Borrow and invest Lending and investment support	Trade and grow Cash management and cross-border banking support	Protect and plan Insurance and financial solutions where applicable
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Awards and recognition

Recognition reinforces customer trust and reflects the strength of the Bank's people and service culture. The following awards and achievements were received in 2025:



Bank of the Year – Comoros

Exim Bank Comores S.A.
The Banker (Financial Times Group)

Best Elite Banking Proposition

Exim Bank Tanzania
Mastercard

Highest Spend Per Card / Highest Card Spend in Tanzania

Exim Bank Tanzania
Mastercard

1st Runner Up – Insurance Innovation Awards 2025 (MediLife insurance)

Exim Bank Uganda Ltd
Insurance Innovation Awards (event referenced by Exim Uganda)

Most Innovative Bank Tanzania 2025

Exim Bank (Tanzania)
Business Award Magazine / Global Business Awards (intlbn.com listing)

Best presentation of the financial statements (2nd runner)

Exim Bank Tanzania
National Board of Accountants & Auditors (NBAA)

Exim Bank Tanzania Management Team



Jaffari Matundu
Chief Executive Officer



Shani Kinswaga
Chief Finance Officer



Colman Riwa
Head of Risk & Compliance



Zainab Nungu
Head of Credit



Tumaini Mwakafwanga
Head of Business Operations and Service Delivery



Al-Amin Merchant
Chief Technology & Digital Transformation



Queen Siraki
Head of Special Assets Management



Stanley Kafu
Head of Marketing and Communications



Shrikant Ganduri
Head of Corporate & Institutional Banking



Andrew Lyimo
Head of Retail Banking



Priti Punatar
Head of Administration



Thadeus Mkenda
Head of Human Resources



Nelson Kishanda
Head of Treasury and Global Markets



Edmund Mwasaga
Head of Legal



Sumit Shekhar
Head of Strategic Investments and Subsidiaries



Salha Othman
Chief Internal Auditor

02/ Strategic Context



Chairman's Statement



“

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the 2025 Annual Report and Consolidated Financial Statements for the year ended 31 December 2025. The year under review was characterized by steady domestic growth, a continued shift in customer behavior toward digital banking, intense competition driven by FinTech and Mobile Network Operators, and a global environment marked by heightened geopolitical uncertainty and persistent supply-chain disruptions. In this context, the Board's focus was on its primary responsibility to provide strategic direction, protect the Bank's soundness, and ensure that the Group continues to create durable value for all stakeholders.

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Headline inflation stood at **3.6%** up from 3.1% (2024)



Real GDP Growth **6.4%** up from 6.1% (2024)



Private Sector Credit Growth **23.5%** recorded in Dec 2025



Average Lending Rate **15.24%** in December 2025

Operating environment and macroeconomic context

Tanzania's macroeconomic fundamentals remained resilient in 2025. Headline inflation stood at 3.6 per cent in December 2025, up from 3.1 per cent a year earlier, but still within the national target range of 3–5 per cent as well as the regional convergence criteria. The domestic economy maintained strong growth momentum, with real GDP growth in mainland Tanzania reported at 6.4 per cent in the third quarter of 2025, compared with 6.1 per cent in the corresponding quarter of 2024, supported by agriculture, mining and quarrying, construction, and financial and insurance services. The foreign exchange market remained broadly stable, with the

shilling averaging TZS 2,452.76 per US dollar in December 2025 and depreciating modestly by 1.3 per cent on an annual basis.

Financial sector conditions were supportive, though margin dynamics remained under pressure across the industry. Credit to the private sector grew by 23.5 per cent in December 2025, while lending rates moderated marginally, with the overall lending rate easing to 15.24 per cent in December 2025. In the domestic debt market, Treasury bill and Treasury bond auctions were oversubscribed during the year-end period, reflecting adequate liquidity and sustained investor appetite. At the same time, competition intensified and customer expectations continued to rise. These trends reinforce the Board's conviction that banks must innovate, digitise, and execute with discipline to sustain relevance and protect profitability.

Strategic direction and the Board's priorities

Our medium-term strategy remains anchored on four pillars: Customer first, Process efficiency, Digital focus, and Innovate to lead. The Board views these priorities as mutually reinforcing. Customer first demands service reliability, responsive product development, and stronger relationship management across Corporate, Commercial, Retail and Treasury & Global Markets. Process efficiency focuses on simplifying operations, reducing turnaround times, strengthening controls, and optimising cost structures. Digital focus centres on modernising systems and channels to meet the market's demand for intuitive, always-on banking. Innovate to lead recognises that in a fast-evolving industry, differentiation comes from creativity, speed of execution, and the ability to form partnerships that expand reach and deepen relevance.

Within this strategic frame, the Board guided management to pursue balanced growth in assets and liabilities, mobilise stable and competitively priced deposits, and maintain prudent underwriting standards. We also maintained strong oversight over investments in infrastructure and customer-facing technology, recognising that these investments are essential to building the "bank of the future" and improving operating leverage over time. In addition, we continued to strengthen governance and risk management arrangements at Group level to ensure that expansion across subsidiaries is executed in a manner that preserves capital discipline, liquidity resilience and regulatory compliance in each jurisdiction.

Group performance and value creation

While the operating context was favourable in several respects, 2025 also underscored the importance of disciplined execution and cost management. The Group recorded net profit for the year of TZS 74.9 billion (2024: TZS 92.2 billion), while the Bank recorded net profit for the year of TZS 61.2 billion (2024: TZS 74.1 billion). Total assets increased to TZS 4.0 trillion at Group level (2024: TZS 3.1 trillion) and to TZS 2.6 trillion at Bank level (2024: TZS 2.1 trillion). Customer deposits grew strongly to TZS 3.2 trillion (2024: TZS 2.41 trillion), highlighting sustained confidence in the franchise and the underlying strength of customer relationships.

TZS 74.9 billion

Group Net Profit of the year
(2024: TZS 92.2 billion)

TZS 61.2 billion

Bank Profit of the year
(2024: TZS 74.1 billion)

TZS 4.0 trillion

Group Total assets
(2024: TZS 3.1 trillion)

TZS 3.2 trillion

Group Customer deposits
(2024: TZS 2.4 trillion)

From a value creation perspective, we attach particular importance to the quality of performance, not only the absolute outcomes. Notably, asset quality improved materially, with non-performing loans to gross loans reducing to 2.01% for the Group (2024: 5.55%) and to 2.44% for the Bank (2024: 4.26%). Capital and solvency remained robust, with CET1 to total risk-weighted assets at 17.04% for the Group and 20.22% for the Bank, while total capital to risk-weighted assets stood at 18.02% and 21.57%, respectively. These indicators confirm our ability to absorb shocks, support growth, and invest in strategic priorities while remaining aligned to regulatory expectations.

The Board also continued to monitor efficiency metrics closely. The cost to income ratio was 64.57% for the Group (2024: 58.62%) and 59.58% for the Bank (2024: 54.5%). The Board has therefore emphasised the continued execution of the cost optimisation and process re-engineering plan, with a clear expectation that investments in technology, infrastructure and operating model redesign will translate into improved operating leverage and productivity in the near to medium term.

Governance, oversight and stewardship

The Board and management remain committed to high standards of corporate governance and ethical conduct. We consider governance to be a driver of sustainable corporate performance, safeguarding stakeholder interests and supporting long-term value creation. During 2025, the Board comprised eleven (11) non-executive directors and no director held an executive position. The Board and its committees met twenty-nine (29) times during the year, reflecting active oversight and engagement on strategy, financial reporting, risk appetite, and operational resilience.

The Board operates through four principal committees: the Board Credit Committee, the Board Audit and Risk Management Committee, the Board Executive Committee, and the Board Human Resource Committee. Each committee has a defined mandate, and the Board receives documented summaries of committee deliberations to ensure alignment and completeness of oversight. Key activities undertaken during the year included the review and approval of the 2026 budget, guidance on cost-to-income ratio reduction initiatives, and the approval of policies, mandates and directives in line with evolving regulatory requirements and market practice.

In risk oversight, the Board continued to focus on strategic, credit, capital, liquidity, market, operational and compliance risks. The Board Audit and Risk Management Committee and management's Assets and Liabilities Committee monitor liquidity risk and ensure that limits are set and adhered to, based on realistic assumptions. We are satisfied that the Group's internal control systems and risk management framework remained appropriate for the scale and complexity of the business, and that governance arrangements in subsidiaries provide sufficient assurance to the Group Board.



Sustainability, environmental stewardship and social investment

The Board recognises that sustainable value creation in banking is inseparable from the wellbeing of the communities we serve and the resilience of the environments in which our customers operate. The Group has an environmental and social policy that guides the integration of environmental and social considerations into our processes and financing activities. During the 2025 FY, the Group continued its "go-green" initiatives and maintained key public gardens in Dar es Salaam, reflecting our commitment to environmental stewardship and the creation of shared spaces that support community wellbeing.

Our social investment agenda is delivered primarily through Exim Cares, which enables Exim staff and partners to transform lives through action, combining structured donations with staff-led initiatives. Donations and charitable contributions made under our CSR pillars amounted to TZS 616 million in 2025 (2024: TZS 280 million). During the year, Exim Cares delivered measurable impact across health, education, and inclusion programmes, including renovation of critical healthcare facilities, educational infrastructure support, blood donation and medical equipment support to the National Blood Transfusion Service, workplace wellness programmes, and women empowerment initiatives. We are particularly encouraged by the Women Empowerment Programme, which combined skills-building and leadership development with access to interest-free financing, aligning social impact with enterprise growth. Investments, regional footprint and long-term competitiveness.

The Board continued to view the Group's regional footprint as a strategic asset. The Group comprises the Bank and its subsidiaries - Exim Bank Djibouti S.A., Exim Bank Uganda Limited and Exim Bank Comores S.A. - allowing us to support customers with cross-border trade and banking solutions in markets where East African and

regional commercial corridors are deepening. Across the Group, we have built a physical and digital distribution capability that supports growth and inclusion. The Bank expanded from four branches in Dar es Salaam at inception to 32 branches in Tanzania and 21 branches in subsidiaries, bringing the total to 53 branches across the Group. Beyond branches, the Bank operates 98 ATMs and continues to expand alternative channels, including agency banking. As at 31 December 2025, the Bank had 3,515 agents (2024: 2,807 agents), improving access to formal financial services, particularly in areas where establishing full branches would not be economical.

This footprint must, however, be complemented by modern technology and the right operating capabilities. The Board therefore maintained oversight over the continued upgrade of core systems, digital channels and infrastructure, and encouraged management to build advanced analytics capability to maximise the use of data assets in revenue growth, risk and fraud control, and efficiency improvements. We recognise that such investments can temporarily elevate the cost base, but our expectation remains that they will translate into measurable productivity and service-level improvements, supporting higher and more sustainable returns over time.

People, culture and responsible conduct

The Board continues to regard people and culture as critical components of long-term value creation. A bank's relevance is ultimately experienced through the professionalism, integrity and responsiveness of its employees. During the year under review, the Group had 1,318 employees (2024: 1,022), reflecting the scale of operations and growth across the Group. We also note positively the Group's commitment to capability building, with TZS 910 million invested in employee training during the year (2024: TZS 441 million). The Group continued to strengthen its performance management and change management programmes to support the adoption of upgraded systems and embed a customer-centric, agile culture across the organisation. The Board also maintained its



commitment to diversity and inclusion. During the year, women accounted for 639 Group employees overall, while they represented 30% of the senior management team.

Tax contribution and broader economic role

As a financial intermediary, our purpose includes supporting enterprise development, employment creation and the mobilisation of domestic savings into productive investment. We therefore measure our impact not only through financial performance but also through how we enable customers and contribute to economic resilience. During the year, the Group paid taxes amounting to TZS 46.1 billion (2024: TZS 43.4 billion) in respect of profit generated to the respective governments of the countries in which we operate, reinforcing our role as a contributor to domestic resource mobilisation and national development priorities.

The Board remains committed to a balanced approach to capital allocation: supporting growth, protecting the balance sheet, investing in strategic capabilities, and providing appropriate returns to shareholders. Dividends are not recognised as a liability until approved at the Annual General Meeting. For 2025, the Directors have proposed a dividend of TZS 12 billion to be distributed from the 2025 profit, subject to shareholders' approval and regulatory consent. This recommendation reflects confidence in the Group's capital position and liquidity resilience, while remaining mindful of the ongoing need to invest in technology and operating model transformation.

Earnings per share

Basic and diluted earnings per share decreased to TZS 5,498 for 2025 from TZS 7,062 in 2024. Earnings per share reflects the profit attributable to equity holders of the parent and is a key indicator of shareholder value creation, alongside dividend distributions and capital growth.

Appreciation

On behalf of the Board, I extend sincere appreciation to our customers for their trust, our shareholders for their continued support, our regulators in each jurisdiction for constructive engagement and guidance, and our partners for collaboration that enables us to serve customers effectively. I thank the Chief Executive Officer, the executive management team and all employees across the Group for their dedication and professionalism. Your discipline, energy and commitment to service are the foundation of the Bank's reputation and performance. Finally, I acknowledge my fellow Board members for their stewardship and active participation throughout the year. As we move into 2026, the Board remains confident in the Group's strategy and capacity to execute. We will continue to prioritise customer experience, process efficiency, digital transformation, disciplined risk management, and sustainable contribution to society. With these priorities, we are positioned to deepen relevance, strengthen resilience and deliver long-term value.

Said Ally Mwema
Chairman

Brief Directors' Profiles



Mr. Said Ally Mwema

Chairman | Age 72

Qualifications: Bachelor of Law

Committee roles (2025): —

Expertise and experience lens: Legal and governance

Strategic contribution to the Board: Provides Board leadership and governance discipline. Provides independent challenge and strategic guidance at Board level. Brings focus on legal and governance to strengthen decision-making.



Mr. Hanif Jaffer

Director | Age 63

Qualifications: Certified Public Accountant (CPA-T)

Committee roles (2025): Member, Board Audit and Risk Management Committee; Member, Board Executive Committee

Expertise and experience lens: Finance, accounting and audit; Risk management and controls; Strategic execution oversight

Strategic contribution to the Board: Supports assurance, risk oversight and control integrity through BARMC. Contributes to strategic execution oversight through EXCOM. Brings focus on finance, accounting and audit; risk management and controls; strategic execution oversight to strengthen decision-making.



Mr. Yogesh Manek

Director | Age 71

Qualifications: Bachelor of Arts

Committee roles (2025): Member, Board Credit Committee; Chairman, Board Executive Committee; Chairman, Board Human Resource Committee

Expertise and experience lens: Credit oversight and portfolio discipline; People, culture and remuneration governance; Strategic execution oversight

Strategic contribution to the Board: Leads committee oversight within assigned mandates. Strengthens credit governance and portfolio stewardship through BCC. Supports people governance and remuneration oversight through BHRC. Contributes to strategic execution oversight through EXCOM. Brings focus on credit oversight and portfolio discipline; people, culture and remuneration governance; strategic execution oversight to strengthen decision-making.



Mr. Kalpesh Mehta

Director | Age 55 | British | Male

Qualifications: FCA, Bachelor of Arts (Econ) Hons

Committee roles (2025): Chairman, Board Audit and Risk Management Committee

Expertise and experience lens: Finance, accounting and audit; Economics and financial analysis; Risk management and controls

Strategic contribution to the Board: Leads committee oversight within assigned mandates. Supports assurance, risk oversight and control integrity through BARMC. Brings focus on finance, accounting and audit; economics and financial analysis; risk management and controls to strengthen decision-making.



Mr. Sherazam Mazari

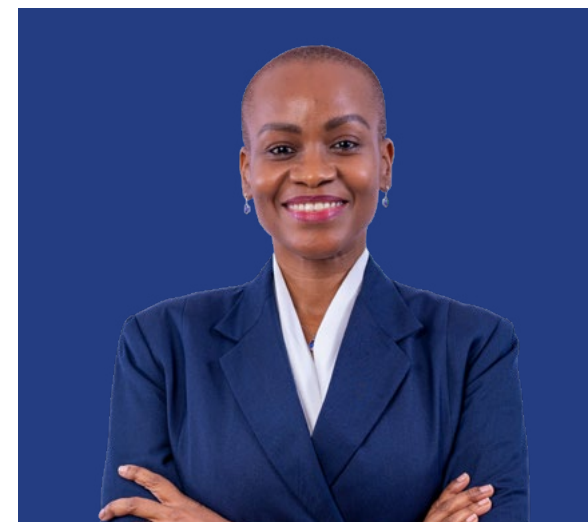
Director | Age 72 | Singapore | Male

Qualifications: Bachelor of Business Administration-Finance

Committee roles (2025): Chairperson, Board Credit Committee; Member, Board Executive Committee

Expertise and experience lens: Finance and capital management; Credit oversight and portfolio discipline; Strategic execution oversight

Strategic contribution to the Board: Leads committee oversight within assigned mandates. Strengthens credit governance and portfolio stewardship through BCC. Contributes to strategic execution oversight through EXCOM. Brings focus on finance and capital management; credit oversight and portfolio discipline; strategic execution oversight to strengthen decision-making.



Ms. Brenda Lulu Msangi

Director | Age 46

Qualifications: Master's in Business Administration

Committee roles (2025): Member, Board Human Resource Committee

Expertise and experience lens: People, culture and remuneration governance

Strategic contribution to the Board: Supports people governance and remuneration oversight through BHRC. Brings focus on people, culture and remuneration governance to strengthen decision-making.



Ms. Irene Mlola*

Director | Age 52

Qualifications: Master's in Business Administration

Committee roles (2025): —

Expertise and experience lens: Board governance and strategic oversight

Strategic contribution to the Board: Provides independent challenge and strategic guidance at Board level. Brings focus on board governance and strategic oversight to strengthen decision-making.

Notes: Resigned on 9th May 2025



Ms. Saphy Almasi**

Director | Age 61

Qualifications: CPA(T), Master of Science in Finance

Committee roles (2025): Member, Board Credit Committee

Expertise and experience lens: Finance, accounting and audit; Credit oversight and portfolio discipline

Strategic contribution to the Board: Strengthens credit governance and portfolio stewardship through BCC. Brings focus on finance, accounting and audit; credit oversight and portfolio discipline to strengthen decision-making.

Notes: Appointed on 06th October 2025



Mr. Moremi Marwa**

Director | Age 50

Qualifications: CPA(T), MBA(Finance), B.Com, Hons

Committee roles (2025): Member, Board Audit and Risk Management Committee

Expertise and experience lens: Finance, accounting and audit; Business strategy and management; Risk management and controls

Strategic contribution to the Board: Supports assurance, risk oversight and control integrity through BARMC. Brings focus on finance, accounting and audit; business strategy and management; risk management and controls to strengthen decision-making.

Notes: Appointed on 09th September 2025



Mr. Kenneth Mutaonga**

Director | Age 44

Qualifications: MBA, BSc Business Networking Engineering

Committee roles (2025): —

Expertise and experience lens: Business strategy and management; Technology and digital transformation

Strategic contribution to the Board: Provides independent challenge and strategic guidance at Board level. Brings focus on business strategy and management; technology and digital transformation to strengthen decision-making.

Notes: Appointed on 15th December 2025



Mr. Shaffin Jamal

Mr. Shaffin Jamal Director | Age: 55

Qualifications: Master's in Business Administration

Committee roles (2025): Board Credit Committee (Member); Board Executive Committee (Member)

Expertise and experience lens: Business strategy, performance management and organisational leadership.

Strategic contribution to the Board: Provides strategic guidance and oversight on business performance, organisational effectiveness and institutional growth. Brings expertise in business strategy, performance management and organisational leadership to strengthen Board deliberations, credit oversight and executive decision-making.



* Served more than 6 months

** Served less than 6 months

Chief Executive Officer's Statement



“

Dear Shareholders,

I am pleased to share management's review of Exim Bank's performance for the year ended 31 December 2025 and to outline our priorities as we move into 2026. The year under review reinforced a simple truth about banking in our markets: customers expect convenience, speed and reliability, while regulators and investors expect resilience, transparency and disciplined risk management. Against this backdrop, our strategy remained centred on four pillars - Customer first, Process efficiency, Digital focus, and Innovate to lead - supported by a commitment to responsible banking and community impact.

”

Strategy delivery snapshot

Strategic pillar	What we advanced in 2025	2026 priority direction
Customer first	Expanded access via branches, ATMs and agency banking; strengthened service discipline and relationship-led banking.	Deepen customer experience, reliability and turnaround-time reduction across all channels.
Process efficiency	Advanced process re-engineering and operating model optimisation.	Embed productivity improvements and cost optimisation to strengthen operating leverage.
Digital focus	Enhanced digital channels (SimBanking App and USSD) and progressed infrastructure upgrades.	Accelerate adoption; build analytics capability for insights, efficiency and risk/fraud control.
Innovate to lead	Sustained innovation culture through channel and partnership-led solutions.	Scale innovations that improve inclusion, payments, trade finance and customer journeys.

Strategic execution in 2025

Our operating model is designed to serve a diversified customer base (from governments and public entities to large corporates, SMEs, and individual customers) through four main revenue generating units: Corporate, Commercial, Retail, and Treasury & Global Markets, supported by 15 strategically positioned functions. During the 2025 FY, management focused on translating our strategy into measurable operational outcomes across three themes:

Strengthening customer experience and access.

We continued to improve reach through a blended distribution model. The Group operates 53 branches across the region, with 32 branches in Tanzania and 21 branches in subsidiaries. We also operate 98 ATMs and expanded agency banking, reaching 3,515 agents as at 31 December 2025 (2024: 2,807). These channels, combined with mobile and internet banking services and cash management solutions, help us serve customers where they live and trade, and support the national agenda to deepen financial inclusion.

Building a digitally enabled bank.

Digital adoption is no longer optional. It is the baseline expectation. During the year, we continued to invest in core systems, infrastructure and channel capability to reduce turnaround times, increase reliability and enhance customer convenience. We also progressed our change management programme to support adoption of new technologies through a disciplined approach anchored on three Cs: Compliance, Capability and Courtesy.

Improving efficiency and strengthening controls.

We continued process re-engineering and operational enhancement initiatives to reduce operational complexity, improve service-level agreements and strengthen controls. The Board and management remained focused on cost optimisation because operating leverage in banking is achieved when revenue growth is matched by disciplined expense management and productivity improvement. Our expectation is that the investments made in technology and operating model redesign will translate into a structurally lower cost base per transaction over time.

Performance overview

The Group recorded net profit for the year of TZS 74.9 billion and the Bank recorded net profit for the year of TZS 61.2 billion. While profit moderated compared with the prior year, we achieved strong balance sheet growth and strengthened asset quality, reflecting disciplined execution in a competitive environment.

Total assets increased to TZS 4.0 trillion at Group level and to TZS 2.6 trillion at Bank level. Customer deposits at Group level grew to TZS 3.2 trillion, evidencing sustained confidence in our franchise and the effectiveness of our deposit mobilisation initiatives. Growth was supported by continued customer engagement and by increased transaction flows through branches, ATMs, agents and digital channels.

Asset quality was a key focus in 2025. Our non-performing loans to gross loans reduced to 2.01% for the Group and to 2.44% for the Bank, reflecting improved portfolio quality and continued focus on underwriting standards and credit monitoring. This performance is an important foundation for sustainable growth because it protects capital, reduces volatility in earnings, and strengthens investor and regulator confidence.

We also maintained strong regulatory buffers. CET1 to total risk-weighted assets was 17.04% for the Group and 20.22% for the Bank, while total capital to risk-weighted assets was 18.02% and 21.57%, respectively. Liquidity management remained strong, and we continued to comply with statutory reserve requirements and liquidity ratios.





Industry positioning and competitive context

The banking industry continues to experience a structural shift. Competition is intensifying not only among banks but also from FinTech and Mobile Network Operators that target specific, high-margin services. Customers increasingly demand personalised, transparent and always-available service. Meanwhile, rapid technological change requires banks to modernise legacy processes while maintaining resilience, security and compliance.

Against this backdrop, the Group's competitive advantages centred around a strong brand built over more than two decades, a customer-focused approach, a culture of innovation, and deep capabilities in technology, infrastructure, operations and governance. Our regional footprint and cross-border capability also position us to support trade and investment flows across our markets of operation.

Delivering on our purpose: inclusion and community impact

We consider financial inclusion as both a business opportunity and a social responsibility. Through our distribution model and product offerings, we aim to bring underserved communities into the formal financial ecosystem. Agency banking expansion and digital banking promotion remained central to this agenda, enabling access where physical branches are not economical.

Beyond banking services, Exim Cares strengthened our contribution to society through targeted initiatives across health, education and empowerment. In 2025, we renovated and handed over the Child and Adolescent Psychiatric Unit at Muhimbili National Hospital, supported blood donation drives across multiple regions and provided essential medical items to the National Blood Transfusion Service, partnered with national institutions to promote workplace wellness, and continued our Women Empowerment Programme through training and interest-free financing. These initiatives reflect our conviction that our role extends beyond financial intermediation to partnership in national development and community wellbeing.

People and culture

Our people remain the engine of execution. The Group employed 1,318 staff in 2025 and invested significantly in learning and development. We continued to enhance our performance management approach, using a Balanced Scorecard framework

to cascade priorities across the organisation. We also sustained our commitment to inclusive workplaces and capability building, recognising that talent, culture and leadership depth are critical to sustaining growth, innovation and resilience.

How our strategic pillars translated into action

Customer first: deepening relationships and improving service Across Corporate, Commercial and Retail, we prioritised relationship-led growth supported by reliable service delivery. Customers increasingly evaluate banks on the quality of execution: how quickly we open accounts, approve facilities, process payments, resolve service requests and provide advice. During the 2025 FY we therefore sharpened our operational discipline at branch and head office levels and strengthened the link between customer outcomes and internal performance management. We also continued to enhance product and service relevance in trade finance, payments, collections and foreign exchange solutions, leveraging our Treasury & Global Markets capability to support customers with cross-border needs.

A key element of "customer first" is accessibility. Through our agent network and digital channels, customers can transact closer to their homes and businesses, reducing time and cost. We view this as both a commercial advantage and a contribution to inclusion, particularly for SMEs and households that previously relied on informal channels. The growth in customer deposits during the year reflects, in part, the confidence customers place in our ability to provide safe, convenient and responsive banking services.

Process efficiency: redesigning how work gets done. The banking landscape is unforgiving to high-cost operating models. As transaction volumes migrate to self-service channels, the unit economics of branch-heavy models deteriorate unless processes are redesigned. In 2025, we advanced our process re-engineering initiatives, focusing on simplifying workflows, reducing operational friction, and strengthening controls. We also continued to optimise the interface between our revenue-generating units and enabling functions so that customer requests are resolved faster and with greater consistency.

Digital focus: modernising channels and strengthening resilience Digital focus is about more than adding channels; it is about changing the operating system of the bank. In 2025 we continued to upgrade our service delivery infrastructure and strengthen channel reliability. This included the rollout of enhancements to mobile and USSD journeys, continued investment in connectivity and security, and the embedding of change management to support adoption. We also continued to position ourselves to build advanced analytics capability, recognising that data-driven decision making will be essential to win in risk management, fraud control, customer insight and operational efficiency.

Innovate to lead: staying ahead in a competitive market Innovation remains central to our identity. We have consistently introduced new products and delivery approaches over the years, and we continued this culture in 2025 through channel enhancements and partnership-driven solutions. We also strengthened the internal mechanisms that support innovation, including strategy execution governance and cross-functional collaboration, ensuring that ideas are translated into deliverables with clear accountability and timelines.

Balancing growth with prudence the Bank's growth in total assets and deposits was accompanied by a focus on balance sheet

optimisation and credit quality. Gross loans to total deposits stood at 67.64% for the Group and 69.82% for the Bank, reflecting balanced intermediation while maintaining liquidity resilience. Importantly, non-performing loans reduced materially, confirming the effectiveness of our credit monitoring, collections and recovery efforts, as well as prudent underwriting. Our loan portfolio is diversified, including overdrafts, personal loans and commercial facilities, supporting working capital and investment needs across sectors.

Regional integration and subsidiary oversight

Our subsidiaries broaden the platform through which we serve customers and build resilience. We continued to strengthen governance, performance monitoring and risk oversight across subsidiaries, supported by the Group's strategic investments function. We also emphasised cross-border collaboration to share best practices in systems, controls, customer service and product development. Our ambition is to deepen synergies across the Group while respecting the regulatory frameworks in each jurisdiction, ensuring that each entity remains adequately capitalised and liquid, and that the Group benefits from a coordinated approach to growth and risk management.

Recognition of the year and our 2026 ambition

Despite a competitive environment, the Bank's performance maintained its top-tier positioning in the Tanzanian market. The Bank reported that it ranked 5th on profit before tax and 4th on asset size at Group level, with an estimated 5% market share on assets. This positioning is both a responsibility and an opportunity: a responsibility to operate safely and ethically as a systemically relevant institution, and an opportunity to scale impact through inclusion, financing and innovation.



Outlook and priorities for 2026

Looking ahead, management remains optimistic about the medium-term opportunity in our markets, supported by stable macroeconomic fundamentals, population growth, continued investment activity, and expanding digital penetration. At the same time, we remain alert to risks, including competitive pressure, cyber and fraud threats, margin volatility, and external shocks that may affect customer sectors.

In 2026, our priorities include:

- + Deepening customer experience improvements by enhancing service reliability, reducing turnaround times and strengthening relationship-led banking across Corporate, Commercial and Retail.
- + Accelerating digital adoption through continued investment in core systems and channels, and build advanced analytics capability to support revenue growth, fraud control and efficiency.
- + Improving operating leverage by executing the cost optimisation and process re-engineering agenda, targeting a structurally lower cost per transaction and improved cost to income ratios over time.
- + Sustaining prudent risk management with continued focus on asset quality, credit discipline, liquidity resilience and regulatory compliance across all jurisdictions.
- + Expanding partnerships and inclusion initiatives that strengthen access to financial services and support SMEs and households, while maintaining responsible lending standards.
- + Continuing Exim Cares programmes that deliver measurable impact in health, education, innovation and women empowerment, aligning our social contribution with national development priorities.

Appreciation

I thank our customers for their trust, our regulators for constructive engagement and guidance, and our partners for collaboration that strengthens our ability to serve the market. I also acknowledge the Board for its oversight and strategic direction. To all employees across the Group, thank you for your discipline, energy and commitment to delivering a distinctive customer experience. As we move forward, we remain focused on executing our strategy with clarity, discipline and ambition - building a stronger, more digital, more efficient and more inclusive Exim.

Jaffari Matundu
Chief Executive Officer

03/ Strategy and Value Creation



Strategy and Value Creation

This chapter explains how Exim Bank (Tanzania) Limited ("Exim" or "the Bank") and its subsidiaries (together, "the Group") translate strategy into value creation. It outlines our medium-term ambition, the pillars that guide execution, the resources we rely on, and the outcomes we deliver for customers, shareholders, employees, regulators and communities.

Key performance indicators aligned to value creation

Metric	Group	Bank
Return on equity (ROE)	16.95%	18.85%
Return on assets (ROA)	3.33%	3.82%
Cost to income ratio*	64.57%	59.58%
NPL ratio	2.01%	2.44%
Total assets growth (YoY)	27.49%	23.89%
Customer deposits growth (YoY)	32.42%	34.53%
CET1 to total RWA	17.04%	20.22%
Total capital to total RWA	18.02%	21.57%

* If the cash recoveries from previously written off loans and advances portfolio were incorporated on the cost to income ratio, the group ratio for 2025 would be 61.66% (2024: 54.04%). For the bank would be 55.41% (2024:48.29%).

Our strategy and medium-term ambition

Exim Bank's medium-term strategy is to be among the top five retail and corporate banks of choice for local and regional corporations, supported by end-to-end digitalisation that delivers a renewed customer experience. Execution is driven through four mutually reinforcing pillars - Customer first, Process efficiency, Digital focus, and Innovate to lead - implemented through a diversified operating model that serves Corporate, Commercial, Retail, and Treasury & Global Markets customers, supported by enabling functions across the Group.



Strategic pillars and focus areas (2025–2026)

Strategic pillar	What it means	2025 focus (delivery highlights)	2026 priorities (direction)
Customer first	Service reliability, responsive relationship management and solutions for Corporate, Commercial, Retail and Treasury clients.	Expanded reach through branches, ATMs and agency banking; strengthened service discipline; continued focus on convenience and access.	Deepen customer experience and reduce turnaround times (TAT) across channels; strengthen relationship-led banking and service consistency.
Process efficiency	Simplifying workflows, strengthening controls and reducing operational friction to improve productivity and cost efficiency.	Advanced process re-engineering and operational enhancement initiatives; continued focus on cost-to-income ratio improvement plan.	Embed productivity gains through process redesign, automation and disciplined spend; reinforce controls as scale increases.
Digital focus	Modernising systems and channels to support intuitive, always-on banking and resilient service delivery.	Enhanced alternative channels and progressed infrastructure upgrades; continued investment in channel reliability and change management.	Accelerate digital adoption; build analytics capability for insights, efficiency and risk/fraud control; strengthen resilience of delivery channels.
Innovate to lead	Differentiation through creativity, partnerships and new customer journeys that expand reach and deepen relevance.	Sustained innovation culture through channel and partnership-led solutions; continued product and service enhancements.	Scale innovations that improve inclusion, payments, trade finance and customer journeys; translate ideas into accountable execution.

Business model and value creation framework

Exim connects providers and users of capital by mobilising deposits and other funding, deploying assets through lending and investments, and enabling payments, trade finance and treasury solutions for a diversified customer base. Value creation is anchored in customer satisfaction, shareholder value enhancement, staff welfare and serving the communities around us, supported by strong governance and risk management.

Inputs: the capitals we rely on

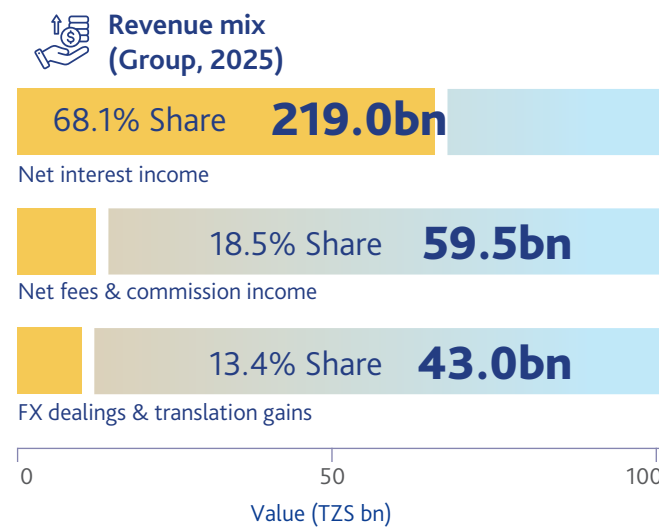
Capital (input)	What it enables	2025 indicators (examples)
Financial capital	Funding capacity to serve customers, invest in systems and maintain resilience through capital and liquidity buffers.	Customer deposits: Group TZS 3.20 tn; Bank TZS 1.98 tn. Total equity: Group TZS 471.0 bn (from TZS 413.0 bn).
Human capital	A capable, diverse workforce that executes strategy, serves customers and manages risk and compliance.	Employees: 1,318 (639 female; 679 male). Training spend: TZS 910 million. Women in senior management: 30%.
Intellectual capital	Systems, data, process know-how, brand and innovation capability supporting better customer experience and efficiency.	Technology roadmap and systems upgrades; strategy execution governance; professional capability development (staff in professional bodies).
Social & relationship capital	Trust with customers, regulators, investors, partners and communities; strong brand and stakeholder confidence.	Tax paid: TZS 46 bn. CSR donations: TZS 616 million. Ongoing stakeholder engagement mechanisms across markets.
Manufactured capital	Physical and digital infrastructure that supports delivery channels, operational resilience and growth.	Branch network: 53 (32 Tanzania; 21 subsidiaries). ATMs: 98. Alternative channels scaled; PPE increased by 26.5%
Natural capital	Environmental stewardship and responsible financing approach that supports long-term sustainability.	Environmental and social policy; go-green initiatives including maintaining public gardens.

Activities: how Exim creates value

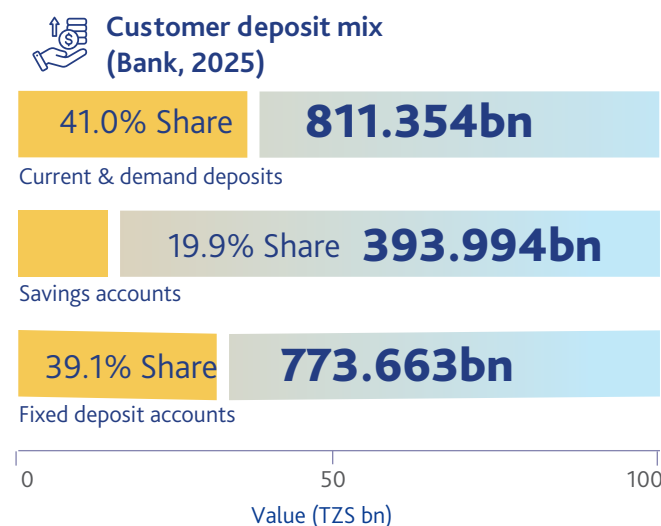
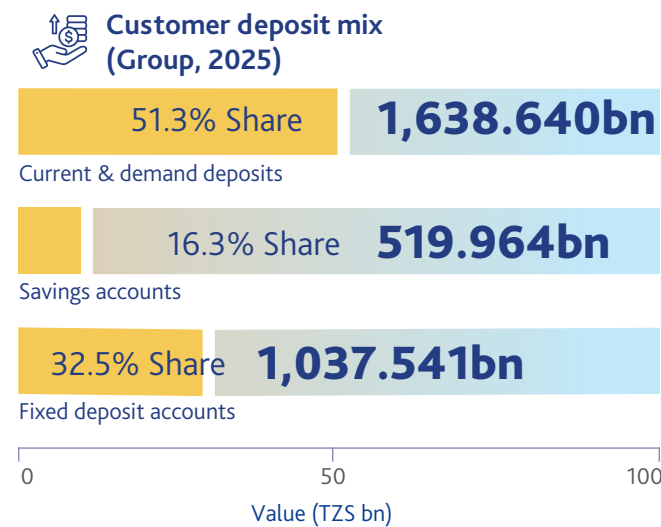
Value creation is delivered through a set of core activities executed across the Bank and its subsidiaries:

- * Mobilising diversified deposits and maintaining liquidity resilience through disciplined asset–liability management.
- * Extending credit and financing solutions to corporates, SMEs and individuals, while maintaining prudent underwriting and active portfolio monitoring.
- * Providing payments, transaction services and trade finance solutions that support domestic and cross-border commerce.
- * Managing treasury and global markets activities, including foreign exchange and balance sheet optimisation within approved risk limits.
- * Investing in technology, process re-engineering and operating model improvements to enhance service reliability and efficiency.
- * Maintaining robust governance, compliance and risk management frameworks, including IFRS 9 ECL governance and internal controls.
- * Delivering social investment through Exim Cares initiatives and broader CSR interventions aligned to national development priorities.

Financial value creation: how we generate revenue



Funding and liquidity resilience: customer deposit mix



Outputs and outcomes: who benefits and how

Stakeholder	Outputs (what we deliver)	Outcomes (value created)
Customers	Deposits, loans, trade finance, payments and FX services delivered through branches and digital channels.	Improved access, convenience and financial solutions supporting growth, working capital and household needs.
Shareholders	Profitability and capital growth; disciplined risk management; transparent reporting under IFRS.	Sustainable returns and resilience through strong liquidity and capital buffers; dividend proposed (TZS 10 bn, subject to approval).
Employees	Jobs, training and development; safe and supportive work environment; performance management mechanisms.	Capability growth and engagement, supporting service delivery and execution discipline (training spend TZS 910m).
Regulators & governments	Compliance and ethical engagement; contribution to financial sector stability; tax contributions.	Support to stability and domestic resource mobilisation (tax paid TZS 46 bn across jurisdictions).
Communities	CSR and Exim Cares interventions in health, education, women empowerment and environment.	Social and economic impact through targeted initiatives (CSR donations TZS 616m; WEP interest-free loans >TZS 140m; 569 blood units collected).
Vendors & partners	Transparent procurement and service partner engagement; timely collaboration on delivery and standards.	Stable supplier relationships that support service continuity and operational performance.

Material matters

The matters below reflect the themes most closely linked to Exim Bank's ability to create and protect value in 2025, as evidenced by our strategic priorities, operating context, governance focus and stakeholder expectations described in this report.

Material matter	Why it matters	How we managed it in 2025	Links to strategy / indicators
Customer experience and access	Customer expectations continue to rise for convenience, speed, reliability and transparency.	Expanded access via branches/ ATMs/agents; continued service discipline and channel enhancements.	Customer first Branches 53 Agents 3,515 Deposits growth 32.42% (Group)
Digital transformation and reliability	Digital adoption and competition from FinTech/MNOs require modern systems and resilient channels.	Upgraded service delivery infrastructure; strengthened channel journeys; change management to support adoption.	Digital focus ATMs 98 Technology investment pipeline
Process efficiency and cost discipline	Scale and inflationary pressures require efficient processes and a sustainable cost structure.	Process re-engineering and operating model optimisation; cost-to-income improvement focus.	Process efficiency Cost-to-income 64.56% (Group)
Credit quality and impairment governance	Credit losses can erode capital and confidence; IFRS 9 requires forward-looking provisioning discipline.	Prudent underwriting, monitoring and recoveries; ECL governance and portfolio oversight.	Risk discipline NPL 2.01% (Group) / 2.44% (Bank)
Liquidity and funding resilience	Stable funding protects the Bank's ability to serve customers and withstand shocks.	Deposit mobilisation and ALCO oversight; maintained regulatory liquidity compliance.	Funding Customer deposits TZS 3.20 tn (Group) L/D 67.64% (Group)
Capital strength and solvency	Capital buffers sustain growth and absorb stress.	Maintained capital adequacy above regulatory minima; disciplined balance sheet optimisation.	Capital CET1 17.04% (Group) Total capital 18.02% (Group)
Responsible banking and social investment	Communities and stakeholders expect banks to contribute to national development and wellbeing.	Exim Cares and CSR initiatives across health, education, environment and women empowerment.	Innovate to lead CSR donations TZS 616m WEP loans >TZS 140m

Stakeholder engagement

We recognise that stakeholder relationships influence our ability to accomplish our purpose and sustain long-term performance. Our engagement approach is designed to be consistent, transparent and responsive, and to ensure that stakeholder expectations are reflected in strategic priorities, risk appetite, product development and social investment.

Key stakeholder groups, engagement methods, key issues and management response

Stakeholder group	Engagement methods	Key issues raised / expectations	Management response (2025)
Customers	Branches and relationship managers; digital channels and customer support; product onboarding and service feedback loops.	Convenience, speed, secure delivery, access to finance and tailored solutions.	Expanded access via branches/ATMs/agents; invested in channel enhancements and service reliability; strengthened relationship-led banking.
Shareholders / investors	Governance forums and stable communication channels; performance reporting and AGM engagement.	Sustainable returns, capital discipline, transparency and prudent risk management.	Delivered balance sheet growth and maintained capital buffers; proposed dividend subject to approvals; strengthened financial reporting discipline under IFRS.
Employees	Internal communication channels; performance management system; learning & development programmes; wellbeing initiatives.	Fair reward, development opportunities, strong culture and safe work environment.	Expanded workforce to 1,318; invested TZS 910m in training; continued talent and succession planning mechanisms.
Regulators	Regular regulatory engagement and compliance reporting; policy alignment and supervisory interactions.	Soundness, compliance and sector stability.	Maintained governance and control frameworks; complied with statutory requirements; supported stability through prudent liquidity and capital management.
Communities	Exim Cares initiatives; partnerships with public and private institutions; branch-led community engagements.	Health, education, inclusion and environmental stewardship.	CSR donations TZS 616m; Exim Cares initiatives including mental health facility renovation, blood donation drives (569 units) and women empowerment financing (>TZS 140m interest-free loans).
Vendors / suppliers	Procurement and outsourcing engagement; service level management; contract governance.	Fair participation, transparency and timely settlement.	Maintained procurement mechanisms to obtain vendors and effective communication channels; focused on standards and service continuity.

Exim Cares spotlight (selected outcomes in 2025)

Exim Cares is the Bank's social responsibility arm that supports community wellbeing and national development through targeted interventions. Looking ahead (2026 priorities for value creation)

 569 units collected Blood donation drive	 TZS 140m interest-free loans Women Empowerment Programme
 3-year target: >TZS 300m Mental health support	 Classrooms & sports equipment delivered Education support
 Diabetes screening & breast cancer awareness Health awareness	



Looking ahead (2026 priorities for value creation)

In 2026, our focus is to translate scale and investment into stronger operating leverage and sustained value creation. We will prioritise: (i) deepening customer experience and turnaround-time reduction across channels; (ii) embedding process efficiency and disciplined cost optimisation; (iii) accelerating digital adoption and data/analytics capability; (iv) sustaining prudent credit quality and strong impairment governance; and (v) maintaining sound liquidity and capital buffers to support growth and resilience across the Group.



Our strategy and medium-term ambition

Exim Bank (Tanzania) Limited's strategy is anchored in a clear institutional direction - to be the Bank of choice - and in a mission to remain an innovative Tanzanian bank offering services of international standards. Within this context, Exim positions its role as a connector of capital providers and users, with value creation defined in practical terms: customer satisfaction, enhancement of shareholder value, employee wellbeing, and service to our communities, we anchor our actions in clearly detailed values.

Medium-term ambition

The Bank's stated medium-term strategy is to be among the top five retail and corporate banks of choice for local and regional corporations. This ambition is intended to be realised through a combination of strategic pillars - "Customer first, Process efficiency, Digital focus and Innovate to lead"- and is explicitly backed by end-to-end digitalisation aimed at delivering a renewed customer experience. The strategy is to be "won" through effective organisation and alignment of people, process and systems, ensuring that growth is scalable, controlled and sustainable.

How the ambition is executed

Execution is built around a diversified operating model designed to serve a broad customer base - governments, public entities, corporates, SMEs and individual customers - through four main revenue-generating units (Corporate, Commercial, Retail, and Treasury & Global Markets), supported by 14 strategically positioned functions that enable consistent delivery and control. This structure is intentionally designed to ensure the Bank deploys the "right strategy" and resources to meet distinct customer needs, while maintaining service standards across segments and geographies.

Strategic direction and what it prioritises

Across the medium term, Exim Bank's ambition is not framed as growth for its own sake; it is framed as growth that improves relevance, customer reach, and long-term resilience. In practice, the strategy places emphasis on:

- * **Customer experience and access ("Customer first"):** strengthening convenience and reach through a blended distribution model [branches and alternative channels] so customers can transact securely and efficiently.
- * **Efficiency and reliability ("Process efficiency"):** continuing process re-engineering and operational enhancement initiatives to reduce complexity, improve service delivery and strengthen controls as scale increases.
- * **Digitally enabled banking ("Digital focus"):** leveraging customer-facing technology investments to enhance experience, introduce innovative products, improve productivity, and support a shift to faster, more reliable service delivery with lower turnaround times.
- * **Growth through innovation and partnerships ("Innovate to lead"):** expanding outreach and engagement through creativity and innovation, strengthening partnerships, and reassessing the branch network and alternative channels to increase accessibility - particularly in areas beyond physical branch presence.

Capability building as part of the ambition

The strategy is supported by an explicit focus on building capabilities that enable sustainable delivery. The Bank discloses its intention to improve profitability by leveraging investments in customer-facing technology, enhancing productivity, and continuing planned upgrades to service delivery channels to improve efficiency and reliability. It also highlights an ongoing plan to expand service channels and penetration strategies, including growing the agent model to extend access.

Strategic intent within the broader market context

Exim Bank's strategy recognises the structural shifts shaping banking (competition, fintech disruption, changing customer expectations and the increasing importance of digital banking) and positions digital transformation and innovation as essential to remaining competitive and relevant. In this context, Exim frames its strategic intent around maintaining service quality and trust, deepening inclusion through expanded reach, and strengthening long-term value creation through resilient governance, risk management and disciplined balance-sheet optimisation.



Key KPI Dashboard

Profit after tax TZS 74,920m Group 2025 -18.70% YoY		Customer deposits TZS 3,196,145m Group 2025 +32.42% YoY		NPL ratio 2.01% Group 2025 -3.54 pp YoY			CET1 ratio 17.04% Group 2025 -0.62 pp YoY		Total assets growth 27.49% Group 2025 +23.90 pp YoY		Women in workforce 48% 2025 EDI metric
Strategic theme	Performance indicator	Key KPI	Unit	Group 2025		Group 2024	YoY movement	Bank 2025	Bank 2024	Direction / benchmark	Assurance
Sustainable growth & shareholder value	Profitability	Profit after tax	TZS m	74,918		92,151	-18.70% ▼	61,237	74,080	Increase sustainably	BARMC
Sustainable growth & shareholder value	Profitability	Profit before tax	TZS m	117,999		141,001	-16.31% ▼	90,824	109,797	Increase sustainably	BARMC
Sustainable growth & shareholder value	Returns	Return on equity (ROE)	%	17.78%		25.11%	-7.33 pp ▼	18.82%	27.30%	Increase / maintain competitive returns	BARMC
Sustainable growth & shareholder value	Returns	Return on assets (ROA)	%	3.42%		4.61%	-1.19 pp ▼	3.82%	5.32%	Increase	BARMC
Sustainable growth & shareholder value	Earnings quality	Net interest income	TZS m	219,007		187,506	+16.80% ▲	118,438	107,077	Grow	MO
Sustainable growth & shareholder value	Funding	Customer deposits	TZS m	3,196,145		2,413,679	+32.42% ▲	1,979,011	1,471,008	Grow stable deposits	MO
Operational excellence & productivity	Efficiency	Cost-to-income ratio	%	64.56%		58.62%	+5.94 pp ▲	59.58%	54.50%	Lower; 55% reference benchmark	BARMC
Operational excellence & productivity	Cost discipline	Other operating expenses	TZS m	83,155		71,596	+16.14% ▲	48,883	44,335	Optimise	MO
Operational excellence & productivity	Human capital cost	Personnel expenses	TZS m	98,566		84,576	+16.54% ▲	57,356	52,550	Productivity-linked investment	MO
Prudent risk, capital & liquidity	Asset quality	Non-performing loans to gross loans	%	2.01%		5.55%	-3.53 pp ▼	2.44%	4.26%	Lower; <=5% reference	BCC
Prudent risk, capital & liquidity	Funding balance	Gross loans to total deposits	%	67.64%		75.63%	-7.99 pp ▼	69.82%	83.24%	Optimise funding balance	BARMC
Prudent risk, capital & liquidity	Earning asset mix	Earning assets to total assets	%	85.92%		85.41%	+0.51 pp ▲	82.55%	84.09%	Maintain high earning-asset mix	BARMC
Prudent risk, capital & liquidity	Capital adequacy	CET1 to total RWA	%	17.04%		17.66%	+0.81 pp ▲	20.22%	17.66%	>=8.50% regulatory minimum	BARMC
Prudent risk, capital & liquidity	Capital adequacy	Tier 1 + Tier 2 capital	%	18.02%		19.09%	+0.44 pp ▲	21.57%	19.09%	>=14.50% regulatory minimum	BARMC
Prudent risk, capital & liquidity	Liquidity	Regulatory liquidity ratio compliance	Narrative	Above 20%		Above 20%	Maintained ●	Above 20%	Above 20%	>=20%	BARMC
Balance sheet & intermediation	Growth	Growth on total assets	%	27.49%		4.43%	+22.85 pp ▲	23.89%	6.13%	Grow prudently	BO
Balance sheet & intermediation	Growth	Growth on loans and advances to customers	%	19.80%		18.60%	+0.83 pp ▲	12.62%	23.50%	Grow quality assets	BCC
Balance sheet & intermediation	Growth	Growth on customer deposits	%	32.42%		0.96%	+31.46 pp ▲	34.53%	9.94%	Grow deposits	BO
Balance sheet & intermediation	Asset book	Loans and advances to customers	TZS m	2,138,894		1,785,454	+19.80% ▲	1,356,994	1,204,794	Grow quality portfolio	BCC
Segment execution & diversification	Corporate Banking	Loans and advances to customers	TZS m	1,771,713		1,035,445	+71.10% ▲	1,098,701	N/D	Grow quality corporate book	MO
Segment execution & diversification	Retail Banking	Loans and advances to customers	TZS m	311,982		169,349	+84.20% ▲	203,093	N/D	Grow while maintaining asset quality	MO
Customer first & financial inclusion	Inclusion reach	Retail clients from underserved groups	%	44.1%		N/D	N/D	N/D	N/D	Increase	MO
Customer first & financial inclusion	SME inclusion	SME loan portfolio growth	%	48.9%		N/D	N/D	N/D	N/D	Grow prudently	MO
Customer first & financial inclusion	Digital inclusion	Transactions via mobile / online platforms	%	47%		N/D	N/D	N/D	N/D	Increase digital adoption	MO
People, culture & capability	Workforce scale	Total employees	No.	1,318		1,022	+28.96% ▲	N/D	N/D	Right-size capability	MO
People, culture & capability	Gender diversity	Women in total workforce	%	48%		N/D	N/D	N/D	N/D	Equal opportunity	MO
Digital trust & resilience	Data security	Data breaches	No.	0		N/D	N/D	N/D	N/D	Zero tolerance	BARMC
Digital trust & resilience	Security culture	Cybersecurity/data protection awareness completion	%	71.62%		N/D	N/D	N/D	N/D	Increase completion	MO
Sustainability & responsible operations	Community investment	CSR and community investment	TZS m	616		N/D	N/D	N/D	N/D	Maintain impact discipline	BO

N/D Not Disclosed | N/A Not Applicable | BO Board Oversight | MO Management Oversight

BARMC Board Audit and Risk Management Committee | EDI Employee Diversity and Inclusion

04/ Performance Preview



Chief Finance Officer's Statement



“

Dear Shareholders,

The 2025 financial year showcased Exim Bank's ability to scale responsibly while strengthening liquidity resilience. We delivered robust balance sheet expansion and a step-change in operating cash generation - anchored on strong deposit mobilisation and disciplined asset-liability management. Profitability moderated from the prior year, reflecting a higher expected credit loss (ECL) charge and an operating cost base that increased with scale, technology and capability investments. Importantly, asset quality improved materially, capital ratios remained comfortably above regulatory minima, and the Group closed the year with a stronger cash and liquidity position to support customers and strategic priorities.

”

2025 finance highlights at a glance

TZS 74.9 bn
Profit for the year (Group)

TZS 4.0 tn
Total assets (Group)

TZS 321.5 bn
Revenue (Group)

17.04%
CET1 ratio (Group)

TZS 382.1 bn
Operating cashflow (Group)

TZS 61.2 bn
Profit for the year (Bank)

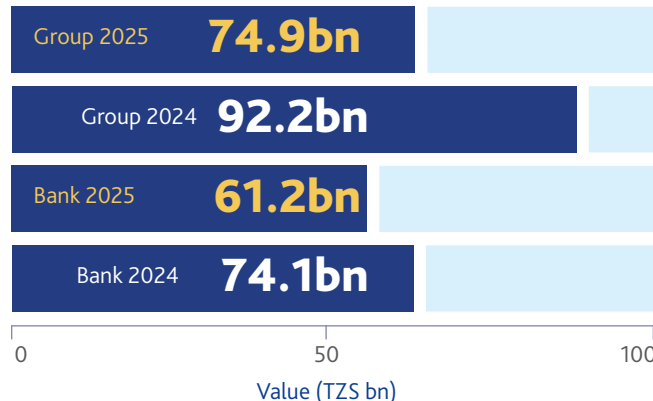
TZS 3.20 tn
Customer deposits (Group)

2.01%
NPL ratio (Group)

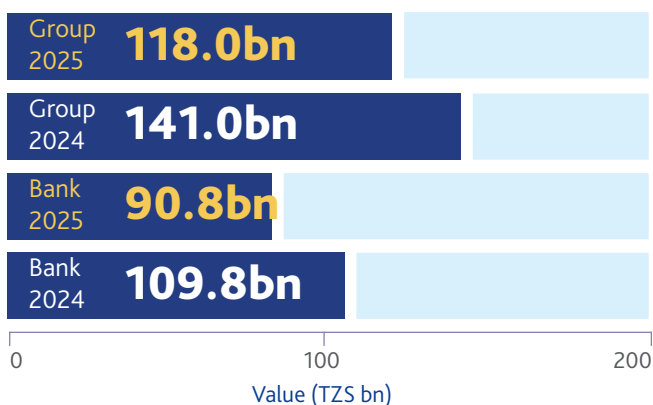
18.02%
Total capital ratio (Group)



Profitability trend (profit for the year)



Pre-tax profitability trend (profit before income tax)



Financial performance overview

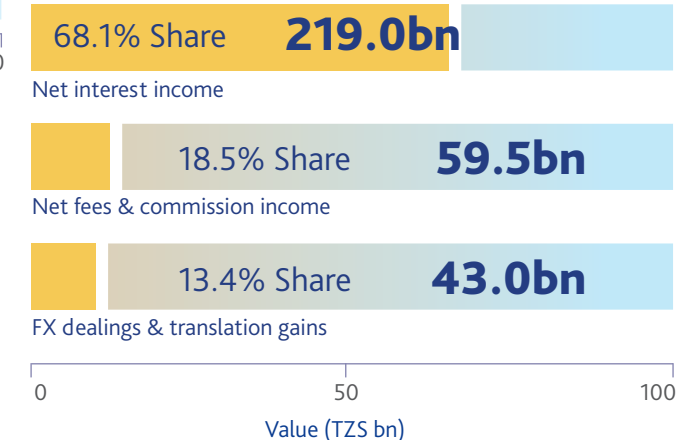
During the year, the Group reported profit for the year of TZS 74.9 billion (2024: TZS 92.2 billion) while the Bank reported profit for the year of TZS 61.2 billion (2024: TZS 74.1 billion). Profit before income tax was TZS 118.0 billion for the Group (2024: TZS 141.0 billion) and TZS 90.8 billion for the Bank (2024: TZS 109.8 billion). The year was notable for strong balance sheet expansion and a significant improvement in operating cash generation, alongside a cost base that increased with scale, capability investments and inflationary pressures.



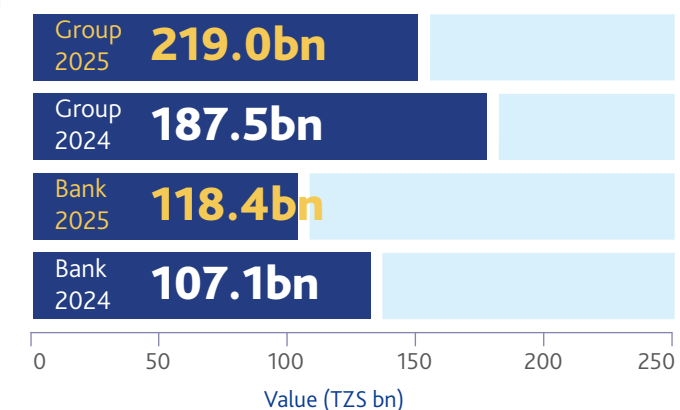
Revenue and income mix

The Group's revenue increased to TZS 321.5 billion in 2025 from TZS 291.7 billion in 2024, while Bank revenue was broadly flat at TZS 178.1 billion (2024: TZS 178.6 billion). The Group's revenue comprises three primary elements: net interest income, net fees and commission income, and foreign currency dealings and translation gains.

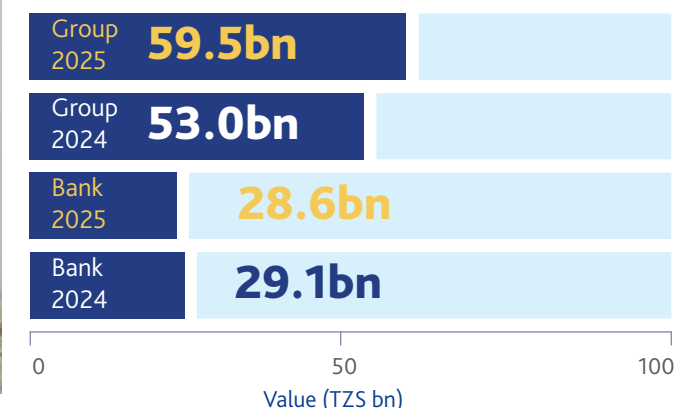
Revenue composition (Group, 2025)



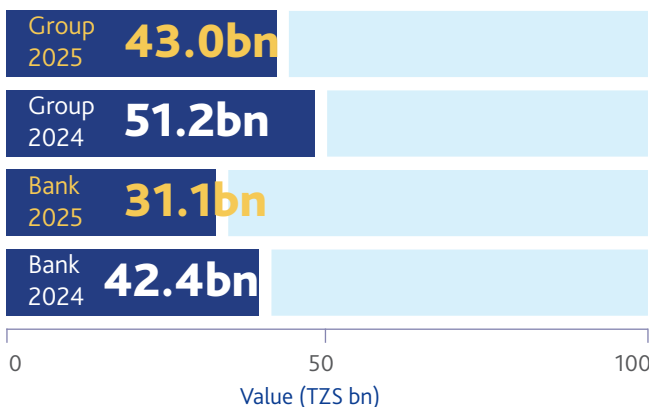
Net interest income



Net fees and commission income



Foreign currency dealings and translation gains

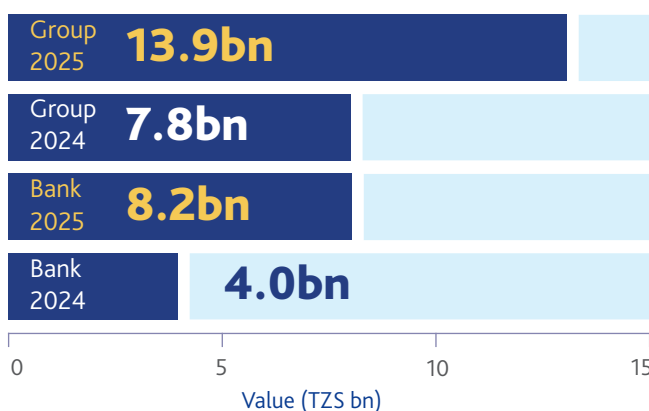


In addition to revenue, the Group reported other income of TZS 19.9 billion (2024: TZS 36.8 billion), while the Bank reported other income of TZS 42.0 billion (2024: TZS 45.3 billion). Recovery of written-off debts remained a meaningful contributor at TZS 17.7 billion for the Group and TZS 15.3 billion for the Bank, while dividend income at Bank level was TZS 25.1 billion.

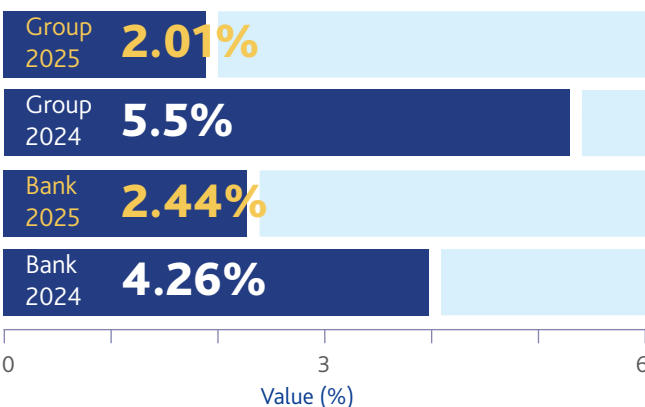
Credit impairment and asset quality

The expected credit loss (ECL) charge recognised in profit or loss was TZS 13.9 billion for the Group (2024: TZS 7.8 billion) and TZS 8.2 billion for the Bank (2024: TZS 4.0 billion). Importantly, notwithstanding the increase in ECL expense, the Group's non-performing loans ratio improved materially to 2.01% from 5.55% reported in 2024, while the Bank's ratio improved to 2.44% (2024: 4.26%).

ECL charge



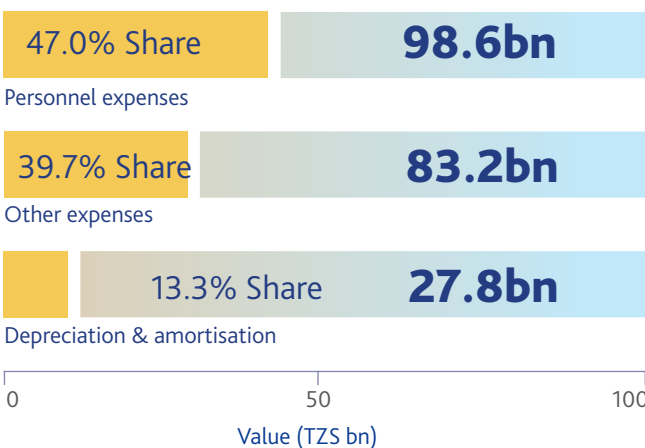
Non-performing loans ratio (NPL)



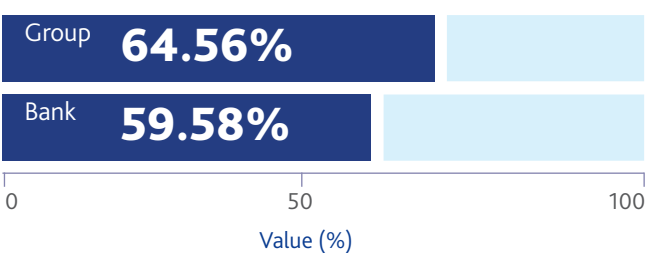
Operating expenses and operating leverage

Other expenses increased to TZS 83.2 billion for the Group (2024: TZS 71.6 billion) and to TZS 48.9 billion for the Bank (2024: TZS 44.3 billion). Personnel expenses increased to TZS 98.6 billion for the Group (2024: TZS 84.6 billion) and to TZS 57.4 billion for the Bank (2024: TZS 52.6 billion). Depreciation and amortisation increased to TZS 27.8 billion for the Group (2024: TZS 23.6 billion) and to TZS 14.8 billion for the Bank (2024: TZS 13.2 billion). As a result, the cost to income ratio increased to 64.56% for the Group and 59.58% for the Bank.

Operating expense mix (Group, 2025)



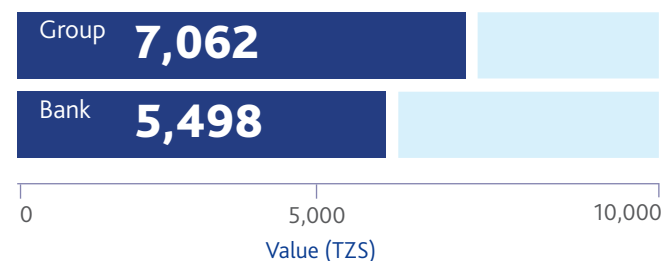
Cost-to-income ratio (2025)



Taxation and earnings per share

Income tax expense was TZS 43.1 billion for the Group (2024: TZS 48.9 billion) and TZS 29.6 billion for the Bank (2024: TZS 35.7 billion). Basic and diluted earnings per share decreased to TZS 5,498 for 2025 from TZS 7,062 in 2024.

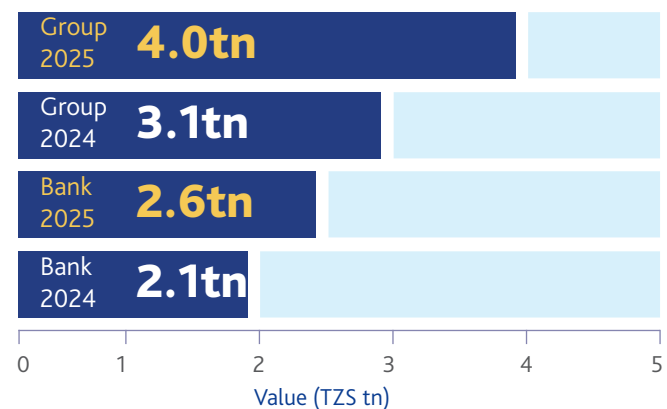
Earnings per share



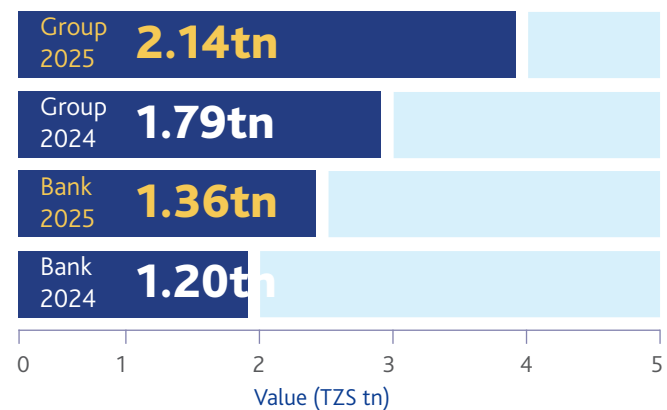
Balance sheet growth and composition

The Group closed the year with total assets of TZS 4.0 trillion (2024: TZS 3.1 trillion), representing growth of 27.28%. The Bank's total assets increased to TZS 2.6 trillion (2024: TZS 2.1 trillion), representing growth of 23.89%.

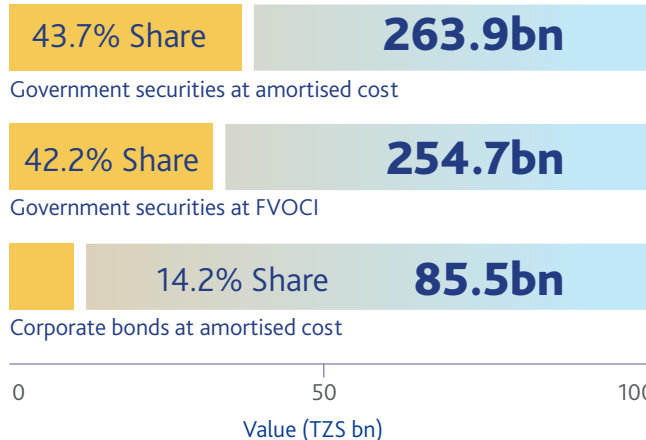
Total Assets



Loans and advances to customers (net of ECL)



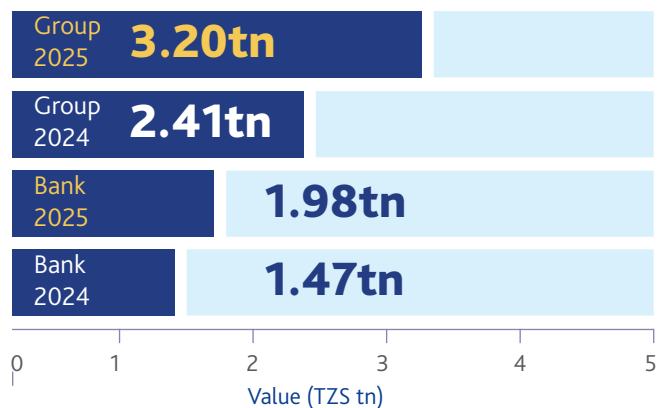
Selected liquid and earning assets (Group, 2025)



Funding, deposits and liquidity position

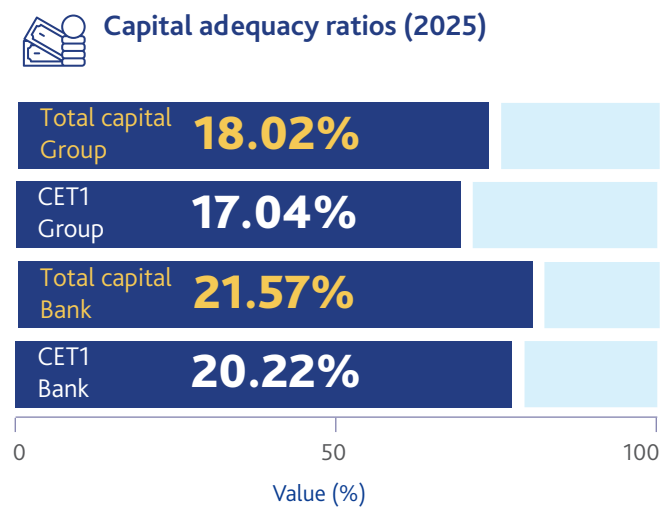
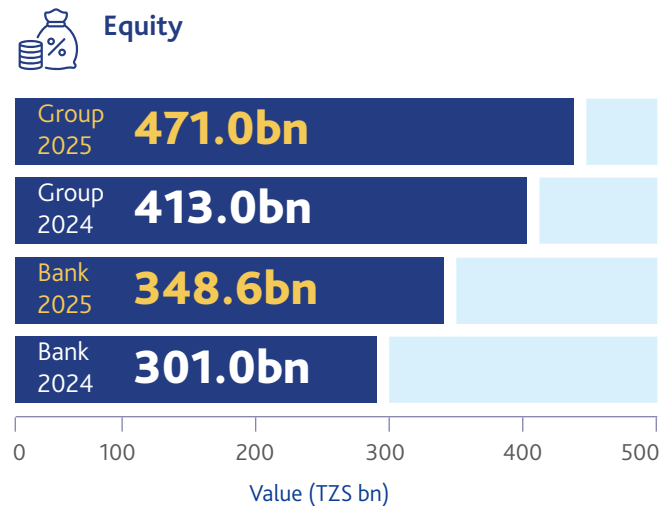
Deposits due to customers were TZS 3.20 trillion for the Group (2024: TZS 2.41 trillion) and TZS 1.98 trillion for the Bank (2024: TZS 1.47 trillion). This funding strength supports liquidity resilience and balance sheet growth.

Deposits due to customers

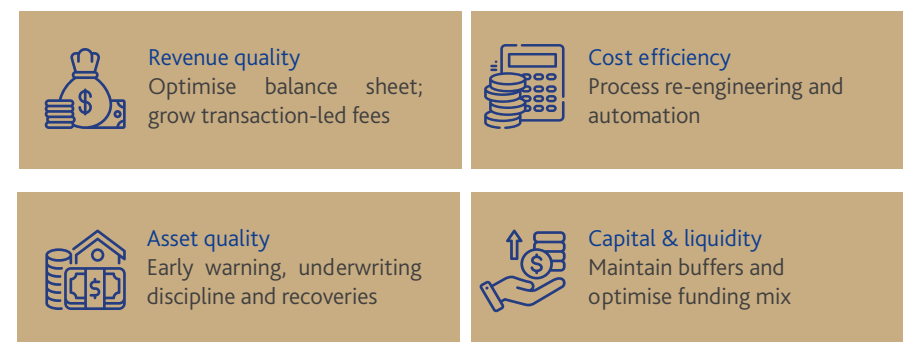


Capital management and solvency

The Group's total equity increased to TZS 471.0 billion in 2025 from TZS 413.0 billion in 2024. The Bank's total equity increased to TZS 348.6 billion from TZS 301.3 billion. CET1 to total risk-weighted assets was 17.04% for the Group and 20.22% for the Bank, and total capital to risk-weighted assets was 18.02% and 21.57%, respectively.

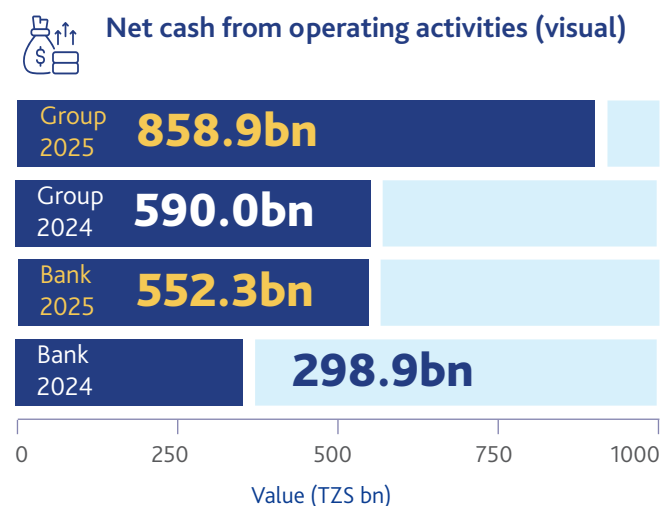
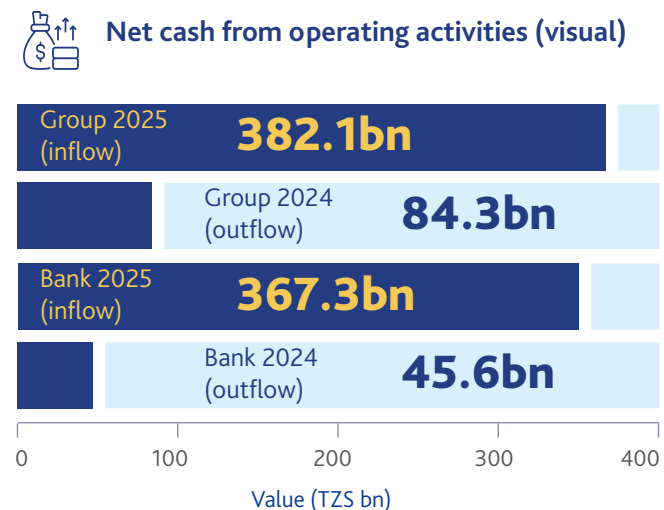


Operating leverage roadmap (how we improve returns from the platform)



Cash flow performance and liquidity generation

Net cash generated from operating activities was TZS 382.1 billion for the Group (2024: net cash outflow of TZS 84.3 billion) and TZS 367.3 billion for the Bank (2024: net cash outflow of TZS 45.6 billion). Investing cash outflows were TZS 28.7 billion for the Group and TZS 49.3 billion for the Bank. Financing cash outflows were TZS 19.4 billion for the Group and TZS 15.0 billion for the Bank. Cash and cash equivalents increased to TZS 858.9 billion at Group level (2024: TZS 590.0 billion) and to TZS 552.3 billion at Bank level (2024: TZS 298.9 billion).



Financial reporting integrity and controls

We remain committed to high standards of financial reporting and internal control. The financial statements reflect compliance with IFRS, and the external audit was conducted in accordance with International Standards on Auditing. Oversight is supported through governance structures, policies, procedures and monitoring through the Board Audit and Risk Management Committee.

Appreciation

I extend my sincere thanks to our shareholders for their continued confidence, to the Board for its stewardship and oversight, to our regulators for their guidance, and to all colleagues across the Group for their dedication and professionalism throughout the year. Your collective commitment has been central to our resilience and progress. We remain focused on managing the balance sheet and financial performance with discipline, transparency and a long-term perspective - strengthening the platform for sustainable value creation and supporting our customers and communities with confidence.

Shani Kinswaga
Chief Finance Officer



Priorities for 2026

In 2026, our financial priorities will be directed toward strengthening operating leverage and returns while sustaining prudent growth. We will focus on enhancing revenue quality by deepening net interest income through balance sheet optimisation, while expanding fee income via transaction-led services and trade finance, and actively managing the inherent variability in trading income. At the same time, we will pursue stronger cost efficiency through continued process re-engineering and targeted cost optimisation, supported by productivity initiatives and automation to improve our cost-to-income ratios.

Protecting asset quality will remain central to our approach, underpinned by disciplined underwriting and strengthened early-warning monitoring to safeguard the portfolio and manage ECL volatility. We will also maintain a strong capital and liquidity position by preserving robust buffers, optimising our funding mix, and sustaining rigorous liquidity management under both normal and stress conditions. Finally, we will apply investment discipline to ensure capital allocation is prioritised toward initiatives that improve resilience, elevate customer experience, and enable scalable growth—particularly in digital channels and analytics.

Segment report

Corporate and Institutional Banking

Shrikant Ganduri
Head of Corporate and Institutional Banking

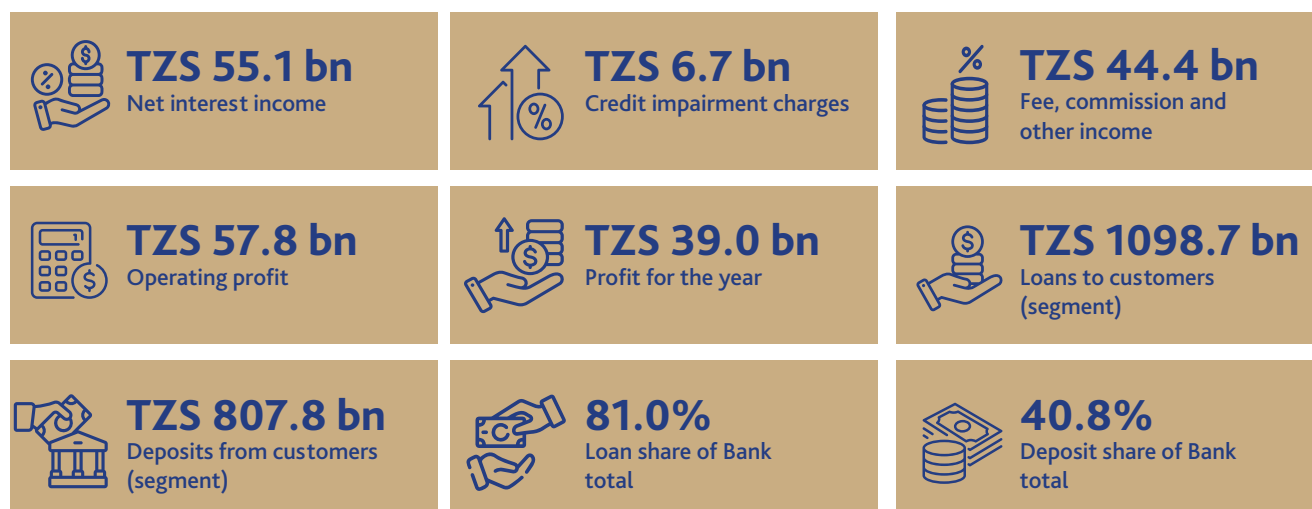


Corporate and Institutional Banking ("CIB") is the Group's specialist franchise for large corporates and institutions with more complex banking requirements. In our audited segment disclosure, this franchise is presented as the Corporate Banking reportable segment under IFRS 8, reflecting the way performance is monitored and resources are allocated by the Chief Executive Officer as the chief operating decision maker. CIB's mandate is to originate and manage relationship-led corporate assets, deliver transaction and trade solutions that facilitate domestic and cross-border commerce, and connect clients to treasury and global markets capabilities in a manner that is consistent with the Bank's risk appetite and governance standards.

Connecting Capital to Opportunity Across Corporate Value Chains

In 2025, the operating environment remained characterised by elevated expectations for digital convenience, resilient service delivery and faster turnaround times (TAT), alongside competitive pressures from traditional players and technology-led entrants. Against this backdrop, CIB focused on disciplined balance-sheet deployment, deepening client relationships, and supporting the Bank's strategic direction through solutions-led banking and strong service execution. The segment's performance is assessed primarily through net interest income (interest revenue net of interest expense), complemented by credit impairment charges, fee and commission income and an operating profit view that incorporates direct cost allocations.

Segment at a glance



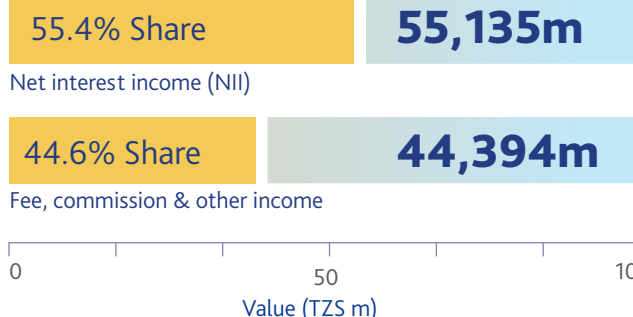
Financial performance and the drivers of delivery

CIB delivered net interest income of TZS 55,135 million. After recognising credit impairment charges of TZS 6,682 million, net interest income after impairment was TZS 48,453 million. Non-interest income (fee, commission and other income) contributed a further TZS 44,394 million, underscoring the segment's role in supporting transaction-led revenue through corporate banking services.

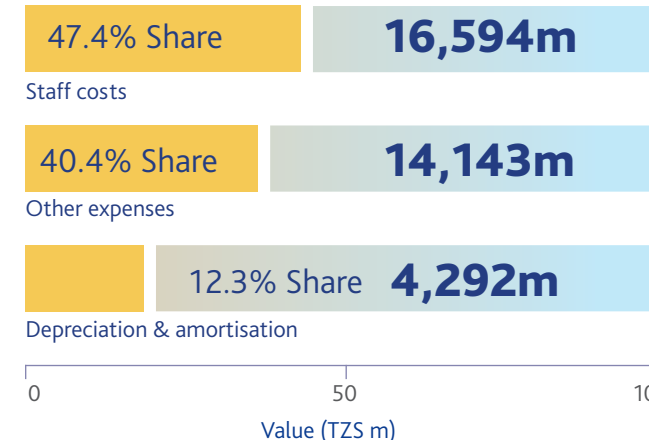
Operating expenses allocated to the segment amounted to TZS 35,029 million, comprising staff costs of TZS 16,594 million, depreciation and amortisation of TZS 4,292 million and other expenses of TZS 14,143 million. The segment closed the year with operating profit of TZS 57,818 million and profit for the year of TZS 38,983 million.

From a portfolio perspective, the Corporate segment was allocated loans and advances to customers of TZS 1,098,701 million, representing 81.0% of the Bank's total segment-allocated customer loans of TZS 1,356,994 million. Customer deposits attributed to the segment were TZS 807,789 million, representing 40.8% of the Bank's total deposits due to customers of TZS 1,979,011 million. This scale reflects the segment's central role in balance sheet intermediation, and the importance of disciplined client selection, pricing and ongoing monitoring.

Income mix for Corporate and Institutional Banking



Operating expense composition for CIB



Operating profit bridge (from income to operating profit)

Bridge item	Impact (TZS m)	Direction	Running total (TZS m)
Net interest income	55,135	Increase	55,135
Credit impairment charges	(6,682)	Decrease	48,453
Fee, commission & other income	44,394	Increase	92,847
Staff costs	(16,594)	Decrease	76,253
Depreciation & amortisation	(4,292)	Decrease	71,961
Other expenses	(14,143)	Decrease	57,818

Operating model and customer proposition

CIB is anchored in relationship-led banking, where coverage teams work in close coordination with credit, trade finance, cash management and treasury specialists to deliver end-to-end solutions. The segment's proposition is designed to support client operating cycles (payments, collections, working capital, trade flows, investment and risk management), while ensuring that credit decisions and portfolio performance remain within approved risk appetite and governance standards.

During the 2025 FY, CIB prioritised three execution themes consistent with the Bank's wider strategic direction: (i) customer experience and service reliability across corporate touchpoints, (ii) disciplined portfolio deployment supported by prudent credit monitoring and recoveries, and (iii) growth in transaction-led income streams that reinforce the Bank's revenue diversity. This approach is intended to translate scale into sustained value creation, while remaining responsive to evolving client needs and the competitive landscape.



How CIB creates value (end-to-end client journey)



Solutions delivered through CIB

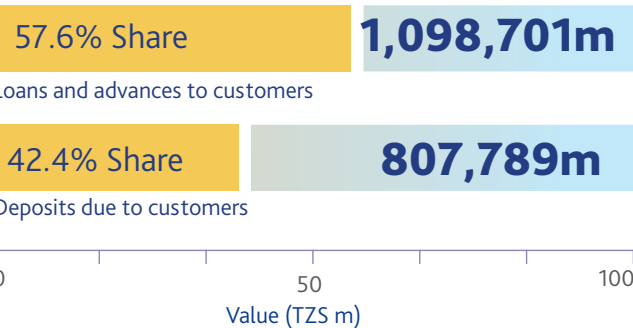
Solution area	What it supports for clients
Working capital and structured lending	Funding for operating cycles, inventory, receivables and growth investment.
Transaction banking and cash management	Collections, payments, liquidity visibility and operational efficiency.
Trade finance and guarantees	Cross-border trade enablement through documentary trade and risk mitigation instruments.
Digital enablement for corporate clients	Channel usage, integration and self-service features that reduce turnaround times.

Balance sheet contribution and stewardship

CIB's allocation of loans and advances to customers (TZS 1,098,701 million) is the largest share of the Bank's segment-allocated customer assets, reflecting the scale of corporate relationships and the role of larger-ticket facilities in supporting business activity. The segment's deposit base (TZS 807,789 million) remains a critical stabiliser for funding resilience and supports broader balance-sheet optimisation through the Bank's asset-liability management framework.

As a management view, the segment's net operating income after impairment (TZS 92,847 million) and allocated operating expenses imply an operating cost efficiency (operating expenses as a share of net operating income after impairment) of approximately 37.7%. This derived indicator is presented to provide context on operating leverage at segment level.

Customer loans versus customer deposits (segment allocation)



Risk and control focus for corporate portfolios

CIB operates within the Bank's risk governance, credit policy and portfolio monitoring structures. Performance is therefore assessed not only through earnings, but also through credit discipline and resilience. In 2025, the segment recognised credit impairment charges consistent with the Bank's IFRS 9 expected credit loss framework and internal risk governance. Portfolio stewardship is reinforced through relationship monitoring, early-warning mechanisms, review of covenant compliance and disciplined remedial management where required.

In a market environment shaped by competitive intensity and evolving client expectations, maintaining service reliability and robust controls is essential to protecting franchise value. CIB's execution therefore remains closely linked to the Bank's broader priorities on process efficiency, digital focus and innovation-led service delivery.



Outlook and priorities for 2026

Looking ahead, Corporate and Institutional Banking will focus on translating scale into stronger operating leverage and sustainable value creation. Priority areas for 2026 include: deepening transaction-led income in corporate relationships; continuing disciplined portfolio deployment with prudent risk selection; and sustaining service reliability through process refinement and digital enablement. The segment will also continue strengthening collaboration with Treasury and Global Markets to support client foreign exchange and market needs, while ensuring that balance-sheet growth remains consistent with capital and liquidity considerations and the Bank's governance standards.

CIB enters 2026 with a clear mandate to reinforce Exim Bank's position as the Bank of choice for large corporates and institutions, through solutions-led banking that supports customers' growth, protects the quality of the balance sheet, and contributes sustainably to shareholder value.



Segment report

Commercial Banking

Shrikant Ganduri
Head of Corporate and
Institutional Banking



Commercial Banking is the segment focused on mid-sized enterprises that fall above Retail's thresholds but below Corporate's thresholds.

The segment's role in the franchise is to provide a relationship-led banking platform for growing businesses that require more structured solutions than typical retail exposures, while still operating with different utilisation patterns and risk dynamics compared to larger corporate names. In doing so, Commercial Banking supports Exim Bank's broader ambition to be the Bank of choice by enabling business growth, supporting customer activity across channels, and contributing to diversified revenue through interest income and fees linked to banking services.



Segment at a glance



TZS 4.8 bn
Net interest income



TZS 0.3 bn
Credit impairment charges



TZS 4.1 bn
Fee, commission and
other income



TZS 3.7 bn
Operating profit



TZS 2.5 bn
Profit for the year



TZS 55.2 bn
Loans and advances to
customers (segment)



TZS 17.9 bn
Deposits due to
customers (segment)



4.1%
Loan share of Bank
total



0.9%
Deposit share of Bank
total

Financing Expansion and Cashflow Needs Across the Mid-Market

Performance review and financial drivers

During the 2025 FY, Commercial Banking generated net interest income of TZS 4,818 million. After recognising credit impairment charges of TZS 334 million, net interest income after impairment amounted to TZS 4,484 million. Fee, commission and other income contributed TZS 4,136 million, demonstrating the segment's role in supporting transaction-led and service-related income alongside balance-sheet returns.

Allocated operating expenses for the segment totalled TZS 4,924 million, comprising staff costs of TZS 2,333 million, depreciation and amortisation of TZS 603 million and other expenses of TZS 1,988 million. On this basis, Commercial Banking delivered operating profit of TZS 3,696 million and profit for the year of TZS 2,492 million.

The segment closed the year with loans and advances to customers of TZS 55,199 million, representing 4.1% of the Bank's total segment-allocated customer loans of TZS 1,356,994 million. Deposits due to customers attributed to the segment were TZS 17,915 million, representing 0.9% of the Bank's total deposits due to customers of TZS 1,979,011 million. This allocation provides a clear view of the segment's balance-sheet footprint within the overall Bank, and supports management's focus on disciplined intermediation and stable funding growth.

As a management view, the segment's operating cost efficiency (operating expenses as a share of net operating income after impairment) is approximately 57.1%. This provides context on operating leverage at segment level and highlights the importance of continued productivity and process efficiency as the segment scales.



Income mix (Commercial Banking)

53.8% Share

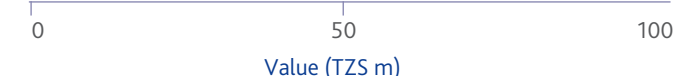
4,818m

Net interest income (NII)

46.2% Share

4,136m

Fee, commission & other income

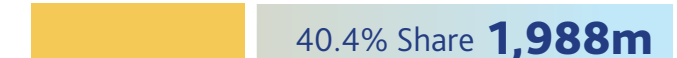


Operating expense composition (Commercial Banking)

47.4% Share

2,333m

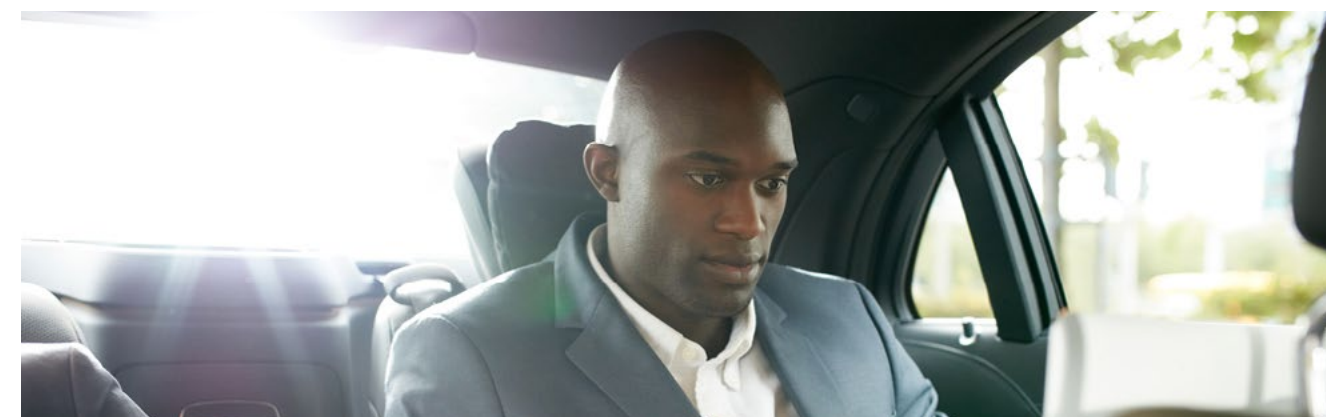
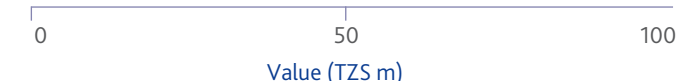
Staff costs



Other expenses



Depreciation & amortisation



Operating profit bridge (from income to operating profit)

Bridge item	Impact (TZS m)	Direction	Running total (TZS m)
Net interest income	4,818	Increase	4,818
Credit impairment charges	(334)	Decrease	4,484
Fee, commission & other income	4,136	Increase	8,620
Staff costs	(2,333)	Decrease	6,287
Depreciation & amortisation	(603)	Decrease	5,684
Other expenses	(1,988)	Decrease	3,696

Commercial Banking proposition within the Exim bank franchise

Commercial Banking serves clients at an important stage of their growth journey; often characterised by expanding transaction volumes, more structured financing needs, and a greater requirement for speed and reliability in service delivery. The segment therefore sits at the intersection of relationship banking and scalable delivery.

At franchise level, the Bank’s business model is built on connecting providers and users of capital and delivering value to stakeholders through customer satisfaction, shareholder value enhancement, staff welfare and serving the community. The Commercial segment contributes to that model by supporting mid-market enterprises with access to banking services and by reinforcing the wider franchise through stable intermediation and service-driven income.

The operating environment in 2025 remained competitive, with rising stakeholder expectations for convenience, transparency and 24/7 availability, alongside increasing competition from technology-led entrants. In this context, Commercial Banking’s execution is enabled by the Bank’s distribution and digital infrastructure, including branches and alternative channels such as ATMs, mobile banking services, online banking services and cash management solutions, as well as the continuing expansion of the agent network during the year.

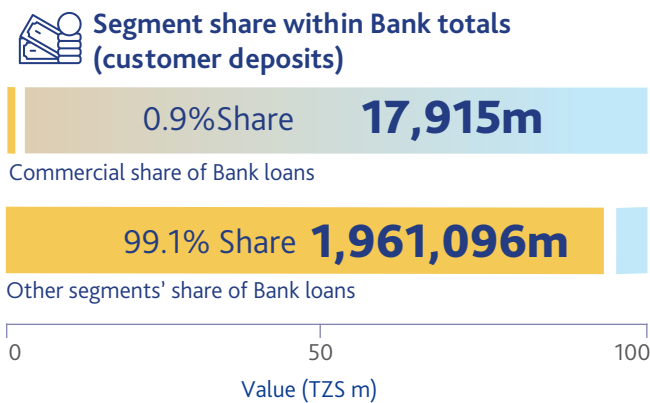
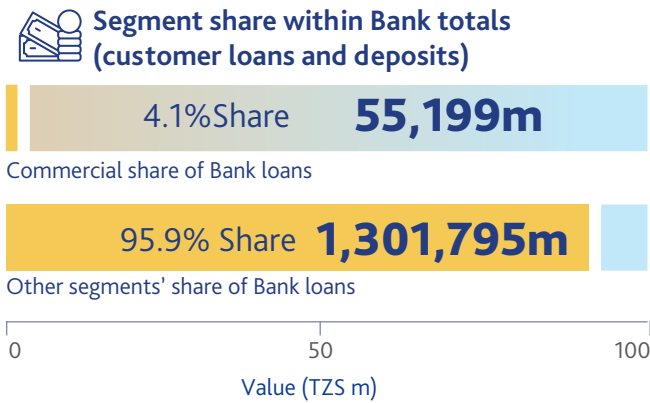
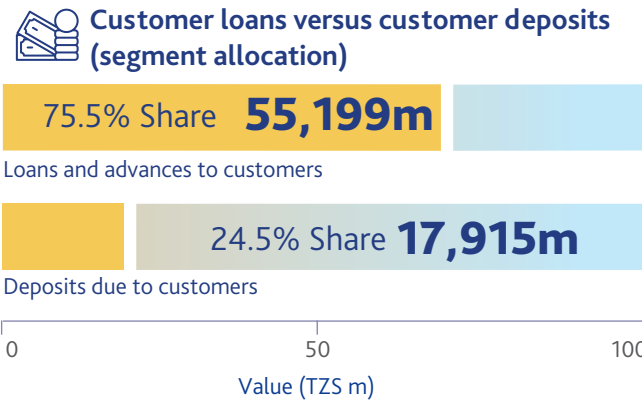
How Commercial Banking creates value (relationship-led execution)

	Acquire Originate and onboard mid-market customers
	Serve Deliver reliable day-to-day banking and channel access
	Finance Provide credit within approved risk appetite
	Transact Support payments, collections and service usage
	Monitor Ongoing review, early warning and credit stewardship
	Grow Scale relationships through improved solutions and efficiency

Balance sheet contribution and funding context

Commercial Banking’s allocated loans of TZS 55,199 million reflect the segment’s role in supporting business activity through customer lending, while deposits of TZS 17,915 million reinforce the importance of sustainable funding mobilisation as a basis for resilient growth. In a deposit-competitive environment, maintaining the right mix of funding and optimising pricing remain central to ensuring that asset growth translates into durable net interest income.

To contextualise scale, the visuals below show the relative size of Commercial Banking’s allocated customer loans and deposits within the segment, and the segment’s share of the Bank’s total deposits and customer loans.



Risk and control context

Commercial Banking is managed within the Bank’s broader governance, risk management and internal control framework. The segment’s credit impairment charges recognised in 2025 reflect the Bank’s IFRS 9 expected credit loss approach applied across the portfolio. Maintaining disciplined underwriting, timely monitoring and effective remedial management remains central to protecting asset quality and preserving sustainable returns, particularly for mid-market exposures where cash flows can be more sensitive to operating conditions.

As the wider Bank continues to advance its focus on process efficiency, digitalisation and service reliability, the Commercial segment’s priorities remain aligned to improving turnaround times, sustaining customer experience and strengthening the conversion of customer activity into recurring income streams.



Outlook and priorities for 2026

Looking forward, the Commercial Banking agenda is expected to remain closely linked to the Bank’s strategic pillars of customer first, process efficiency, digital focus and innovation-led delivery. In practical terms, the segment’s 2026 priorities will centre on: (i) disciplined growth in quality mid-market assets; (ii) sustainable deposit mobilisation to strengthen funding resilience; (iii) deeper adoption of digital and alternative channels to improve service experience and reduce turnaround times; and (iv) continuous productivity and cost discipline to strengthen operating leverage.

Within this agenda, Commercial Banking will continue to play a strategic “bridge” role - supporting customers transitioning from smaller retail exposures toward more structured corporate needs - while reinforcing the Bank’s broader ambition to be the Bank of choice through reliable execution, sound risk stewardship and sustained value creation.

Segment report

Retail Banking

Andrew Lyimo
Head of Retail Banking

Banking for Everyday Lives and Growing Enterprises

Retail Banking is Exim Bank's solution for individuals, SMEs and MSMEs characterised by relatively low individual exposure values. The segment is central to the Bank's purpose of transforming lives through financial sector innovation and intuitive action, and it is also the anchor for deposit depth, daily transactions and long-term customer relationships.

During the 2025 FY, the Retail segment's performance reflected a clear story: (i) a strong capacity to mobilise customer funding at scale, (ii) a diversified income profile combining net interest earnings with resilient fee and service income, and (iii) disciplined stewardship of costs and credit impairment charges in a market where customer expectations for speed, reliability and convenience continue to rise.



Segment at a glance

TZS 57.8 bn
Net interest income

TZS 0.6 bn
Credit impairment charges

TZS 22.1 bn
Fee, commission and other income

TZS 21.2 bn
Operating profit

TZS 14.3 bn
Profit for the year

TZS 203.1 bn
Loans and advances to customers

TZS 1151.5 bn
Deposits due to customers

15.0%
Share of Bank loans

58.2%
share of Bank deposits

Performance review

Retail Banking generated net interest income of TZS 57,814 million in 2025. Credit impairment charges of TZS 600 million were recognised in line with the Bank's IFRS 9 expected credit loss framework, resulting in net interest income after impairment of TZS 57,214 million. This level of net interest earnings demonstrates the segment's ability to convert a diversified customer base and an active deposit franchise into sustainable interest margins.

Non-interest income remained a meaningful contributor to performance. Fee, commission and other income amounted to TZS 22,073 million, providing an additional layer of resilience to earnings through transaction-led income streams. In combination, net operating income after impairment (net interest income after impairment plus fee and other income) amounted to TZS 79,287 million.

On the cost line, staff costs of TZS 27,531 million, depreciation and amortisation of TZS 7,120 million and other expenses of TZS 23,464 million were allocated to the segment, translating to total allocated operating expenses of TZS 58,115 million. These costs supported the day-to-day delivery of retail services, distribution capabilities, and platform maintenance. The segment delivered operating profit of TZS 21,172 million and profit for the year of TZS 14,275 million.

From an operating leverage lens, the segment's operating expense base represents approximately 73.3% of net operating income after impairment (a). This indicator provides context on the segment's efficiency profile and reinforces management's ongoing focus on process efficiency, digital enablement and disciplined cost optimisation as scale increases.

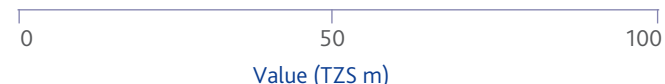
Income mix (Retail Banking)

72.4% Share **57,814m**

Net interest income (NII)

27.6% Share **22,073m**

Other segments' share of Bank loans



Operating expense composition (Retail Banking)

47.4% Share **27,531m**

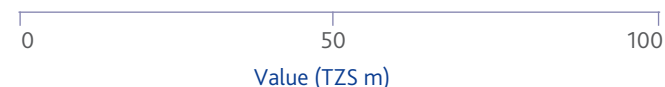
Staff costs

40.4% Share **23,464m**

Other expenses

12.2% Share **7,120m**

Depreciation & amortisation



Operating profit bridge (from income to operating profit)

Bridge item	Impact (TZS m)	Direction	Running total (TZS m)
Net interest income	57,814	Increase	57,814
Credit impairment charges	(600)	Decrease	57,214
Fee, commission & other income	22,073	Increase	79,287
Staff costs	(27,531)	Decrease	51,756
Depreciation & amortisation	(7,120)	Decrease	44,636
Other expenses	(23,464)	Decrease	21,172

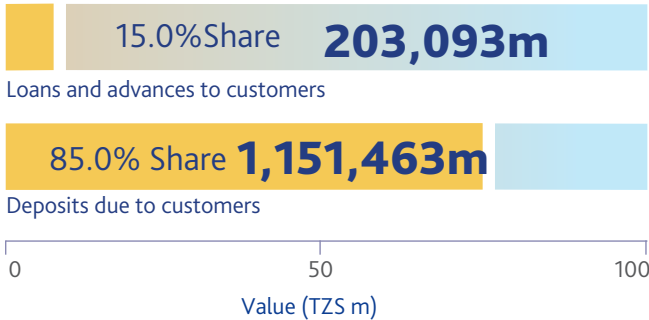


Balance sheet contribution and funding strength

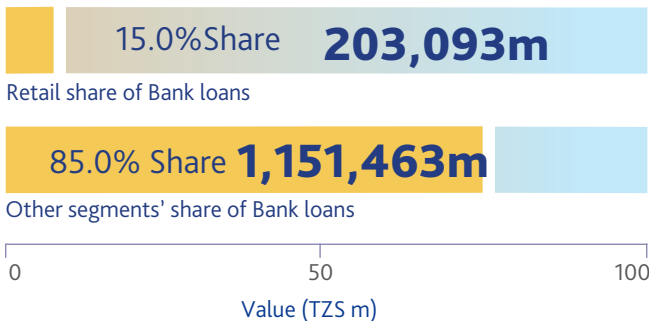
Retail Banking's balance-sheet allocation demonstrates the strategic role the segment plays in funding the wider franchise. Deposits due to customers attributed to Retail Banking amounted to TZS 1,151,463 million, which represents 58.2% of the Bank's total deposits due to customers of TZS 1,979,011 million. This scale underlines the segment's importance in providing stable funding, supporting liquidity resilience, and underpinning asset growth across the Bank.

Loans and advances to customers allocated to the Retail segment stood at TZS 203,093 million, representing 15.0% of the Bank's total segment-allocated customer loans of TZS 1,356,994 million. The relationship between deposits and loans at segment level highlights a key dynamic: Retail Banking is a major source of customer funding, while maintaining a measured share of lending exposure, consistent with the segment's portfolio characteristics and risk profile.

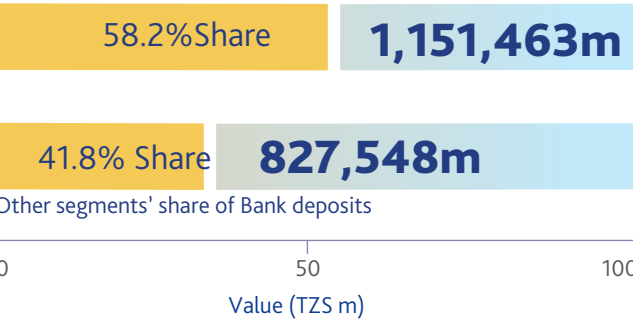
Customer loans versus customer deposits (segment allocation)



Segment share within Bank totals (customer loans)



Segment share within Bank totals (customer loans)



Customer reach and service delivery enabled by the distribution model

Retail Banking is supported by the Bank's distribution and alternative service delivery channels, which are designed to increase accessibility, convenience and reliability for customers. The Bank's service delivery infrastructure includes physical presence and scaled alternative channels such as ATMs, mobile banking services, online banking services, cash management solutions and the agent network.

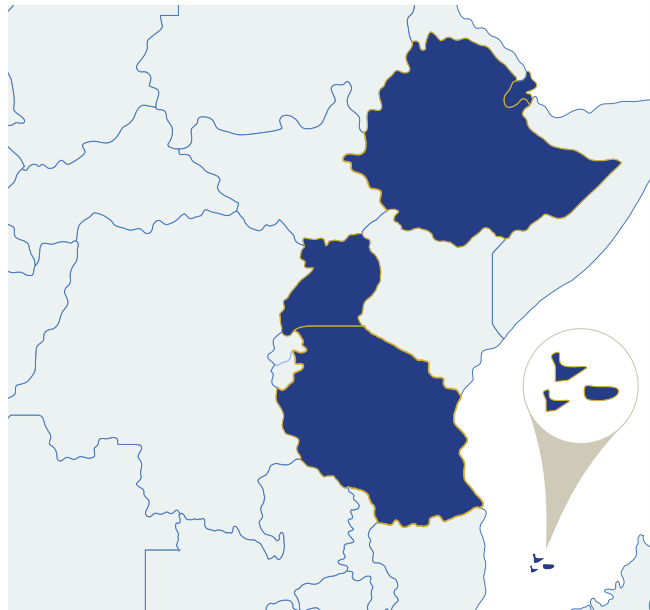
During the 2025 FY, the Bank reported 32 branches in Tanzania and 21 branches in subsidiaries (53 across the Group). The alternative channel footprint included 98 ATMs, and the agent network expanded to 3,515 agents in Tanzania as at 31 December 2025 (31 December 2024: 2,807 agents). These delivery capabilities support retail customers' day-to-day needs, reduce friction in access, and reinforce transaction-led income generation through high-frequency usage.

Distribution snapshot supporting Retail Banking



Delivery (Tanzania and Group)

Channel / footprint	2025	Why it matters for Retail
Agents (Tanzania)	3,515	Extends access beyond branches and supports high-frequency transactions.
ATMs	98	Supports cash access and card-based retail servicing.
Branches (Tanzania)	32	Provides advisory and complex servicing; anchors customer trust.
Branches (Group)	53	Demonstrates regional scale and service reach.



How Retail Banking creates value (customer journey and earnings conversion)

	Acquire Onboard customers through branches and agents
	Serve Deliver daily banking through digital and ATM channels
	Mobilise Grow low-cost deposits and balances
	Lend Provide credit within approved risk appetite
	Transact Increase usage and fee-based income
	Protect Apply controls, monitoring and impairment governance

Risk and control context for retail portfolios

Retail Banking is managed under the Bank's broader governance, risk management and internal control framework. The segment recognised credit impairment charges during the year, consistent with the IFRS 9 expected credit loss methodology applied across the Bank's lending exposures. Portfolio stewardship is reinforced through disciplined underwriting, monitoring and collections practices, and continued focus on operational controls as transaction volumes scale.

As banking competition intensifies and customer tolerance for downtime and delays continues to reduce, operational resilience, service reliability and fraud controls remain essential to protecting the retail franchise. This reinforces the importance of the Bank's ongoing investment in technology, process efficiency and channel reliability.



Outlook and priorities for 2026

In 2026, Retail Banking will remain central to delivering Exim Bank's ambition to be the Bank of choice by deepening customer experience and scaling access responsibly. Priorities will include: (i) strengthening service reliability and reducing turnaround times across channels, (ii) deepening customer engagement and transaction activity to grow resilient fee and service income, (iii) sustaining the deposit franchise as a core funding advantage, (iv) maintaining prudent credit quality and impairment governance, and (v) continuing productivity and cost discipline to strengthen operating leverage as scale increases.

Within this agenda, Retail Banking's mandate is clear: to grow trust-led relationships, convert customer activity into sustainable earnings, and widen access to banking services in a way that strengthens the Bank's long-term value creation.

Segment report

Treasury and Global Markets

Nelson Kishanda
Head of Treasury and Global Markets

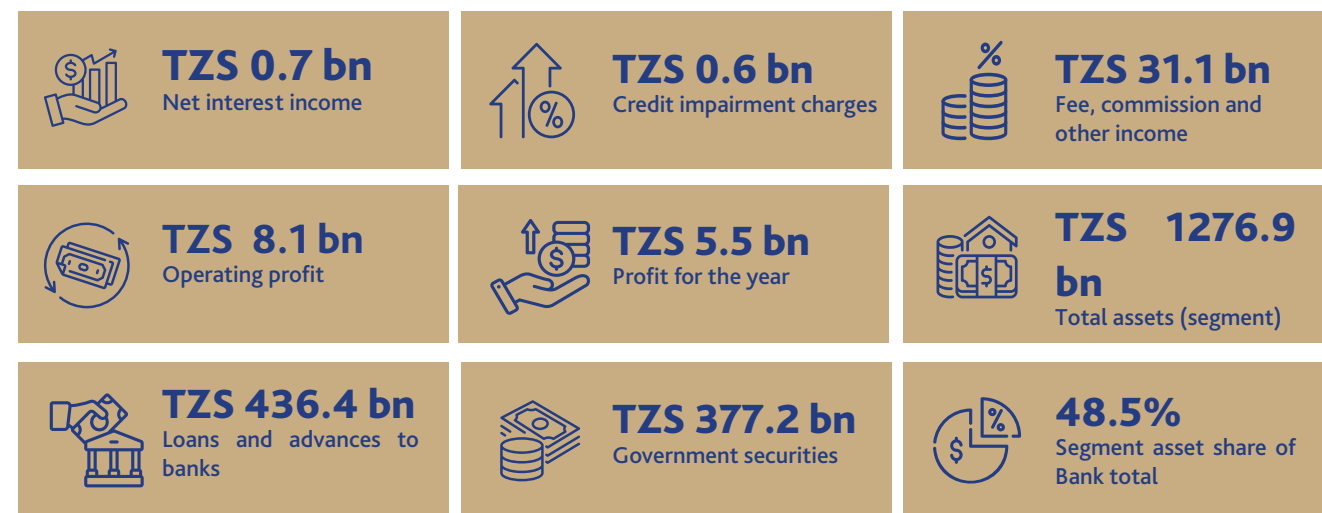


Stewarding Liquidity and Markets to Unlock Performance

Treasury and Global Markets ("T&GM") is Exim Bank's balance-sheet and markets engine. The segment is responsible for optimising liquidity, funding and interest rate positioning, managing the Bank's money market placements and investments, and supporting customers and internal business units through foreign exchange execution and market access. In the audited segment disclosure, T&GM is presented as a reportable segment under IFRS 8, consistent with the internal reporting reviewed by the Chief Executive Officer as the chief operating decision maker.

In 2025, the story of Treasury and Global Markets was defined by two realities that often move in opposite directions: the need to keep the Bank liquid, resilient and compliant at all times, while also turning balance-sheet positioning and market flows into sustainable earnings. The segment therefore operated as both a risk steward and a revenue enabler - supporting the broader franchise through liquidity resilience and market-making capabilities, while delivering a meaningful contribution to fee, commission and other income.

Segment at a glance



Performance review

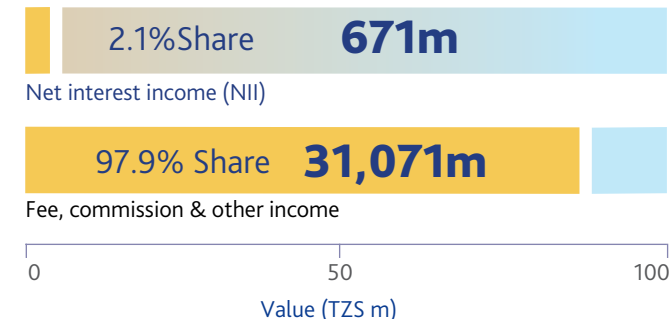
Treasury and Global Markets reported net interest income of TZS 671 million in 2025. Credit impairment charges of TZS 600 million were recognised in line with the Bank's IFRS 9 expected credit loss framework, resulting in net interest income after impairment of TZS 71 million. This outcome reflects the segment's balance-sheet positioning and the risk-adjusted nature of returns from treasury activities, where disciplined liquidity buffers and shorter-duration placements can moderate net interest income in exchange for resilience.

The segment's primary earnings strength in 2025 was delivered through fee, commission and other income of TZS 31,071 million. This line captures the segment's markets-driven contribution and underscores the importance of customer flow, pricing discipline and execution capability in treasury and global markets. In combination, net operating income after impairment (net interest income after impairment plus fee, commission and other income) amounted to TZS 31,142 million.

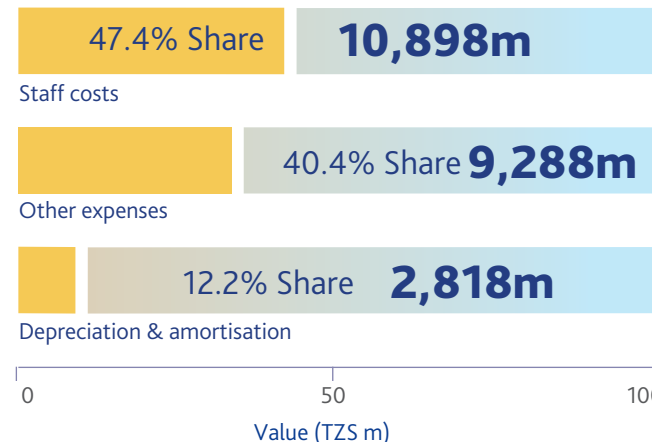
On costs, staff costs of TZS 10,898 million, depreciation and amortisation of TZS 2,818 million and other expenses of TZS 9,288 million were allocated to the segment, translating to total allocated operating expenses of TZS 23,004 million. These costs support dealer and risk capability, market infrastructure, operational controls and the governance processes that ensure treasury activities remain within risk appetite. The segment delivered operating profit of TZS 8,138 million and profit for the year of TZS 5,487 million.

From an operating leverage lens, the segment's operating expense base represents approximately 73.9% of net operating income after impairment (segment information is presented in Note 5 to the audited financial statements). This contextual measure highlights the operational intensity of a treasury function: while it is capital-and control-heavy by design, the segment remains focused on deepening flow-based revenue and improving efficiency through process and tooling enhancements.

Income mix for Treasury and Global Markets



Operating expense composition for Treasury and Global Markets



Balance sheet stewardship and liquidity resilience

Treasury and Global Markets carries the largest share of the Bank's segment assets, closing 2025 with total assets of TZS 1,276,899 million, representing approximately 48.5% of the Bank's total assets of TZS 2,633,892 million (as presented in the segment note). This footprint reflects the segment's responsibility for managing the Bank's liquid earning assets and placements.

Within the segment's asset base, loans and advances to banks amounted to TZS 436,382 million and government securities amounted to TZS 377,191 million. The segment also held corporate bonds of TZS 3,570 million and equity investments of TZS 2,920 million. Unallocated assets of TZS 456,836 million are also reflected within the segment's asset composition in the segment note, emphasising T&GM's role as the Bank's natural home for centrally managed balance-sheet positions.

On the liabilities side, the segment reported total liabilities of TZS 308,112 million. This comprised deposits due to banks of TZS 190,380 million, deposits due to customers of TZS 1,844 million, long-term borrowings of TZS 30,549 million and unallocated liabilities of TZS 85,339 million. Together, these balances provide a view of how the treasury function supports the Bank's funding structure and liquidity management through diversified sources and central oversight.



Operating profit bridge (from income to operating profit)

Bridge item	Impact (TZS m)	Direction	Running total (TZS m)
Net interest income	671	Increase	671
Credit impairment charges	(600)	Decrease	71
Fee, commission & other income	31,071	Increase	31,142
Staff costs	(10,898)	Decrease	20,244
Depreciation & amortisation	(2,818)	Decrease	17,426
Other expenses	(9,288)	Decrease	8,138

Treasury and Global Markets asset composition



Loans and advances to banks



Government securities



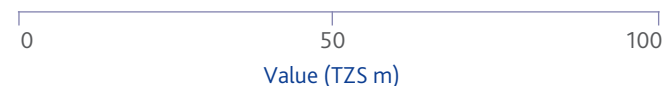
Corporate bonds



Equity investments



Unallocated assets



Treasury and Global Markets liabilities composition



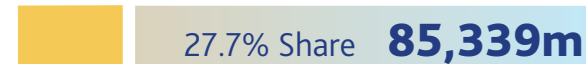
Deposits due to banks



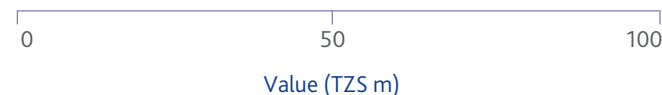
Deposits due to customers



Long term borrowings



Unallocated liabilities

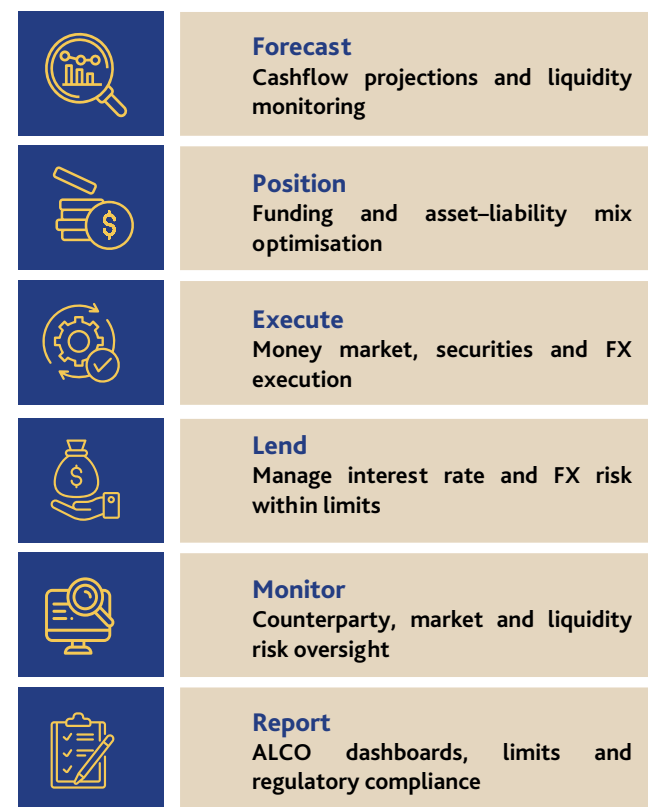


How Treasury and Global Markets creates value

Treasury and Global Markets creates value in two interconnected ways. First, it protects the franchise by ensuring that liquidity, funding and market risks are managed proactively through governance structures and limits. Second, it enables earnings and customer value by translating market opportunities and customer flows into income streams, while supporting the Bank's other segments with pricing, execution and balance-sheet optimisation.

This dual role is executed through disciplined daily routines—money market placement, liquidity forecasting, investment portfolio management, foreign exchange execution, and continuous monitoring of market and counterparty exposures—supported by governance through ALCO and the Board's risk oversight structures.

Treasury operating cycle (end-to-end value chain)



Risk and control context for markets activity

Treasury activities operate within a robust risk management and internal control environment. Market risk, liquidity risk and counterparty credit risk are monitored through established policies, limits and governance forums. The segment's credit impairment charge recognised in 2025 reflects the application of the Bank's IFRS 9 framework to relevant financial assets and exposures, reinforcing the importance of forward-looking risk governance even in treasury portfolios.

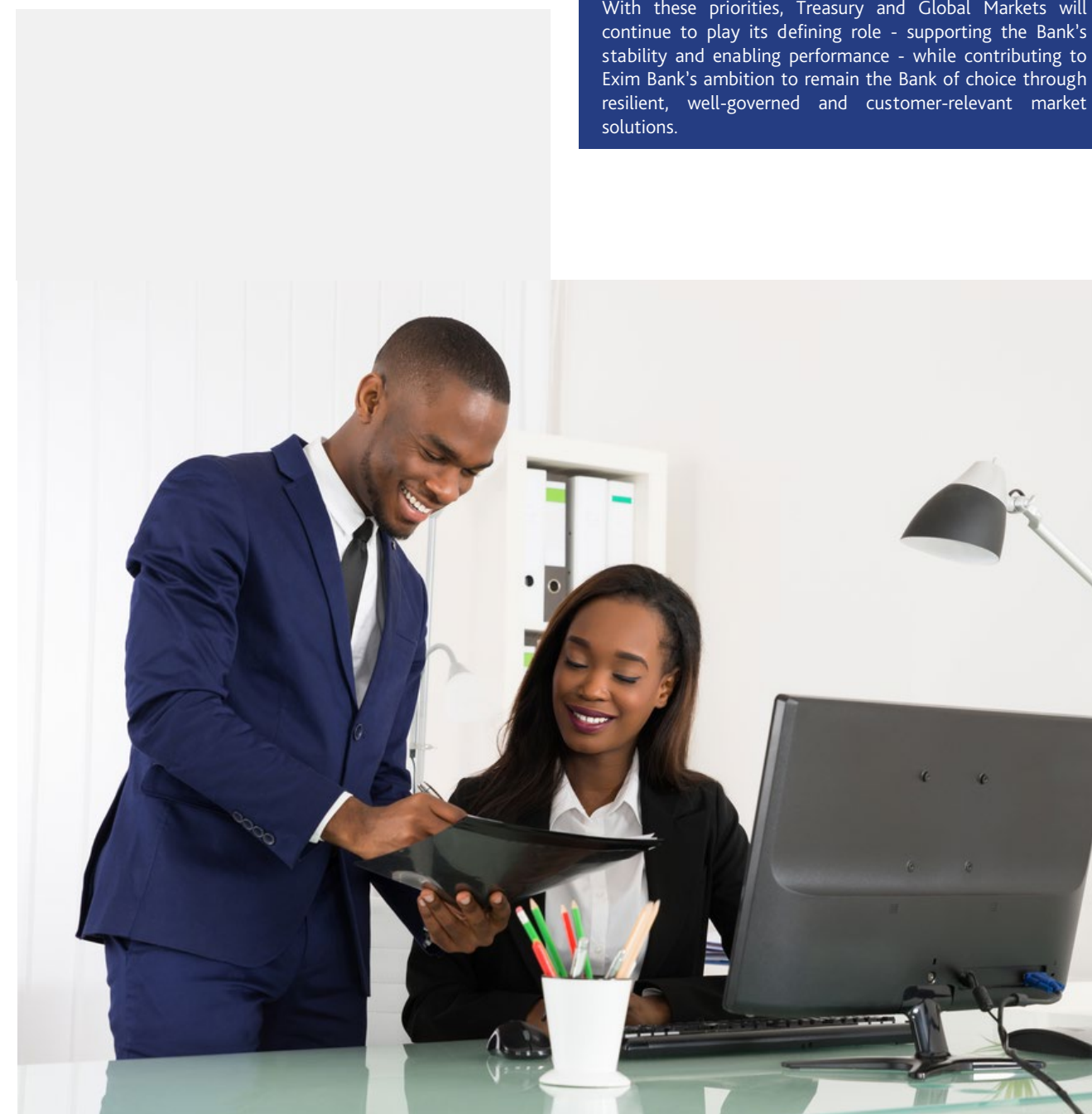
Equally important is operational resilience. Treasury and Global Markets depends on reliable systems, disciplined controls and strong segregation of duties between front office, middle office and back office processes. These controls safeguard the integrity of execution, pricing and settlement processes—protecting both customer outcomes and the Bank's financial position.



Outlook and priorities for 2026

In 2026, Treasury and Global Markets will remain central to improving operating leverage and sustaining prudent growth across the Bank. Priorities include: (i) strengthening liquidity forecasting and balance-sheet optimisation to sustain resilience; (ii) deepening customer flow, execution capability and service reliability to reinforce fee, commission and other income; (iii) maintaining disciplined counterparty risk management and limit governance; and (iv) continuing investment in tools and processes that improve productivity and control effectiveness.

With these priorities, Treasury and Global Markets will continue to play its defining role - supporting the Bank's stability and enabling performance - while contributing to Exim Bank's ambition to remain the Bank of choice through resilient, well-governed and customer-relevant market solutions.



05/
Subsidiary
& Strategic
Investment





Exim Bank Djibouti S.A.

Connecting Trade Corridors Through a Strong Presence in the Horn of Africa

Exim Bank Djibouti S.A. provides the Group with an anchor presence in the Horn of Africa and complements Exim Bank's regional strategy by widening the Group's operating geography beyond the East African corridor. The Djibouti subsidiary is one of the Group's three banking subsidiaries and operates a representative office in Ethiopia. This footprint is strategically relevant because it positions the Group along trade and logistics routes where financial services are closely linked to commerce, payments, import/export activity and currency management.

From an investment stewardship perspective, the Bank's carrying amount for the investment in Exim Bank Djibouti S.A. was reported as TZS 10,111 million at 31 December 2025 (unchanged from 2024). The stable carrying amount is consistent with a strategy of maintaining capital presence while focusing on execution and operational discipline within the subsidiary. Importantly, the ownership interest in Exim Bank Djibouti S.A. is disclosed at 100.00% at 31 December 2025 and 2024, meaning the Bank retains full control and bears full economic exposure to the subsidiary's performance, risks and capital needs.

The Bank recharged management fees to Exim Bank Djibouti S.A. of TZS 436 million in 2025 (2024: TZS 243 million). This recharge reflects the cost of central support services provided to the subsidiary. In practical terms, it evidences a governance model where subsidiaries operate as autonomous entities with their own management teams and boards, while benefiting from Group-wide standards in risk management, reporting discipline, strategy alignment and shared service capabilities.

Strategically, Djibouti's value to the Group lies in positioning. A subsidiary located at the intersection of trade corridors enhances the Group's ability to participate in transaction banking, foreign exchange activity and trade finance-related services. It also reinforces the Group's aspiration to deliver international standards of service by operating across markets with differing regulatory regimes, customer expectations and competitive landscapes. In 2025, as global and regional banking continued to face technology-led disruption and intensifying competition, Djibouti's role is best understood as a platform for sustained relevance—supporting customers who require cross-border capability, while operating within the prudential and governance standards expected of a regulated banking subsidiary.



Deposits due to subsidiaries (Bank) – Djibouti share

69,748m

Deposits due to Exim Bank Djibouti S.A.

162,915m

Deposits due to Exim Bank Comores S.A.

0 50 100
Value (TZS m)

How Djibouti contributes to Group value creation

Exim Bank Djibouti S.A. strengthens the Group's regional presence while contributing meaningfully to income generation and earnings diversification. During the 2025 financial year, the subsidiary generated TZS 38.1 billion in net interest income and TZS 12.5 billion in fees, commissions and other operating income, reinforcing its role as an important part of the Group's regional portfolio.

- * Strategic regional presence – Djibouti positions Exim within an important trade and logistics hub, supporting customers involved in cross-border trade, payments and foreign exchange.
- * Diversified earnings – the subsidiary broadens the Group's income base beyond Tanzania and strengthens the resilience of the regional business.
- * Transaction-led growth – its trade and treasury capabilities support growth in transaction banking, trade finance and market solutions.
- * Strong Group ownership and oversight – Exim Bank retained 100% ownership of the subsidiary, supporting clear strategic direction, accountability and alignment with Group governance and risk standards.

Overall, Djibouti provides the Group with both strategic regional reach and a growing platform for income generation, cross-border business and long-term value creation.



Subsidiaries and Strategic Investments

Sumit Shekhar
Head of Strategic Investments and Subsidiaries



Uganda | Djibouti | Comores | Ethiopia

Exim Bank (Tanzania) Limited operates as a Group across Tanzania and three subsidiary markets — Uganda, Djibouti and the Union of Comores. These entities are identified as Exim Bank Uganda Limited, Exim Bank Djibouti S.A. and Exim Bank Comores S.A., with Exim Bank Djibouti S.A. also maintaining a representative office in Ethiopia.

This chapter provides three separate, standalone performance reports for the subsidiaries and strategic investments portfolio. The report is anchored strictly on key matters that relate to (i) the Bank's carrying amount of investments in subsidiaries, (ii) the ownership structure and non-controlling interests, (iii) selected parent-company transactions and oversight recharges, and (iv) the broader governance and supervisory restrictions within which banking subsidiaries operate.

Across the banking subsidiaries, assets and liabilities amounted to TZS 1,335,800.0 million and TZS 1,213,400.0 million respectively in 2025, compared with TZS 987,900.0 million and TZS 876,200.0 million in 2024. This growth demonstrates the subsidiaries' expanding contribution to the Group's regional presence. As regulated financial institutions, they maintain appropriate capital and liquidity levels, manage intragroup exposures prudently and operate within supervisory requirements designed to protect customers, strengthen resilience and support sustainable long-term value creation for all key stakeholders.



How the Group supports the Djibouti subsidiary

	Strategy alignment Group priorities and targets
	Risk frameworks Policies, limits and oversight
	Finance discipline IFRS reporting and controls
	Liquidity coordination Intragroup treasury visibility
	Capability support Technology and shared expertise



2026 priorities for the Djibouti subsidiary

In 2026, Djibouti's priorities will remain aligned with the Group's strategic pillars of customer focus, process efficiency, digital advancement and innovation. Key areas include strengthening service reliability, maintaining effective compliance and controls, and deepening relevance for customers with trade- and currency-related banking needs.

The Group's oversight model - supported by disciplined capital allocation, shared services and coordinated intragroup arrangements - helps ensure the subsidiary remains well governed, adequately supported and strategically aligned as customer expectations and market conditions continue to evolve.



Board Members - Djibouti



Mr. Yogesh Manek



Chairperson

Nationality: Tanzanian



Sumit Shekhar



Director

Nationality: Indian

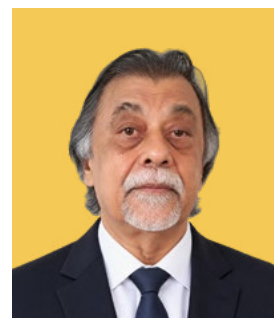


Shaffin Jamal



Director

Nationality: Tanzanian

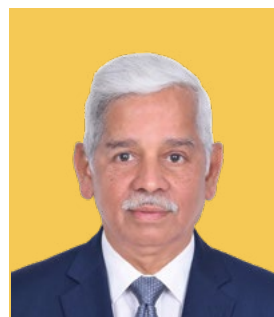


Mr. Nalinkumar Kothari



Director

Nationality: Djiboutian



Mr. Lalgudi K. Ganapathiraman



Director

Nationality: Indian



Jaffari Matundu



Director

Nationality: Tanzanian

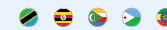


Mr. Dinesh Arora



Director

Nationality: Indian



Exim Bank Uganda Limited

Scaling East African Reach Through Disciplined Partnership

Exim Bank Uganda Limited remains an important part of the Group's regional footprint, providing a platform for growth and diversification within one of East Africa's key banking markets. Its operations offer a clear perspective on how Exim Bank continues to expand its regional presence while navigating a distinct regulatory and competitive environment, strengthening cross-border capabilities and positioning the Group to capture emerging opportunities over the long term.

From a strategic investments perspective, the Bank increased the carrying amount of its investment in Exim Bank Uganda Limited to TZS 93,789 million at 31 December 2025, from TZS 65,025 million in 2024. This year-on-year increase reflects a deliberate capital deployment agenda aligned with the Bank's broader growth ambition to build a diversified franchise across business, geography, risk and people, while positioning subsidiaries as important platforms for regional expansion, market relevance, long-term value creation and sustainable growth across selected African markets.

The 2025 investment decision highlights a significant capital event, with the Bank deploying TZS 28.8 billion towards additional shares in Exim Bank Uganda Limited. Following completion of the required share registration process in Uganda, the amount was recognised as an investment in the subsidiary. This treatment reflects disciplined cross-border capital deployment, where funding may be advanced before statutory registration is finalised, while formal recognition

within the investment balance occurs only after the relevant legal and regulatory requirements in the host jurisdiction have been completed.

Ownership and governance continued to evolve during the year. The Bank's effective ownership in Exim Bank Uganda Limited increased to 67.81% at 31 December 2025, from 60.76% at 31 December 2024. The increase followed a share issuance in which the controlling interest made a proportionately higher additional investment than the non-controlling shareholders, strengthening the parent's ownership position while maintaining control. As a result, TZS 3.07 billion of equity previously attributable to non-controlling interests was reallocated to the controlling interest. The transaction reinforced the Bank's long-term commitment to Exim Uganda and its strategic growth, governance and capital requirements.

From a performance allocation perspective, the NCI interest in Exim Bank Uganda Limited stood at 32.19%, with total comprehensive loss allocated to minority shareholders of TZS 2,259 million in 2025, compared with TZS 1,566 million in 2024. The accumulated NCI share of total comprehensive loss was TZS 18,353 million, compared with TZS 20,611 million in 2024. These figures remain governance-relevant, informing dividend policy, capital planning and minority shareholder engagement, while reinforcing the need for balance-sheet discipline, effective oversight and stronger execution within a subsidiary that includes minority participation.

In a regional banking environment shaped by increasing customer expectations, technology-enabled competition and changing regulatory requirements, the Uganda subsidiary represents a strategic bridge between Exim Bank's Tanzanian home market and broader East African trade and investment flows. The growth in the parent's ownership percentage underscores a governance objective: to deepen strategic control while continuing to accommodate minority capital participation in a way that strengthens the subsidiary's capital base and preserves long-term resilience.



How Uganda creates value within the Group model

Uganda's strategic value sits in three layers of the Group's value creation model.

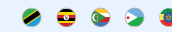
First, it extends the Exim franchise into a large, dynamic and competitive East African market, allowing the Group to serve customers whose activity spans borders. For a banking group whose business model is built on connecting providers and users of capital, the ability to support regional trade flows, cross-border payments and institutional relationships is a competitive differentiator. The Uganda subsidiary enhances that capability by enabling in-market presence, local currency intermediation and regulatory participation.

Second, Uganda strengthens diversification. The Group's stated approach is anchored in diversification by business and geography, which supports resilience when market cycles, liquidity conditions or competitive dynamics diverge across jurisdictions. A multi-market footprint also increases learning transfer: what works in distribution, risk controls or digital enablement in one market can be adapted to others through Group oversight, while respecting local regulatory requirements.

Third, Uganda provides a platform for disciplined growth under supervisory constraints. Banking subsidiaries are required to keep certain levels of regulatory capital and liquid assets and may face restrictions on exposures to other parts of the Group. These restrictions are not obstacles; they are design conditions that force robust liquidity and capital planning. For the Group, this means that growth in Uganda must be achieved in a manner that is both strategically deliberate and compliant with prudential requirements, with governance through local boards and Group oversight structures.



The 2025 ownership change illustrates how Exim balances these layers. By increasing its effective ownership interest, the Group strengthened strategic control while still operating within an NCI framework. The accounting treatment (an equity transaction under IFRS 10) reinforces a governance principle: the Group maintained control and therefore treated the ownership change as an equity movement rather than an earnings event. This creates clarity in reporting and helps stakeholders understand that the transaction was about strategic alignment, not short-term profit recognition.

2026 priorities for the Uganda subsidiary

The Group's medium-term ambition is to be among the top five retail and corporate banks of choice for local and regional corporations, delivered through strategic pillars that prioritise customer first, process efficiency, digital focus and innovation-led delivery. Within that framing, Uganda's priorities for 2026 are best understood as execution priorities that translate strategic intent into sustainable outcomes:

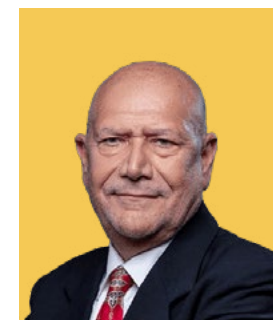
- * Customer experience and reliability: accelerate improvements in service reliability and turnaround times across channels, while protecting customer trust as digital expectations rise.
- * Disciplined balance sheet growth: deploy capital and liquidity within risk appetite, ensuring that growth in assets is backed by stable funding and prudent impairment governance.
- * Operating leverage: apply process simplification and productivity disciplines that allow scale benefits to flow through to profitability, without compromising control effectiveness.
- * Governance and stakeholder alignment: maintain transparent engagement with minority shareholders and regulators, recognising that NCI structures require clarity, predictability and strong stewardship.

These priorities are intentionally designed to convert the 2025 ownership and capital movements into durable performance—reinforcing Exim Bank's capacity to grow regionally while remaining resilient and well-governed.

Board Members - Uganda



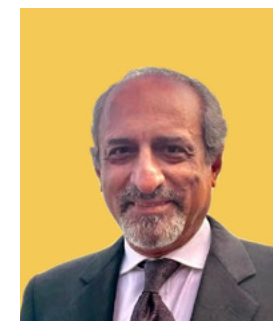
Mrs Caroline Ruhweza Mubangizi
Chairperson
Nationality: Ugandan



Mr. Yogesh Manek
Director
Nationality: Tanzanian



Mr. Shaffin Jamal
Director
Nationality: Tanzanian



Sherazam Mazari
Director
Nationality: Singaporean



Mr. Matsaira Washington
Director
Nationality: Zimbabwean



Mr. Akhilesh Jog
Director
Nationality: Indian



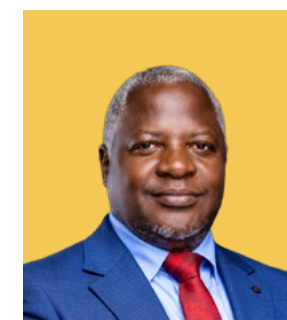
Mr. Anthony Mariiro
Director
Nationality: Ugandan



Mrs. Florence Kobusingye Njunnwoha
Director
Nationality: Ugandan



Ms. Rosemary Ssanyu Nantambi
Director
Nationality: Ugandan



Mr. Edward Kanyike
Executive Director
Nationality: Ugandan



Mr. Rath Sidharth
Director
Nationality: Indian



Exim Bank Comores S.A.

Building Trust and Access in an Island Market Through Reliable Banking

Exim Bank Comores S.A. reflects the Group's strategic commitment to expanding financial access, strengthening trusted customer relationships and supporting inclusive economic participation in the Union of Comoros. As part of the Group's regional banking network, the subsidiary extends Exim Bank's products, services and capabilities to a distinct market while creating sustainable value for customers, communities and other stakeholders.

From an investment stewardship perspective, the Bank reported a carrying amount of TZS 2,728 million for its investment in Exim Bank Comores S.A. at 31 December 2025, unchanged from 2024. The Bank maintained a 100.00% ownership interest in both 2025 and 2024, confirming full control and clear accountability for governance, performance oversight and capital support decisions.

As with Djibouti, Exim Bank Comores S.A. benefits from coordinated support and oversight within the Group, strengthening alignment and accountability. Deposits due to the subsidiary amounted to TZS 162,915 million at 31 December 2025, reflecting intragroup treasury coordination and funding arrangements that support liquidity and continuity. The Bank also allocated management fees of TZS 227 million to Exim Bank Comores S.A. in 2025, compared with TZS 187 million in 2024, reflecting the value, specialist expertise and shared services provided to support the subsidiary's sustainable performance.

Strategically, the Comores subsidiary is best understood through an "access and trust" lens. Island economies often demand reliable banking infrastructure, resilient service delivery and strong governance standards to build customer trust and sustain deposit mobilisation. In such contexts, customer experience and reliability become decisive value drivers—especially as digital expectations rise. For Exim, operating in Comores also supports geographic diversification, strengthens regional brand presence and expands the Group's ability to serve customers who transact across markets.

The Group's governance model for subsidiaries emphasises autonomy with oversight: subsidiaries have independent management teams and boards, and they report through a Group Head of strategic matters and subsidiaries to the Group executive management and Board. This model is designed to preserve local responsiveness—critical for smaller markets—while ensuring that Group-wide standards in risk management, financial reporting integrity and strategic alignment are consistently applied.



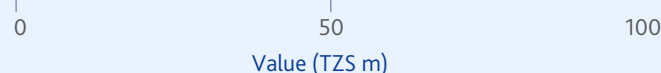
Management fee recharge (Bank) – oversight indicator

227m

Management fees charged to Exim Bank Comores S.A. (2025)

436m

Management fees charged to Exim Bank Djibouti S.A. (2025)

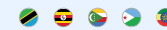


How Comores creates value within the Group

Exim Bank Comores S.A. contributes to Group value creation through four pathways that align with integrated reporting principles:

- * Customer access and trust - in a smaller market, consistent service delivery and governance are central to customer confidence. The subsidiary's role is therefore closely tied to the Group's ambition to be the bank of choice and to deliver international standards of service.
- * Deposit depth and liquidity resilience - Exim Bank Comores supports the Group's funding strength by cultivating stable customer relationships, mobilising deposits and maintaining prudent liquidity management. This approach reinforces financial resilience, supports responsible lending and enables the subsidiary to meet customer needs while operating within applicable supervisory requirements.
- * Diversification: a multi-market footprint reduces concentration risk and supports resilience. It also strengthens the Group's ability to innovate and transfer capabilities across markets—particularly in digital enablement and process efficiency.
- * Governance and alignment: 100% ownership supports clear accountability. Management fee recharges and intragroup balances disclosed at parent level demonstrate that the subsidiary is part of a controlled, aligned operating system—where local execution is overseen and supported by the Parent entity.

These pathways are reinforced by the regulatory responsibilities of banking subsidiaries. Maintaining adequate capital and liquid assets, while managing exposures to the Group within prescribed limits, supports safe and responsible operations. Effective compliance with these requirements creates stakeholder value by protecting depositors, strengthening financial system stability and sustaining the credibility, resilience and long-term growth of the franchise.



Operating focus for Comores (strategic priorities) (priorities)

	Trust Service reliability and governance
	Access Channel reach and convenience
	Discipline Liquidity and capital prudence
	Efficiency Process improvement and productivity
	Alignment Group standards and reporting



Board Members - Comoroes S.A.



Mr. Yogesh Manek



Chairperson

Nationality: Tanzanian



Hanif Jaffar



Director

Nationality: Tanzanian



Mr. Ahmed Mohamed Thabit



Director

Nationality: Comorian



Jaffari Matundu



Director

Nationality: Tanzanian

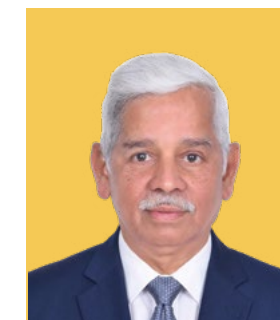


Mr. Dinesh Arora



Director

Nationality: Indian



Mr. Lalgudi K. Ganapathiraman



Director

Nationality: Indian

06/ Digital Banking Performance



Banking Anywhere Expanding Digital Access and Service Reliability

Digital channels performance (ATMs, mobile, internet and agency banking) and service improvements

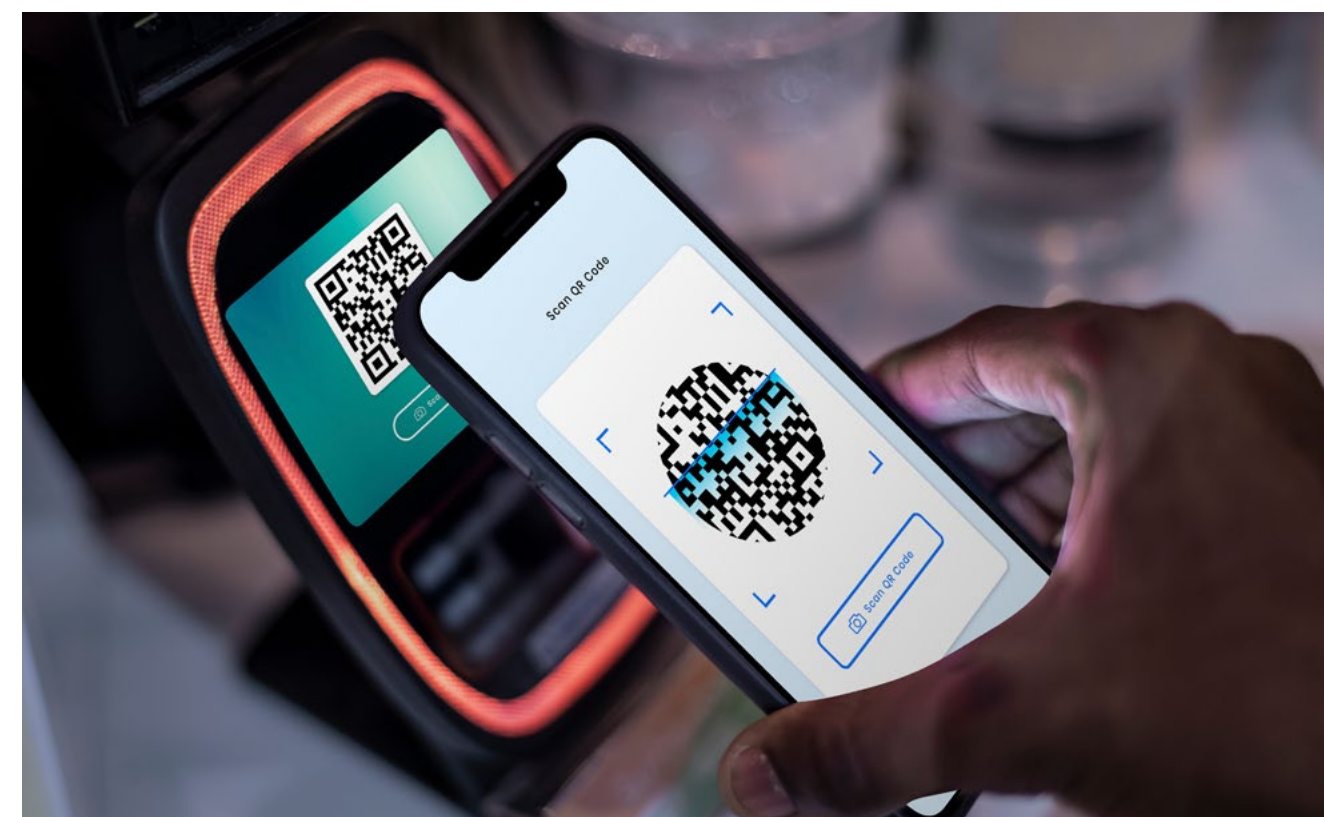
Digital channels are no longer an “alternative” in modern banking—they are the primary experience through which customers judge convenience, reliability and trust. At Exim Bank (Tanzania) Limited (“the Bank”) and across the Exim Group (“the Group”), our strategic ambition to be the Bank of choice is therefore inseparable from the quality, reach and resilience of our delivery channels.

Channel ecosystem supporting customer access

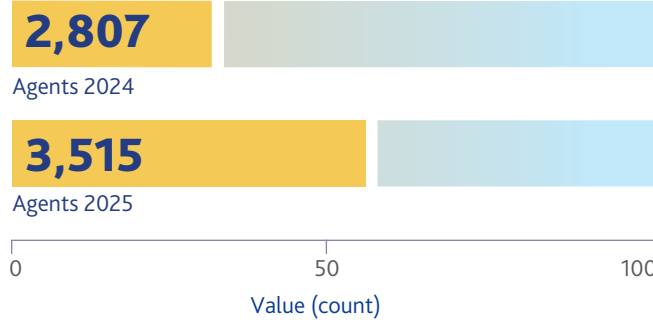
Channel	2025 disclosure	What it enables	Strategic value
ATMs	98 ATMs	Self-service access and convenience	Transaction migration and service availability
Mobile banking	58% of customers	On-the-go access for mass adoption	Digital transformation and inclusion
Internet banking	Online banking services (disclosed)	Remote access for customers and businesses	Reliability and efficiency in service delivery
Agency banking	3,515 agents	Proximity banking where branches are not economical	Scale, inclusion and reach
Branches	32 Tanzania 53 Group	Advisory and complex servicing	Trust anchor and relationship depth

In 2025, our channel strategy focused on three priorities that strengthened value for customers and stakeholders. First, we expanded access through a blended distribution model combining branches with alternative channels. Second, we accelerated the shift towards self-service and digital engagement, supported by increased mobile banking adoption. Third, we advanced service improvement programmes designed to shorten turnaround times and enhance operational efficiency through process re-engineering, targeted upgrades to service delivery channels, and structured change management that enables employees and customers to adopt new technologies confidently and effectively across the Group’s operations.

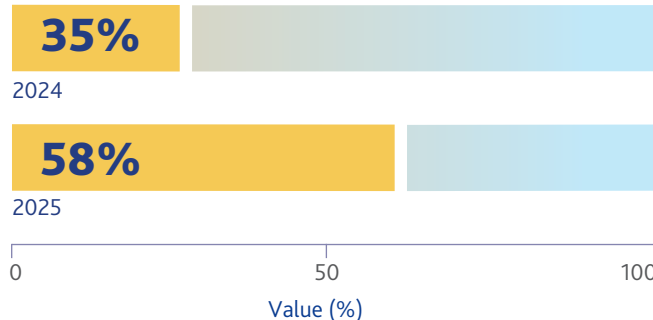
This section presents five distinct, standalone performance narratives covering ATMs, mobile banking, internet banking, agency banking and service improvements. Quantitative results are presented clearly to demonstrate progress and impact. Qualitative insights explain the story behind the numbers, showing how channel capacity, service discipline and continuous improvement strengthen customer experience, advance financial inclusion and support sustainable, long-term value creation for all stakeholders.



Agent network expansion (Tanzania)



Mobile banking adoption (customers using mobile banking)



How channel capacity becomes customer experience

	Reach More touchpoints and proximity
	Adoption Customers migrate to self-service
	Reliability Stable channels build trust
	Efficiency Lower friction and faster service
	Value Retention, fee activity and growth



Cash Access That Builds Trust

ATM performance report

ATM network performance

ATMs remain a visible “trust interface” in retail banking: they are the channel customers instinctively associate with access, availability and reliability. In 2025, the Bank operated an ATM network of 98 machines, disclosed as part of the broader alternative delivery channel rollout. This footprint is a key component of Exim Bank’s blended distribution model, complementing the branch network and ensuring that core transactions can be completed through self-service touchpoints.

The story behind the number is not only “how many ATMs we have,” but what that footprint means for service quality and operating leverage. Every successful ATM transaction is a customer interaction delivered without branch queueing, and every migration from branch counters to self-service contributes to lower service friction and improved customer experience. In an environment where customers increasingly expect convenience and speed, the ATM network supports three strategic outcomes:

- * Availability and convenience: ATMs enable customers to access services beyond traditional branch hours, reinforcing confidence in Exim Bank’s ability to serve customers where they live and trade.
- * Transaction migration: ATMs support the migration of high-frequency transactions away from branches, allowing branch teams to focus on advisory, relationship management and more complex customer needs.
- * Operational efficiency: Self-service delivery contributes to scalability—more customers can be served without a proportional increase in frontline branch capacity.

In parallel, the Bank’s service improvement agenda recognises that channel scale must be matched by service reliability. The Group therefore disclosed its intention to continue with process re-engineering and operational enhancements, including planned upgrades to service delivery channels, aimed at reducing turnaround time (TAT) and increasing operational efficiency. For the ATM network, this operating discipline translates into a focus on uptime, timely resolution of incidents, and consistent service levels that reinforce brand trust.





98
ATMs operated by the Group (2025)



53
Branches across the Group



3,515
Total Agents Group (2025)



Mobile, online, cash management
Digital channels disclosed



Reduce TAT, increase efficiency
Service improvement objective



3Cs: Compliance, Capability, Courtesy
Change management approach



ATM service value chain (what customers experience)

	Access Self-service availability
	Speed Reduced branch dependency
	Confidence Reliable cash access
	Efficiency Lower counter traffic
	Trust Consistent experience

Service improvements that strengthen ATM outcomes

Focus area	Why it matters	How it links to 2025
Service delivery channel upgrades	Improves reliability and customer confidence	Planned upgrades to service delivery channels to reduce TAT and increase efficiency
Process re-engineering	Reduces friction and improves resolution time	Operational enhancement strategies to transform how the Group serves customers
Change management	Accelerates adoption of improved channel processes	Change Management Program introduced to leverage technology changes and meet objectives



Outlook for 2026

In 2026, the ATM network will remain an essential component of Exim Bank’s service delivery model, particularly for customers who require cash access and prefer self-service convenience. The priority will be to maintain and improve reliability through channel upgrades and operational discipline, while supporting the broader strategy of migration toward more digital-first journeys. The ATM channel is therefore both a service promise and an efficiency lever - protecting customer trust while enabling the Bank to serve more customers at lower friction.



Mobile Banking at Scale

Mobile banking performance report

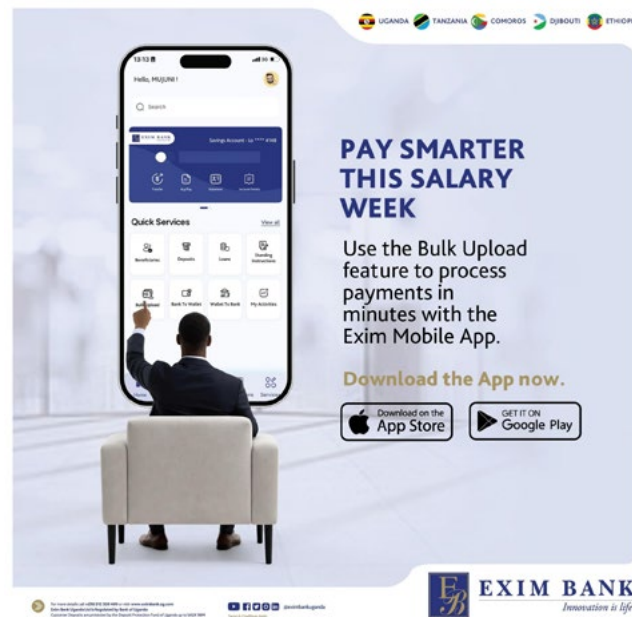
Mobile banking performance

Mobile banking has become the leading channel for expanding financial access across our markets. It provides customers with an always-on, scalable and inclusive experience, enabling them to transact conveniently without travelling to a branch. In 2025, mobile banking usage increased from approximately 35% of customers in 2024 to 58% in 2025. This 23-percentage-point rise demonstrates stronger customer adoption and reflects the Group's continued investment in digital transformation, convenience and broader financial inclusion for individuals, businesses and underserved communities.

This improvement is strategically meaningful for three reasons. First, it demonstrates behavioral migration: customers increasingly prefer digital self-service for day-to-day banking. Adoption at this scale is a proxy for customer confidence in channel reliability and ease of use.

Second, it supports service efficiency: higher mobile usage typically reduces dependence on physical touchpoints for routine transactions. This improves the overall system's capacity—branch and contact centre resources can be reallocated toward higher-value interactions, while customers experience faster service with less friction.

Third, it strengthens business resilience and competitiveness: In a financial services landscape characterised by technology-led disruption and rising customer expectations for speed and convenience, sustained improvements in mobile adoption protect franchise relevance and support long-term value creation. The Bank's mission explicitly links service delivery and digital transformation: providing competitive and innovative financial solutions through digital transformation to achieve distinctive customer experience. The growth in mobile usage is therefore not simply an operational statistic—it is direct evidence of strategic execution in action.



What drives mobile adoption

Driver	Why it matters	Link to 2025
Distribution complementarity	Mobile supports service access beyond branches	Mobile banking services disclosed as part of alternative delivery channels
Service reliability focus	Customers adopt what they trust	Planned upgrades to service delivery channels to increase reliability and reduce TAT
Change management	Adoption requires people and process readiness	Change Management Program introduced to leverage core banking and technology changes
Inclusion ambition	Digital channels broaden access to less-served communities	Clear plan to deepen access and serve less privileged communities through expanded delivery channels

Mobile banking value creation loop

	Adoption More customers transact digitally
	Convenience Less travel and faster service
	Activity Higher transaction frequency
	Efficiency Reduced pressure on branches
	Trust Better experience drives retention



Outlook for 2026

The priority for 2026 is to convert strong adoption into sustained customer experience and value creation. This includes maintaining channel reliability, strengthening supporting processes that reduce turnaround time for service requests, and continuing to invest in the operating capabilities that keep digital banking secure and resilient. Mobile banking remains the most scalable channel for inclusion and customer engagement, and it will remain central to the Bank's ambition to be the Bank of choice.



Internet Banking for Control and Convenience

Internet banking performance report

Internet banking performance

Internet banking serves a distinct purpose in the Group's channel ecosystem. While mobile banking is the mass adoption channel, internet banking and online banking services provide a structured platform for customers who value account visibility, control, and the ability to transact remotely - particularly for business customers and more complex account relationships.

The Bank continued to expand online banking as part of its broader alternative delivery network, alongside mobile banking, ATMs and cash management solutions. Internet banking provides customers with reliable, convenient and secure access to essential services,

supporting those who depend on consistent functionality and a predictable operating experience. This strengthens service continuity, improves customer confidence and enables individuals and businesses to manage their financial activities more efficiently.

In 2025, our service improvement agenda reinforced the importance of this channel. The Group disclosed its intention to continue process re-engineering and operational enhancement initiatives, including planned upgrades to service delivery channels, with the objective of reducing turnaround time (TAT) and increasing operational efficiency. These initiatives are directly relevant to internet banking because customers judge online services by speed and reliability: transaction initiation, approvals, statement access, and general responsiveness are all defined by how effectively the Bank aligns technology, process and people.

In parallel, the Bank advanced the modernisation of its core banking systems and supporting technology infrastructure. These investments strengthen internet banking by improving platform stability, system integration and service controls. For customers and businesses, this translates into more reliable access, smoother transactions and greater confidence in digital services, while enhancing the Bank's capacity to deliver secure, efficient and responsive financial solutions.

Internet banking within the channel ecosystem

Channel role	Customer outcome	Operational outcome	How 2025 initiatives support it
Remote access	Customers transact without branch visits	Reduced counter dependency	Planned upgrades to service delivery channels
Visibility and control	Improved transparency and confidence	Lower service friction	Process re-engineering to reduce TAT
Reliability platform	Trust in digital journeys	Stable service delivery	Core banking system upgrade and technology changes
Integration with cash management	Better customer experience for businesses	Operational efficiency	Operational enhancement strategies and controls

Internet banking customer journey (high-level)

	Access Secure login and visibility
	Initiate Create transactions
	Approve Controls and authorisation
	Execute Processing and settlement
	Confirm Notifications and records



Outlook for 2026

The 2026 focus will be on deepening reliability and reducing turnaround time for service requests that sit around the internet banking journey. As adoption grows across digital channels, the strategic objective is consistent: improved customer experience, lower friction and sustained trust in Exim Bank's service delivery.



Proximity Banking That Deepens Inclusion

Agency banking performance report

Agency banking performance

Agency banking is Exim Bank's strongest link between physical access and digital convenience. It extends formal banking services to communities where a full branch may not be commercially viable, enabling customers to transact closer to where they live and work. In 2025, the Bank expanded its agency network to 3,515 agents, up from 2,807 in 2024. This increase of 708 agents, or 25.2%, demonstrates continued investment in accessibility, convenience and broader financial participation across the Bank's markets. The story behind the numbers is one of disciplined expansion.

Growing the agent network increases reach, but lasting stakeholder value depends on consistent customer experiences, reliable operations and effective controls. The agency model therefore supports the Bank's broader ambition to deepen financial inclusion, widen access to services and strengthen delivery. Continued investment in processes, technology and service standards will help ensure that network growth translates into dependable service, stronger trust and sustainable value for customers, communities and the Bank.

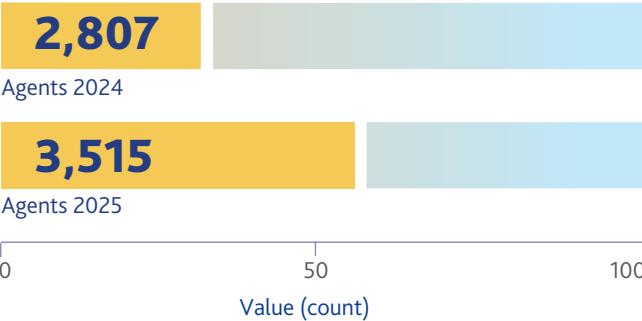
Agency banking contributes to value creation in four distinct ways:

- 1) Inclusion and accessibility.**
Agents extend banking services beyond traditional urban centres and make financial services more convenient to access.
- 2) Customer acquisition and retention.**
Proximity and convenience support account activity and deepens relationships.
- 3) Transaction migration and operating leverage.**
Agents serve routine needs, reducing pressure on branches and supporting productivity.
- 4) Community impact.**
A scaled agent model supports local economic activity by creating service points in communities and supporting a wider ecosystem of financial access.

In 2025, the Bank continued to support delivery channel expansion through targeted investment in people, technology and processes. The change management programme and ongoing service channel upgrades provide the operational foundation required for agency banking to grow responsibly, strengthen customer experience and maintain consistent service, control and performance standards across the network.

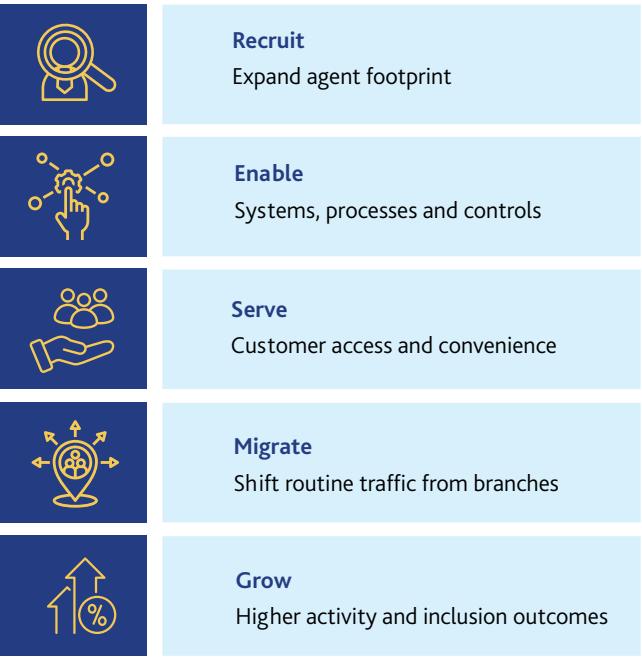
Agency banking operating model

Agency banking footprint growth (Tanzania)



Element	What it protects	How it connects to 2025 priorities
Customer experience	Trust and satisfaction at point of service	Customer first and reliability focus; upgrades to service delivery channels
Operational controls	Integrity of transactions and processes	Change management and process re-engineering for efficiency and reliability
Technology enablement	Channel reliability and consistency	Core banking system upgrade and technology-related modernisation
Scale discipline	Sustainable reach without excessive fixed cost	Agent model used where branch presence is not economical

Agency banking value chain



Outlook for 2026

In 2026, the agent network will remain a core delivery channel for financial access and inclusion. Priorities include continued disciplined expansion, strengthened operational reliability, and sustained investment in the processes and technology that allow the agent channel to deliver a consistent, secure customer experience at scale.

Service Improvements That Turn Scale Into Customer Experience

Service improvements report

Service improvements and operational enhancement

Digital channels create sustainable value when they operate reliably and are supported by an organisation capable of delivering change at scale. In 2025, the Group strengthened service delivery through process re-engineering, operational improvements and planned upgrades across key customer channels. An integrated change management programme also supported the adoption of core system enhancements and other technology initiatives, helping employees and customers transition effectively while improving service consistency, efficiency and confidence in the Bank's digital capabilities.

The Group continues to advance process re-engineering and operational improvements through targeted strategies, including upgrades to service delivery channels, several of which have already been implemented. These initiatives are transforming how we serve customers by reducing turnaround time (TAT) and increasing operational efficiency. This provides the strategic foundation for our service improvement agenda: delivering better customer experiences and more reliable channels is essential to strengthening

competitiveness and achieving our ambition to become the Bank of choice.

Supporting this ambition is a structured Change Management Programme designed to maximise the value of advanced technologies and ensure that core banking system upgrades and related technology initiatives deliver their intended strategic and financial outcomes. The framework is anchored on three Cs: Compliance, Capability and Courtesy—a practical model that ensures technological change strengthens customer outcomes while promoting operational discipline, responsible conduct and consistently high service standards.

These programmes are increasingly important as the Group continues to grow. The workforce expanded to 1,318 employees in 2025, from 1,022 in 2024, while investment in employee training increased to TZS 910 million, compared with TZS 441 million in the previous year. This investment strengthens service readiness by building employee capabilities, supporting effective technology adoption and reinforcing a customer-focused culture as systems, processes and service expectations evolve.

Continued capital investment provides an additional foundation for this transformation. Investment in property, equipment and intangible assets supports a wide range of business priorities, including the modernisation of digital channels and operational infrastructure. These investments enhance the Group's ability to deliver secure, efficient and scalable services, strengthen resilience and create sustainable long-term value for customers, employees, shareholders and communities across its markets.

Service improvement programme

Programme	Stated objective	Key mechanism
Process re-engineering and operational enhancement	Transform service delivery, reduce TAT, increase efficiency	Planned upgrades to service delivery channels and operating model improvements
Change Management Program	Leverage technology changes for strategic and financial objectives	Core banking system upgrade supported by Compliance, Capability and Courtesy (3Cs)
Capability building	Improve readiness and productivity as scale grows	Training spend: TZS 910m (2024: 441m)

Change management framework (3Cs)



Compliance
Right controls and rules



Capability
Skills and adoption



Courtesy
Customer-centric service

Capital investment indicators (cash flow statement)

Investment line item	Group 2025 (TZS m)	Group 2024 (TZS m)	Bank 2025 (TZS m)	Bank 2024 (TZS m)
Purchase of property and equipment	(22,738)	(12,444)	(14,082)	(7,968)
Purchase of intangible assets	(6,512)	(8,049)	(5,290)	(3,418)



Outlook for 2026

The service improvement agenda in 2026 will focus on converting investments and organisational change into measurable service-level outcomes. Priority actions include: continuing process re-engineering to reduce turnaround times; sustaining channel upgrades that improve reliability; strengthening change management discipline so that system enhancements are fully adopted; and reinforcing a customer-centric culture that ensures the benefits of digitisation are felt in every interaction. The destination is consistent: a Bank that is easier to use, faster to serve, and more reliable—across branches and every digital channel.

07/ Risk Governance and Management



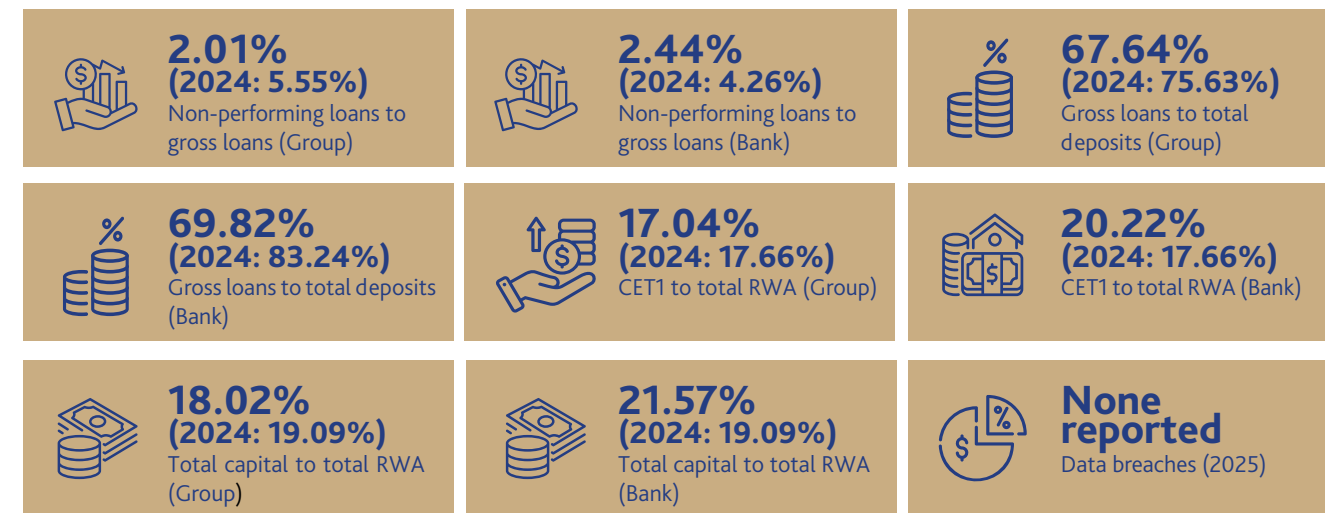
Risk Governance and Risk Management

Risk management is central to Exim Bank's ability to deliver its strategy, protect stakeholder interests and maintain confidence across its markets. Banking involves responsibly managing risk while mobilising deposits, providing liquidity, facilitating trade and enabling households and businesses to invest and grow. The Group's objective is therefore not to eliminate risk, but to balance risk and return prudently while limiting potential adverse impacts on financial performance, customers and long-term value creation.

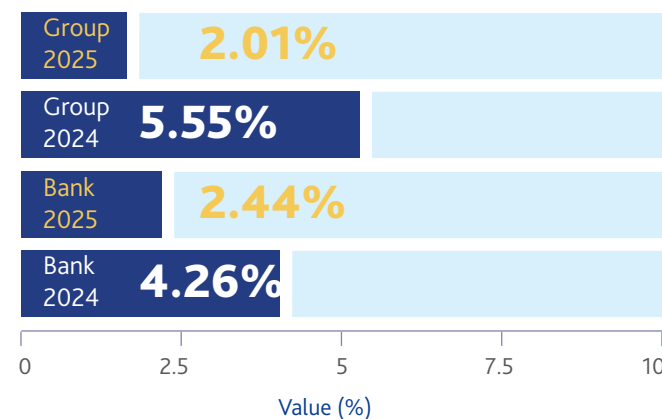
This chapter outlines Exim Bank's risk governance framework, risk appetite, principal risks and uncertainties, together with the actions and controls that strengthen resilience. It also presents key risk indicators for 2025 and explains the governance structures responsible for oversight, including the Board Audit and Risk Management Committee, the Assets and Liabilities Committee and the Management Liquidity Committee. These bodies are supported by the Risk and Compliance function and independent assurance provided by Internal Audit.



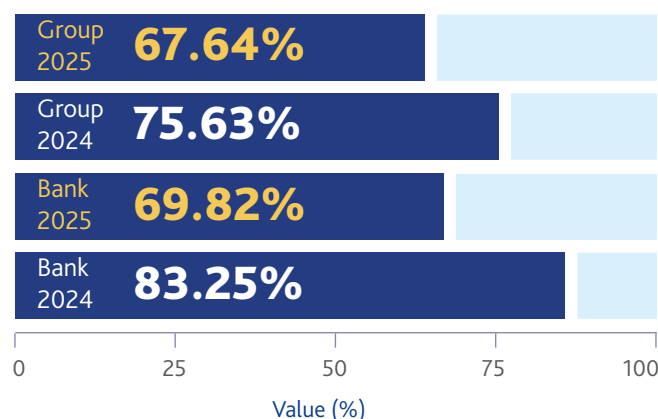
2025 risk and resilience indicators at a glance



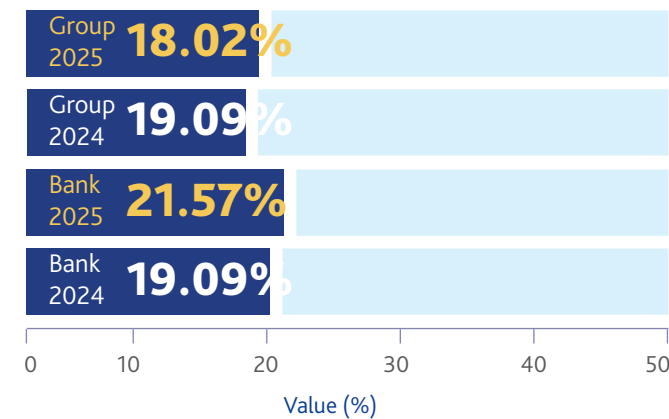
Asset quality movement (non-performing loans to gross loans)



Gross loans to total deposits



Capital ratios with buffer (risk-weighted ratios)



Risk governance and risk appetite

The Board has overall responsibility for the establishment and oversight of the Group's risk management framework. The framework is designed for identifying, measuring, controlling (setting risk mitigations) and monitoring risks, supported by policies integrated into management information systems and reinforced by management reporting structures. The Board sets written principles for overall risk management and approves policies that cover key risk categories, including foreign exchange risk, interest rate risk, credit risk and liquidity risk. Independent assurance is provided through Internal Audit, which is responsible for reviewing the effectiveness of risk management and the control environment.

Risk appetite is expressed through the combination of Board-approved policies, risk limits, and the monitoring of exposures against those limits. In practice, risk appetite is operationalised through: (i) portfolio concentration limits by counterparty and industry; (ii) underwriting and collateral policies and credit grading; (iii) market and liquidity risk limits monitored through treasury and ALCO; and (iv) operational and conduct controls designed to protect customers, data, and the integrity of the Bank's operations across the Group's footprint.

Governance structure for risk oversight (simplified)

	Board of Directors Overall risk oversight, risk principles and policy approval
	BARMC Board committee oversight of key risk themes, limits and reporting
	Internal Audit Independent assurance over risk management and internal controls
	Executive Management Implementation of risk framework and policies; accountability and culture
	ALCO Balance sheet, liquidity and market risk oversight; limit monitoring
	Management Liquidity Committee Regular cash-flow projections and liquidity sufficiency monitoring
	Risk & Compliance Monitors compliance against principal policies and guidelines
	Credit governance Credit risk concentration limits, underwriting discipline and monitoring
	ICT governance Cyber/data controls and technology risk oversight

Risk appetite translated into controls (how it works in practice)

Risk appetite expression	How it is implemented	Monitoring cadence
Risk limits and policies	Board-approved policies and risk limits for key risk types; embedded in MIS and reporting.	Ongoing, with regular reporting to governance bodies.
Credit concentration discipline	Limits by borrower/group and industry; sub-limits for on- and off-balance sheet exposures.	Actual exposures monitored daily; limits reviewed at least annually (or more frequently as needed).
Liquidity and funding resilience	Liquidity policy and contingency funding policy; cash flow projections and limit setting based on realistic assumptions.	BARMC oversight quarterly and ALCO monitoring monthly; cash-flow projection process handled by Management Liquidity Committee.
Market risk discipline	Market Risk Policy framework for exchange rate and interest rate risk; treasury counterparty controls.	Treasury monitoring and reporting through management structures.
Operational and conduct resilience	Enterprise controls over data protection, cyber security, ethics and compliance; incident response and continuity planning.	Regular reporting and assurance through risk, compliance and internal audit oversight.

Principal risks and uncertainties

Exim Bank's risk universe is shaped by the Group's business model, its geographic footprint, and the operating environment in which it serves customers. The principal risks and uncertainties below are aligned to the Bank's disclosures on financial risk management, treasury policies, sustainability and governance. They are presented with supporting indicators and the key governance owners that provide oversight.

Principal risks and uncertainties (summary)

Risk category	What it is	2025 indicator(s) drawn from disclosures	Primary oversight
Credit risk	Risk of loss arising from a borrower or counterparty failing to meet contractual obligations. Managed through limits, underwriting, collateral and ongoing monitoring; IFRS 9 ECL staging and provisioning apply.	NPL/gross loans: Group 2.01% (2024: 5.55%); Bank 2.44% (2024: 4.26%).	Board / BARMC; Management credit governance; Internal Audit assurance.
Liquidity risk	Risk of being unable to meet payment obligations when due, or to replace funds when withdrawn. Managed through cash-flow projections, liquidity limits and ALCO oversight.	Bank reported liquidity ratio above the regulatory minimum of 20% during the year; statutory reserve requirements complied with.	BARMC (quarterly); ALCO (monthly); Management Liquidity Committee.
Market risk	Risk that changes in market prices (interest rates, FX rates) affect earnings and balance sheet value. Managed via Board-approved treasury policies and limits.	Interest repricing gap monitored; treasury activities follow Board-approved Market Risk and Liquidity Policies.	Board / BARMC; ALCO; centralised Treasury with Risk & Compliance monitoring.
Operational risk	Risk of loss from inadequate or failed internal processes, people and systems, or from external events. Includes technology and cyber risk.	No data breach incidences noted in 2025; financial impact 0 TZS; staff training completion approx. 71.62%.	Board / BARMC; ICT governance; Risk & Compliance; Internal Audit.
Compliance and conduct risk	Risk of regulatory breaches or misconduct affecting licence, penalties and reputation. Includes business ethics risks such as fraud, corruption and money laundering.	Group operates under supervision of the Bank of Tanzania and other regulators; policies and guidelines monitored by Risk & Compliance.	Board / BARMC; Risk & Compliance; Internal Audit and external audit oversight.
Strategic risk	Risk that strategic choices, market disruption or execution gaps reduce competitiveness and value creation. Includes competition from fintechs and MNOs and speed of technological change.	Competitive pressures noted from MNOs/FinTech and sector consolidation; strategic focus on digital transformation and analytics capabilities to support growth, risk/fraud control and efficiency.	Board; Executive Management; Strategy governance and performance monitoring.



Risk heatmap framework (rating scale)

	Impact 1 Insignificant	Impact 2 Minor	Impact 3 Moderate	Impact 4 Major	Impact 5 Severe
Likelihood 5 Almost certain					
Likelihood 4 Likely					
Likelihood 3 Possible					
Likelihood 2 Unlikely					
Likelihood 1 Rare					

The heatmap above shows how risks are assessed according to their likelihood and potential impact. Exim applies its risk appetite through clear quantitative limits, including exposure and liquidity thresholds, alongside qualitative controls covering policy compliance, conduct and operational resilience. Risk levels and emerging trends are monitored through regular governance reporting and independent assurance, supported by key indicators such as asset quality, capital strength, liquidity buffers and the performance and security of customer service channels.

Credit risk and asset quality management

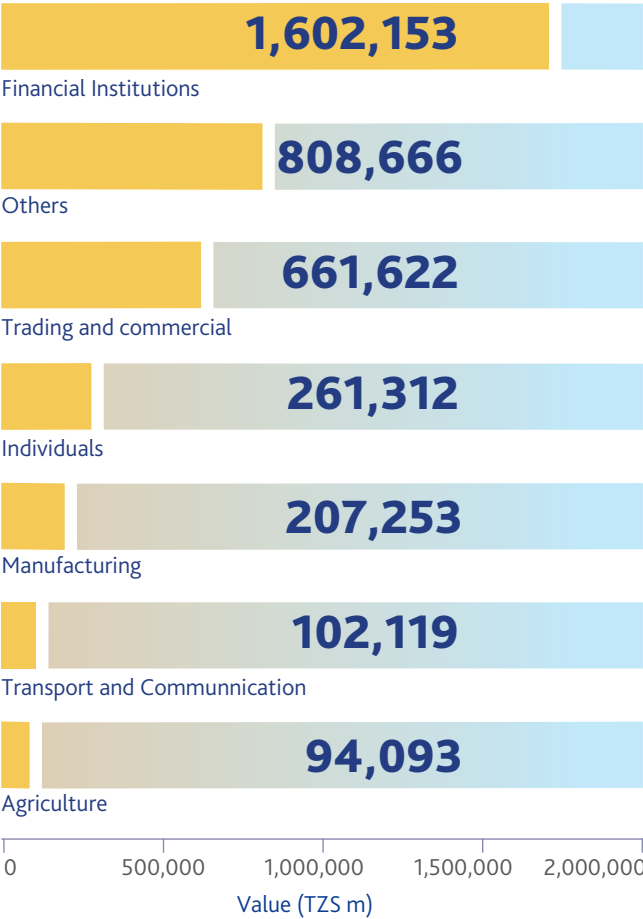
Credit risk is central to Exim Bank's risk-return model. The Group structures the level of credit risk it undertakes through limits for individual borrowers or groups of borrowers and by industry segments, with sub-limits covering both on- and off-balance sheet exposures. Actual exposures against limits are monitored daily, and lending limits are subject to an annual review (or more frequently where warranted).

During the 2025 FY, asset quality indicators improved, with the non-performing loans ratio (gross non-performing loans to total gross loans) reported at 2.01% for the Group (2024: 5.55%) and 2.44% for the Bank (2024: 4.26%). These indicators are complemented by the Group's IFRS 9 expected credit loss frameworks, which applies a forward-looking impairment model across on-balance sheet exposures and off-balance sheet commitments, under a governance process that includes staging (Stage 1, Stage 2, Stage 3) and the assessment of significant increases in credit risk (SICR).

From an assurance perspective, expected credit loss on loans and advances to customers was reported by the external auditor as a key audit matter for the year. The auditor's report referenced gross loans and advances to customers of approximately TZS 2.162 trillion for the Group and TZS 1.382 trillion for the Bank (rounded), with related ECL allowances of approximately TZS 29 billion and TZS 25 billion, respectively (rounded).



Maximum credit exposure by industry sector
(Group on-balance sheet exposures, TZS m)



Credit grading and IFRS 9 staging linkage

Group rating	Description	Days outstanding	IFRS 9 stage
1	Current	0–30	Stage 1
2	Especially mentioned	31–90	Stage 2
3	Sub-standard	91–180	Stage 3
4	Doubtful	181–360	Stage 3
5	Loss	>360	Stage 3

IFRS 9 / ECL governance and key policy elements

Exim Bank's impairment policy follows IFRS 9 ECL principles. ECL allowances are recognised either on a 12-month basis (where there has been no significant increase in credit risk since origination) or on a lifetime basis (where a significant increase in credit risk is identified or where exposures are credit-impaired). The staging framework supports consistent classification and provisioning outcomes and is complemented by policies governing write-offs and the cure of non-performing exposures, including defined monitoring periods and performance requirements for upgrades from Stage 3 to Stage 2, and from Stage 2 to Stage 1.

Credit risk is also mitigated through collateral practices. The Group employs a range of collateral types including mortgages over residential properties, charges over business assets (property, inventory and receivables) and charges over financial instruments. Policies around obtaining collateral were disclosed as not having significantly changed during the reporting period.

From origination to provisioning (IFRS 9 journey)

	Origination Underwriting, pricing and limits
	Monitoring Early warning and behavioural signals
	Staging Stage 1 / Stage 2 / Stage 3 assessment
	Provisioning 12-month or lifetime ECL recognition
	Recovery Collections, restructuring, cure/write-off

Liquidity risk and ALCO oversight

Liquidity risk is the risk that the Group or the Bank is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The Group places strong emphasis on liquidity risk management. A regular, periodical cash-flow projection process is handled by the Management Liquidity Committee to ensure sufficient liquid assets are held to support normal operations. BARMC and management's ALCO monitor exposure to liquidity risk by ensuring that limits are set based on realistic assumptions, with compliance tracked quarterly and monthly, respectively.

Treasury policies provide the operating framework for liquidity decision-making under both normal and stressed conditions. The Liquidity Policy sets out governance structures, funding approaches, regulatory compliance requirements and contingency funding planning. The Contingency Funding Policy provides guidance for managing stressed liquidity situations created by an idiosyncratic problem or market-wide crisis. During the year, the Bank reported a liquidity ratio above the regulatory minimum of 20% and consistently complied with statutory minimum reserve requirements.

Liquidity risk governance (roles and cadence)

Governance body / function	Core responsibilities	Monitoring cadence
Management Liquidity Committee	Regular cash-flow projections; monitors sufficiency of liquid assets.	Regular periodical process.
ALCO	Monitors exposure to liquidity risk; ensures limits are set based on realistic assumptions.	Monthly compliance tracking.
BARMC	Board-level monitoring of liquidity risk exposure and limits.	Quarterly compliance tracking.
Centralised Treasury	Implements liquidity policy, funding strategy and contingency funding plan within Board-approved framework.	Ongoing.

Main sources of liquidity (qualitative)

	Customer deposits Primary funding base; focus on mobilisation and stability
	Shareholders' funds Capital base supporting confidence and buffers
	Borrowings Supplementary funding to support growth and diversification

Market risk

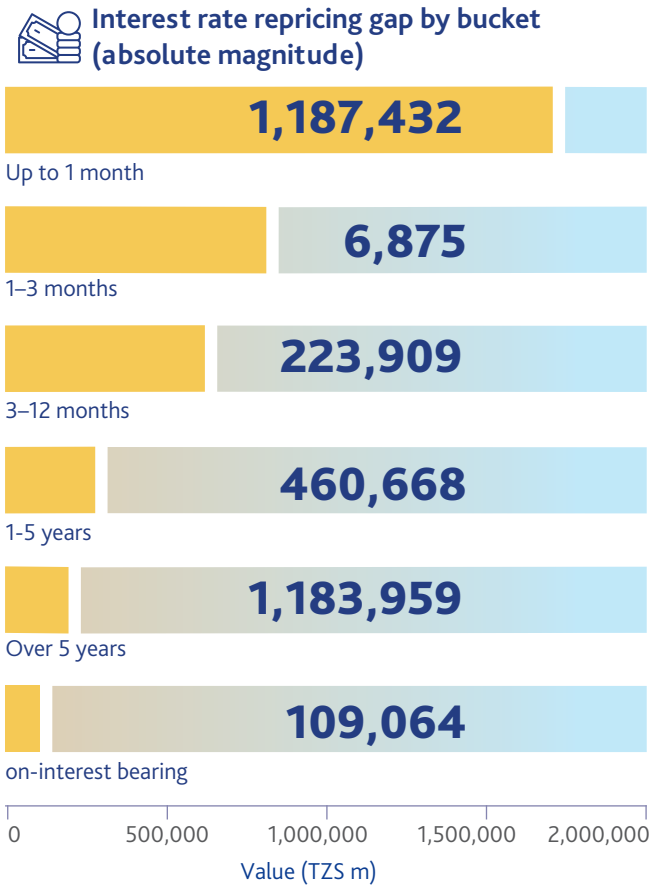
Market risk refers to the risk that movements in market variables—particularly interest rates and foreign exchange rates—adversely affect earnings, capital or the economic value of the balance sheet. Exim Bank's centralised Treasury operates within a framework of treasury policies and guidelines approved by the Board, including a Market Risk Policy that provides guidance for managing exchange rate and interest rate risks and protecting the value of the Bank's assets from adverse market movements.

A key tool for monitoring interest rate risk is repricing gap analysis, which compares the timing of interest rate repricing for assets and liabilities across time buckets. The table below summarises the Group's disclosed total interest repricing gap by maturity bucket as at 31 December 2025.

Interest rate risk – total interest repricing gap (Group, TZS m)

Time bucket	Repricing gap (TZS m)	Direction
Up to 1 month	(1,187,433)	⊖
1–3 months	(6,875)	⊖
3–12 months	(223,909)	⊖
1–5 years	460,668	⊕
Over 5 years	1,183,959	⊕
Non-interest bearing	109,066	⊕
Total	335,475	





Foreign exchange risk is addressed through the Board's Market Risk Policy and treasury controls, and is monitored as part of the risk management framework. Counterparty credit risk arising from treasury placements is managed through a systematic approach to the control and monitoring of counterparties, implemented by treasury and monitored by the Risk and Compliance function against approved policies and guidelines.

Operational risk, data security and privacy

Operational risks arise from processes, people, systems, and external events. As Exim continues to scale digital channels, expand agency banking and invest in technology, data security and privacy have become material operational and governance risks. The Group processes and stores significant volumes of sensitive personal and financial data across its operating markets, and a cybersecurity incident could result in fraud losses, remediation costs, regulatory penalties, legal liabilities, business disruption and reputational damage.

The Group's Enterprise Risk Management Framework designates IT/ Cyber Risk as a principal risk. Oversight is provided through BARMC and implemented through ICT governance frameworks and a Personal Data Protection Policy. The Group's approach to managing cyber and data risk is structured as a multi-layered "defence in depth" model that combines governance, policies, technical controls, staff awareness, incident response and continuity planning.

Defence in depth (editable infographic)



Data security and privacy metrics (2025)

Data breaches	No data breaches incidences were noted in 2025.
Finacial impact	NIL
Training & awareness	Approximately 71.62% of staff completed cybersecurity and data protection awareness training in 2025.
Third-party incidents	NIL

Operational resilience is also supported by business continuity and facilities planning. The Group disclosed that business continuity and facilities planning increasingly consider climate-related physical risk when assessing branch locations, critical infrastructure and resilience measures such as backup power.

Regulatory compliance, conduct and internal control environment

Maintaining trust with regulators, customers and counterparties depends on a strong control environment and disciplined conduct. The Group operates under the supervision of the Bank of Tanzania and other regulators and is subject to evolving regulatory expectations, including those related to data protection and banking laws. The Risk and Compliance function monitors adherence to principal policies and guidelines, including treasury policies and arm's-length requirements for inter-group arrangements.

The Group's material topics disclosure highlights business ethics as a key governance topic, reflecting exposure to risks related to fraud, corruption, money laundering and other unethical practices. Ethical lapses could result in regulatory sanctions, financial penalties, loss of licence and reputational damage. These risks are addressed through policies, governance oversight and the control environment, supported by internal audit and external audit assurance.

Internal control over financial reporting is reinforced through Directors' responsibility for the preparation of financial statements in accordance with IFRS Accounting Standards and applicable laws, and for determining internal controls necessary to enable financial statements that are free from material misstatement, whether due to fraud or error. Internal Audit provides independent review of risk management and controls, and the external auditor conducts the statutory audit in accordance with International Standards on Auditing.

Control environment – three lines of defence (simplified)

Line of defence	Role in practice	Examples
First line (business and operations)	Own and manage risks through day-to-day controls and procedures.	Treasury execution within Board-approved policies; operational controls in service delivery and technology changes.
Second line (risk & compliance)	Set frameworks, monitor compliance, provide guidance and challenge.	Risk & Compliance monitoring against principal policies; data protection governance and reporting; limit monitoring support.
Third line (internal audit)	Provide independent assurance on control effectiveness.	Independent review of risk management and control environment.
External assurance	Statutory audit and other assurance over reporting and controls.	External audit conducted in accordance with ISAs; ECL identified as a key audit matter given judgement in IFRS 9 modelling.



Outlook and emerging risks

The risk environment evolves continuously. The Group disclosed that escalating geopolitical tensions in the Middle East contributed to heightened global market volatility after year-end, with potential implications including fuel and logistics cost pressures, inflation uncertainty affecting rates, and periods of foreign exchange and market volatility. The situation is monitored as part of ongoing risk management and is treated as a non-adjusting event under IAS 10 for the reporting period ended 31 December 2025.

In 2026, Exim Bank's priorities will remain focused on sustaining strong asset quality outcomes, preserving liquidity resilience, maintaining market risk discipline through treasury and ALCO oversight, and strengthening operational resilience as digital adoption increases. Continued investment in controls, data and analytics capabilities will support risk/fraud control, efficiency and strategic delivery across the Group's markets.



08/ Sustainability and Social Impact



Social Impact and Sustainability

Mr. Stanley Kafu
Head – Marketing and Communications



2025 CSR

Social investment with purpose

In 2025, Exim Bank advanced its community investment agenda through Exim Cares, the Bank's platform for programmes that respond to practical social needs and create pathways to longer-term opportunity. The year's activities were organised around five social investment pillars: Education, Healthcare, Environment, Innovation and Financial Literacy.

Across these pillars, the Bank combined infrastructure support, healthcare interventions, entrepreneurship and financial capability building, youth innovation and environmental action. Partnerships with public institutions and specialist organisations helped translate the Bank's social investment into practical interventions that touched learning environments, health and wellbeing, women-led enterprise and the innovation ecosystem.

Our social investment approach

Exim Cares is designed to connect the Bank's resources, partnerships and national reach with interventions that address identifiable community needs and support more resilient, inclusive communities.



Exim Cares at a Glance

01.

Education

Creating better learning environments through classroom construction and initiatives that support quality education.

02.

Healthcare

Strengthening mental health care, supporting preventive health, and mobilising blood donation.

03.

Environment

Supporting cleaner, healthier communities through garden maintenance and environmental initiatives.

04.

Innovation

Nurturing the next generation of innovators through Young Scientists Tanzania and Youth-led innovation.

05.

Financial Literacy

Building financial capability and economic opportunity through the Women Empowerment Program.

2025 Impact Snapshot

2

secondary schools

received new, fully furnished classrooms and sports equipment.

569

units of blood

collected through the Exim Cares blood donation drive.

110

medical items

handed over to the National Blood Transfusion Service.

>TZS
140M

interest-free financing

provided to women trained through WEP

3X6-
Week

WEP training rounds

completed with women entrepreneurs

Nationwide

YST outreach

expanded to all regions of Tanzania in 2025

The five-pillar framework provides a clear line of sight between Exim Bank's social investment priorities and the community outcomes the Bank seeks to support. Education and Innovation focus on opportunity for young people; Healthcare addresses both critical care infrastructure and preventive wellbeing; Financial Literacy links capability with enterprise opportunity; and Environment supports cleaner, healthier community spaces.



BUILDING FOUNDATIONS FOR LEARNING AND FUTURE-READY TALENT

Education & Innovation

Education | Better learning environments

Exim Cares continued to invest in the learning environment as a foundation for opportunity. In Buhigwe District, Kigoma Region, the Bank officially handed over newly constructed and fully furnished classrooms, together with sports equipment, to Kaphunya and Nyakitundu Secondary Schools.

The intervention was designed to ease classroom congestion and create a more supportive setting for academic and physical development. By strengthening school infrastructure and complementing classroom learning with sports equipment, Exim Bank supported broader efforts to improve the quality of education and the day-to-day learning experience for students.

2025 education focus

Learning infrastructure • furnished classrooms • student wellbeing • support for quality education.

Community value

Improved learning spaces help schools serve students more effectively while creating durable community assets that can support future cohorts.

Innovation | Nurturing young problem-solvers

Exim Bank also continued its support for Young Scientists Tanzania (YST), reinforcing the connection between education, science and youth-led innovation. In 2025, the YST Science Outreach Programme expanded to all regions of Tanzania, providing capacity-building workshops for teachers and students and strengthening exposure to Science, Technology, Engineering and Mathematics (STEM).

Through this pillar, Exim Cares supports a pipeline of young people who are encouraged to investigate real-world problems, develop ideas and build the confidence to participate in Tanzania's innovation economy. The Bank's support for YST reflects a long-term view of social investment: enabling curiosity today can help build the skills, solutions and enterprises of tomorrow.



STRENGTHENING CARE, PREVENTION AND COMMUNITY WELLBEING

Healthcare

A safer environment for child and adolescent mental health care

A flagship Exim Cares intervention in 2025 was the renovation and official handover of the Child and Adolescent Psychiatric Unit at Muhimbili National Hospital. The investment addressed a critical gap in mental health infrastructure for children and young people, creating a safer, more dignified and therapeutic environment for care, recovery and family support.

The project demonstrates the Bank's approach to healthcare investment: support institutions that deliver essential services, respond to areas of significant community need, and work with stakeholders whose expertise can help translate investment into lasting improvements in care.



Mobilising blood donation for public health

To mark World Blood Donor Day, Exim Cares conducted a blood donation drive across Dar es Salaam, Dodoma, Mbeya, Mtwara and Kahama. The initiative collected 569 units of blood and handed over 110 essential medical items to the National Blood Transfusion Service (NBTS). The equipment is intended to strengthen blood collection and storage capacity and support the safety and availability of blood in public health facilities.



Preventive health and workplace wellness

Exim Cares complemented these interventions with preventive health initiatives. The Bank partnered with Ocean Road Hospital for breast cancer awareness, with the Jakaya Kikwete Cardiac Institute (JKCI) for cardiovascular screening and awareness, and with the Tanzania Diabetes Association to provide free diabetes screening to staff and customers. Together, these programmes promoted early detection, practical health knowledge and a stronger culture of wellbeing.

2025 healthcare highlights

Renovated child and adolescent psychiatric care infrastructure • 569 units of blood collected • 110 medical items provided to NBTS • preventive screening and awareness across breast cancer, cardiovascular health and diabetes.

TURNING FINANCIAL CAPABILITY INTO ENTERPRISE OPPORTUNITY

Financial Literacy & Women's Economic Empowerment

Through the Women Empowerment Program (WEP), Exim Cares connects financial literacy with entrepreneurship, leadership development and access to interest-free financing. The programme is designed to help women build the knowledge, confidence and financial support required to strengthen their businesses and participate more fully in economic activity.



Practical skills for stronger enterprises

Exim Bank completed three rounds of six-week training sessions for women entrepreneurs across Tanzania. The curriculum covered business planning, marketing, leadership and financial management, giving participants practical tools they can apply in day-to-day enterprise management.

The programme extends beyond training. In 2025, Exim Bank reported that more than TZS 140 million in interest-free loans had been provided to trained women. The financing is intended to help participants expand operations, formalise their businesses and create new employment opportunities.

WEP: From capability to opportunity

01.

ENTREPRENEURSHIP & FINANCIAL LITERACY

Business planning, marketing and financial management

02.

LEADERSHIP DEVELOPMENT

Confidence, communication, decision-making and problem-solving.

03.

INTEREST-FREE LOANS

Capital support for trained women entrepreneurs

04.

ENTERPRISE OPPORTUNITY

Support for business expansion, formalisation and job creation.

Strengthening leadership capability

WEP also partnered with Mind Matters on a series of 'Mindful Leadership' sessions targeting 150 female entrepreneurs and 100 female university students at Kairuki University. Building on three successful cohorts, the programme focused on communication, emotional intelligence, decision-making, problem-solving and confidence.

Why this pillar matters

Financial capability is strongest when knowledge is paired with confidence and access to capital. WEP brings these elements together, creating a pathway from learning to enterprise action.

CLEANER, HEALTHIER SPACES FOR STRONGER COMMUNITIES

Environment

The Environment pillar of Exim Cares supports cleaner, healthier communities through garden maintenance and other environmental initiatives. The focus recognises that the quality of shared spaces is closely linked to community wellbeing and that practical environmental stewardship can improve the places where people live, work and interact.

In 2025, the Bank's environmental social investment focus centred on maintaining green spaces and supporting initiatives that encourage cleaner community environments. This pillar complements Exim Cares' investments in education, health, innovation and financial capability by reinforcing the physical environments in which communities can thrive.

HEALTHIER SPACES

Support the upkeep of gardens and community spaces that contribute to wellbeing.

ENVIRONMENTAL ACTION

Promote practical initiatives that encourage cleaner and more liveable surroundings.

COMMUNITY STEWARDSHIP

Use the pillar to reinforce shared responsibility for the environments communities depend on.

HOW EXIM CARES WORKS

Partnership-led social investment

How Exim Care creates social Value

COMMUNITY NEED

Focus social investment on practical needs in priority areas.

PARTNERSHIPS

Work with public institutions, specialist organisations and community actors.

TARGET ACTION

Combine infrastructure, training, financing, awareness and health interventions.

COMMUNITY OUTCOMES

Strengthen learning, wellbeing, enterprise, capability and cleaner community spaces.

Across the 2025 portfolio, a consistent delivery model is visible: identify a practical community need, work with credible institutions and specialist partners, deploy targeted support, and focus on outcomes that can strengthen opportunity and wellbeing. This partnership-led approach is reflected in Exim Bank's work with Muhimbili National Hospital, the National Blood Transfusion Service, Ndoto Hub, Mind Matters, Young Scientists Tanzania, Ocean Road Hospital, the Jakaya Kikwete Cardiac Institute and the Tanzania Diabetes Association.

Looking ahead

Exim Bank will continue to use Exim Cares to focus social investment on areas where the Bank can combine its resources, relationships and reach with practical interventions that matter to communities. The priority remains clear: support better learning, stronger health and wellbeing, cleaner environments, innovation among young people, and greater financial capability and economic opportunity for women.

Exim Cares 2025

Five social investment pillars, delivered through practical interventions and partnerships that place people and communities at the centre of the Bank's corporate responsibility agenda.

Segment report

Sustainability

Sustainability at Exim is built around a simple principle: creating value for customers and shareholders must go hand in hand with responsible conduct, resilient operations and measurable social contribution. As a financial institution, Exim Bank's most significant sustainability impact is both direct (how we operate, how we treat people, and how we serve communities) and indirect (how we finance economic activity and how we manage environmental and social risks within our lending and investment decisions).

During the 2025 FY, the Group prepared its sustainability-related financial disclosures for the first time in alignment with IFRS Sustainability Disclosure Standards (IFRS S1 and IFRS S2). The disclosures were prepared for the Group and aligned to the 12-month reporting period ended 31 December 2025, with presentation currency in Tanzanian Shillings (TZS). In preparing the report, the Bank applied proportionality mechanisms in areas where data and methodologies are still being developed and applied first-time adoption reliefs including the relief from presenting comparative information and the relief from disclosing Scope 3 greenhouse gas emissions for the 2025 reporting period.

This chapter provides an integrated report of Exim Bank's sustainability approach and governance, climate and environmental initiatives, social investment and CSR delivery through Exim Cares, human capital and culture, and ethical business practices.



Strategy execution:

digital transformation and delivery channel expansion deepen access and support financial inclusion.



Risk resilience:

sustainability-related risks (including climate-related risks, data security and business ethics) are treated as enterprise risks requiring governance and controls.



Social contribution:

Exim Cares mobilises resources toward health, education, inclusion and community wellbeing, reinforcing trust and the Bank's licence to operate.

Sustainability approach and its link to strategy and risk

Exim Bank's strategy emphasises customer experience, process efficiency, digital focus and innovation-led delivery. Sustainability is embedded in this agenda through three reinforcing pathways:

- + Strategy execution: digital transformation and delivery channel expansion deepen access and support financial inclusion.
- + Risk resilience: sustainability-related risks (including climate-related risks, data security and business ethics) are treated as enterprise risks requiring governance and controls.
- + Social contribution: Exim Cares mobilises resources toward health, education, inclusion and community wellbeing, reinforcing trust and the Bank's licence to operate.

The Group has established a formal materiality assessment process to identify sustainability-related risks and opportunities that could reasonably be expected to influence short-, medium- and long-term prospects. The materiality assessment was led by the Risk and Compliance Department, conducted with cross-functional input, and communicated to the Board Audit and Risk Management Committee (BARMC) for review.



How sustainability is integrated into Exim Bank's operating model

	Strategy Digital transformation, inclusion and growth priorities
	Policies ESRMP, climate risk policy and data protection policy
	Risk ERMF integrates sustainability and climate-related risks
	Delivery Exim Cares programmes and inclusive products/channels
	Outcomes Customer access, resilient operations, community impact

Sustainability governance and accountability

The governance framework for sustainability-related risks and opportunities is anchored at Board level. The Board holds responsibility for strategic direction and oversight of material sustainability risks and opportunities across ESG dimensions and approves key frameworks, including the Enterprise Risk Management Framework (ERMF), Climate-Related Financial Risk Management Policy, Environmental and Social Risk Management Policy (ESRMP), and Personal Data Protection Policy.

Sustainability oversight is embedded within the existing governance cycle. The BARMC Charter (updated in August 2025) includes sustainability and climate risk oversight within its mandate. Management and control functions report through established risk reporting cycles, with sustainability-related risks and opportunities escalated as required.

Sustainability oversight structure (simplified)

Board	Approves key frameworks and oversees ESG risks/opportunities
BARMC & BCC	Principal risk oversight incl. sustainability and climate
ManCom	Oversight of implementation and performance monitoring
Functions	Risk & Compliance, Finance, HR, ICT, Exim Cares
Business units	Embed sustainability in products, channels and delivery

Key sustainability roles in 2025

Role / function	Sustainability accountability
Risk and Compliance	Leads materiality assessment; coordinates sustainability risk governance and reporting to BARMC.
Head of Finance	Responsible for sustainability-related financial reporting and disclosure and integration with IFRS financial statements.
Chief Technology and Digital Transformation Officer	Responsible for IT/Cyber Risk as a principal risk and for digital channel resilience, data security and privacy.
Head of Business Operations and Service Delivery	Designated Data Protection Officer; oversees operational aspects of data protection and business continuity.
Business units and support functions (incl. Exim Cares CSR function)	Manage sustainability-related risks and opportunities within their areas, including financial inclusion programmes and CSR initiatives.

Environmental and social policy and responsible financing

Exim recognises that the Bank's financing decisions influence environmental and social outcomes and that environmental and social sustainability supports long-term performance. The Bank has developed an environmental and social policy which articulates commitments to sustainable development, explains how environmental and social issues are integrated into processes and activities, and sets roles and responsibilities for delivery.

The Group's responsible financing approach is anchored on integrating environmental and social considerations into credit risk assessment through the Environmental and Social Risk Management Policy (ESRMP). This is complemented by a Climate-Related Financial Risk Management Policy, reflecting the Bank's recognition that climate-related physical and transition risks can affect borrowers, collateral values and long-term portfolio resilience. Access to development finance institution (DFI) funding is also increasingly linked to robust ESG practices and the implementation of these policies.



Responsible financing approach

Component	What it does	Why it matters
Environmental and social policy	Defines sustainability commitments and roles; integrates E&S issues into Bank processes.	Strengthens responsible conduct and supports sustainable development outcomes.
ESRMP (Environmental & Social Risk Management Policy)	Integrates E&S considerations into credit risk assessment and portfolio stewardship.	Reduces downside risk and improves outcomes of financed activities.
Climate-Related Financial Risk Management Policy	Frames climate risk governance and monitoring for borrowers and operations.	Strengthens resilience against physical and transition risks.
Risk limits and concentration discipline	Supports prudent exposure management including climate-sensitive sectors such as agriculture.	Protects asset quality and mitigates concentration vulnerabilities.
DFI funding alignment	ESG policy implementation supports access to lines from DFIs.	Strengthens funding diversification and supports long-term growth.

Climate and environmental initiatives

Climate-related risks can affect both Exim Banks 's operations and the activities it finances. The Group recognises that extreme weather events such as storms, high winds, drought and high temperatures may impact businesses; particularly in climate-sensitive sectors such as agriculture. Forward-looking climate-related risks that could potentially affect the financial statements include physical damage to low-lying coastal leased buildings hosting facilities and employees, as well as the implications of significant lending to the agricultural sector.

In responding to environmental priorities, the Group has an internal environmental policy that promotes digital communication, digital transactions and paperless activities. The Group also continues go-green initiatives aimed at creating community awareness toward environmental conservation. In Tanzania Mainland, the Bank maintains Ohio, Serena, Posta, Clock Tower and Kariakoo gardens—supporting environmental stewardship and enhancing the attractiveness and utility of these public spaces.



Ohio, Serena, Posta, Clock Tower, Kariakoo

Go-green gardens maintained



Digital, paperless operations

Environmental policy focus



Agriculture sector and coastal facilities

Climate exposure



= (first-time adoption relief)

Scope 3 emissions disclosure

Climate risk lens used in 2025

	Physical risks Acute events and chronic changes (e.g., drought)
	Operational exposure Facilities and continuity planning
	Portfolio exposure Climate-sensitive sectors (e.g., agriculture)
	Governance Policies, risk oversight and escalation.

Women empowerment and financial inclusion

Financial inclusion is a strategic and social priority. During the year, the bank had a deliberate focus on expanding delivery channels to deepen access to financial services and to serve less privileged communities. Digital adoption and channel expansion are core levers: mobile banking usage rose from approximately 35% in 2024 to 58% of customers in 2025, reflecting the Group's emphasis on digital transformation and inclusion. In addition, the Directors' Report discloses that, as at 31 December 2025, the Bank had 3,515 agents (31 December 2024: 2,807), enabling proximity access where branch presence may be limited.

Women empowerment is delivered through the Women Empowerment Programme (WEP) under Exim Cares. In 2025, the bank delivered three rounds of six-week training sessions for women entrepreneurs, covering business planning, marketing, leadership and financial management. To extend impact beyond training, Exim Bank provided over TZS 140 million in interest-free loans to trained women - supporting expansion, formalisation and job creation.

WEP also partnered with Mind Matters to deliver 'Mindful Leadership' training targeting 150 female entrepreneurs and 100 university female students at Kairuki University. The programme focused on practical leadership skills, emotional intelligence and confidence-building.

Women empowerment and inclusion outcomes

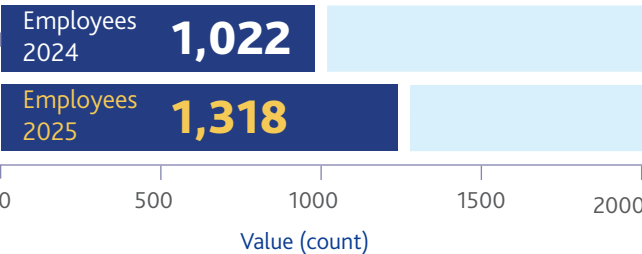
Programme element	2025 disclosure	Outcome logic
WEP skills development	Three rounds of six-week training sessions delivered with Ndoto Hub.	Builds business capability and leadership confidence.
Interest-free loans	Over TZS 140 million provided to trained women.	Enables growth, formalisation and job creation.
Mindful Leadership training	150 female entrepreneurs and 100 university female students.	Builds leadership and employability readiness.
Financial literacy initiatives	Delivered under Exim Cares and WEP; focus on saving, budgeting and responsible borrowing.	Strengthens household and microenterprise financial capability.

Community initiatives and volunteering

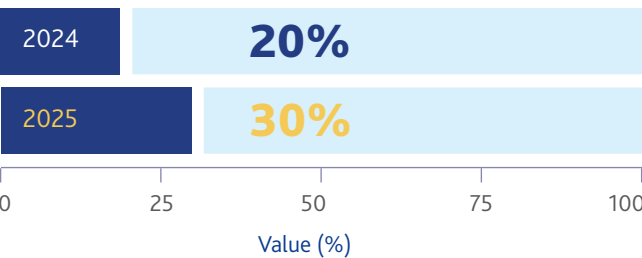
Beyond flagship programmes, Exim Bank's CSR delivery includes local branch CSR initiatives and community engagement actions that respond to local priorities. In 2025, multiple initiatives were delivered across regions where the Bank operates, including health awareness campaigns, screening initiatives and the blood donation drive conducted through branches in Dar es Salaam, Dodoma, Mbeya, Mtwara and Kahama. These activities strengthen local relationships and contribute to community wellbeing, reinforcing trust and the Bank's presence as a responsible corporate citizen. Human capital and culture

Exim Bank's sustainability agenda includes how the Group manages and develops people. The Directors' Report describes employee engagement as a critical driver of long-term sustainable value and links staff experience to customer satisfaction, strategy execution and operational resilience.

Workforce scale and gender parity



Women in senior management



Employee engagement and wellbeing (disclosed themes)

Theme	How it was expressed in 2025
Culture and engagement	Open and honest communication; employee matters shared regularly; encouragement of ideas and continuous improvement.
Work environment	Conducive, supportive and inspiring work environment; responsiveness to different cultures and groups across stakeholders.
Employee relations	Continued good relationship between employees and management; no unresolved complaints received by management during the year.
Wellbeing initiatives	Workplace wellness activities delivered through Exim Cares (e.g., breast cancer awareness, cardiovascular screening, diabetes screening).



Ethical business and supplier practices

Strong ethics, compliance and responsible conduct are fundamental to maintaining trust in banking and remain central to the Group's sustainability and governance priorities. Directors are expected to promote productive relationships with suppliers, customers and other stakeholders while protecting the Group's reputation for integrity, fairness and high standards of business conduct.

This commitment is reinforced through clear governance and oversight. The Board Audit and Risk Management Committee oversees the framework for reporting unethical conduct and monitors the effectiveness of the whistleblowing process, helping employees and stakeholders raise concerns safely and responsibly.

Data security and privacy are equally important to customer confidence and operational resilience. The Chief Technology and Digital Transformation Officer oversees IT and cyber risk, while the Head of Business Operations and Service Delivery serves as Data Protection Officer and leads operational data protection and business continuity. In 2025, no data breaches were recorded, with no associated financial impact, while approximately 71.62% of employees completed cybersecurity and data protection awareness training.

Ethical business and responsible practice framework

	Governance Board oversight and BARMC mandate
	Controls Whistleblowing and internal control environment
	Compliance Policy adherence and regulatory expectations
	Data protection DPO accountability and cyber awareness
	Trust Customer confidence and stakeholder licence to operate

Sustainability targets and future reporting

The Group has not set sustainability-related targets in the 2025 reporting period. As sustainability reporting matures, the Group intends to formalise inclusion-related targets and indicators and disclose them in more detail in future reports, supported by improving data quality and methodologies.

09/ Governance Report



Governance Report

Exim Bank's governance is designed to protect stakeholder interests, sustain trust, and enable disciplined execution of strategy. The Board views governance as a system that promotes strategic decision-making that balances short-, medium- and long-term outcomes while safeguarding the interests of the Bank, shareholders and the society in which it operates. The governance framework provides the platform for oversight of strategy, financial performance, resource allocation, risk appetite and accountability for execution.

Governance philosophy and framework

The Board of Directors ("Board") of Bank and the Group see governance as promoting strategic decision making that balances short, medium, long-term outcomes and safeguarding interests of Bank and the Group, shareholders and the society in which we operate to create sustainable shared value.

Directors have a statutory duty to promote the success of the Bank and the Group for the benefit of the stakeholders. In promoting the success of Bank and the Group, Directors must have due regard to the long-term consequences of their decisions, the legitimate interests of employees, the need to foster effective business relationships with suppliers, customers and various stakeholders, the impact of the Bank and the Group's operations on the community, the environment and the desire to maintain a reputation for high standards of business conduct.

The Board is committed to ensuring that the Bank complies with the laws, regulations and standards applicable to the industry. The Board ensures that high standards and practices in corporate governance and more specifically the principles, practices and recommendations set out under the code of corporate governance Practices for Listed Companies, 1994 (CMSA Principles of Good Corporate Governance Practices), the *Corporate Governance Regulations 2021* as well as the Companies Act, No. 12 of 2002, are adhered to.

The Board believes that good corporate governance is the core driver of sustainable corporate performance and creates shared value by ensuring the right balance.

The Board of Directors regularly reviews its corporate governance arrangements and practices and ensures that the same reflects evolving good corporate governance norms, the developments in regulation, best market practice and stakeholders' expectations. Corporate governance framework enables the Board to oversee the strategic direction of Bank and the Group, financial goals, resource allocation, risk appetite and to hold the executive management accountable for execution.

Our Board recognizes its collective responsibility for the long-term success of the Bank and Group. It has set a reasonable best in class environment which enables it to take an active role in directing the operations of the Bank and Group. The Board meets at least four times a year (at least once per quarter) and has in place a formal schedule of matters reserved for it.

This includes overall strategy formulation, implementation guidance and monitoring of the outcome, corporate structure and capital composition structure, financial reporting and control, oversight and review of risk management and internal control systems, significant contracts, succession planning and new Board appointments for compliance with good corporate governance principles.

How governance supports value creation



Set direction
Approve strategy and priorities; define expectations



Oversee execution
Monitor performance, budgets and key initiatives



Protect the franchise
Oversight of risk, capital, liquidity and controls



Assure integrity
Strong reporting, audit and internal control environment

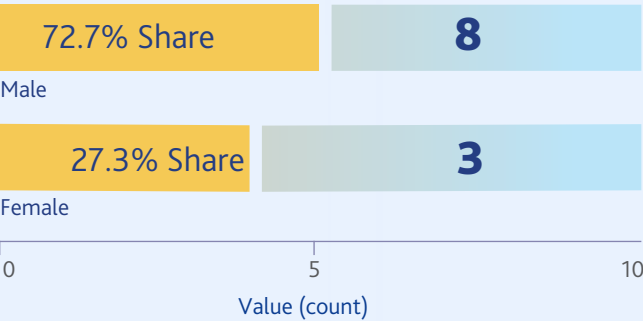


Engage stakeholders
Transparency, accountability and ongoing dialogue

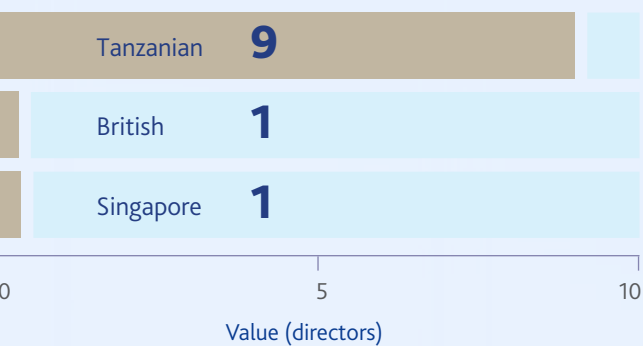
Board composition and profiles

During the year under review, eleven (11) non-executive directors served on the Board at various points between 1 January 2025 and the date of the Directors' report. Board appointments are subject to regulatory vetting and are assessed periodically to ensure an appropriate mix of skills, experience and knowledge. The current Board structure comprises eight (8) non-executive directors including the Board Chairman, in accordance with the Articles of Association, Board Charter and applicable law.

Board gender composition (directors who served during the year)



Board nationality mix (directors who served during the year)





11
Directors who served in 2025



58.5
Average age (years)



44–73
Age range (years)



3
Female directors



8
Male directors

Directors who served during the year

No.	Name	Position	Age	Gender	Nationality	Qualifications	Remarks
1	Mr. Said Ally Mwema	Chairman	72	Male	Tanzanian	Bachelor of Law	
2	Mr. Yogesh Manek	Director	71	Male	Tanzanian	Bachelor of Arts	
3	Mr. Hanif Jaffer	Director	63	Male	Tanzanian	Certified Public Accountant (CPA-T)	
4	Mr. Shaffin Jamal	Director	56	Male	Tanzanian	Master's in Business Administration	
5	Mr. Kalpesh Mehta	Director	55	Male	British	FCA, Bachelor of Arts (Econ) Hons	
6	Mr. Sherazam Mazari	Director	72	Male	Singapore	Bachelor of Business Administration-Finance	
7	Ms. Brenda Lulu Msangi	Director	46	Female	Tanzanian	Master's in Business Administration	
8	Ms. Irene Mlola*	Director	52	Female	Tanzanian	Master's in Business Administration	Resigned on 9th May 2025
9	Ms. Saphy Almasj**	Director	61	Female	Tanzanian	CPA(T), Master of Science in Finance	Appointed on 06th October 2025
10	Mr. Moremi Marwa**	Director	50	Male	Tanzanian	CPA(T), MBA(Finance), B.Com, Hons	Appointed on 09th September 2025
11	Mr. Kenneth Mutaonga**	Directo	44	Male	Tanzanian	MBA, BSc Business Networking Engineering	Appointed on 15th December 2025



Board committees and attendance

The Board operates through committees to strengthen focus, deepen oversight and support effective decision-making. In 2025, the Board and its committees met twenty-six (26) times in total, comprising main Board sessions and committee meetings. Mechanisms are in place to ensure strong linkages between committees and the Board, including overlapping membership and formal reporting through documented meeting summaries.

Board Credit Committee membership

SN	Name	Position
1	Mr. Sherazam Mazari	Chairperson
2	Mr. Yogesh Manek	Member
3	Mr. Shaffin Jamal	Member
4	Ms Saphy Almasi	Member

The Board Credit Committee met ten (10) times during the year (2024: 13 times).

Board Audit and Risk Management Committee membership

SN	Name	Position
1	Mr. Kalpesh Mehta	Chairman
2	Mr. Hanif Jaffer	Member
3	Mr. Moremi Marwa	Member

The Board Audit and Risk Management Committee met four (4) times during the year (2024: 4 times).

Board Executive Committee membership

SN	Name	Position
1	Mr. Yogesh Manek	Chairman
2	Mr. Shaffin Jamal	Member
3	Mr. Hanif Jaffer	Member
4	Mr. Sherazam Mazari	Member

The Board Executive Committee met four (4) times during the year (2024: 4 times).

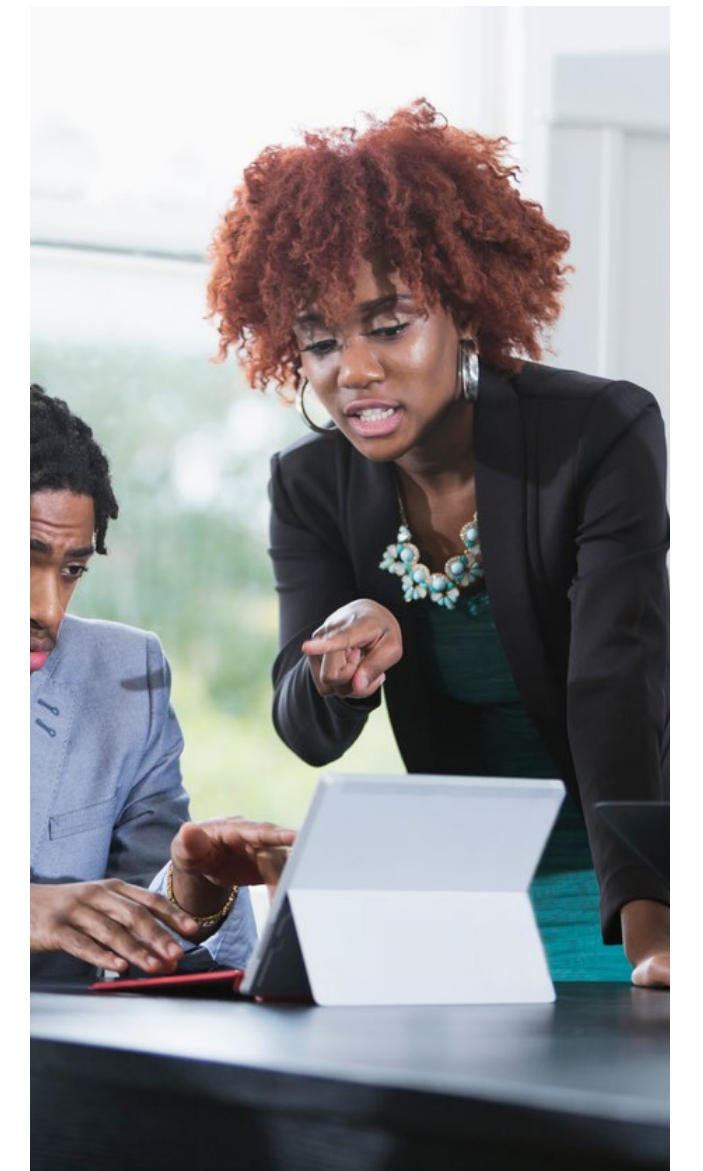
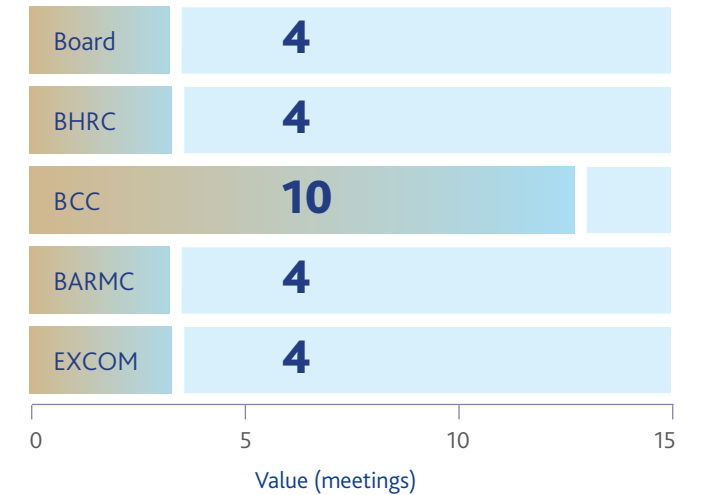
Board Human Resource Committee membership

SN	Name	Position
1	Mr. Yogesh Manek	Chairman
2	Ms. Brenda Lulu Msangi	Member
3	Mr. Kenneth Mutayoba Mutaonga	Member

The Board Human Resource Committee met four (4) times during the year (2024: 2 times).



Meetings held by committee in 2025



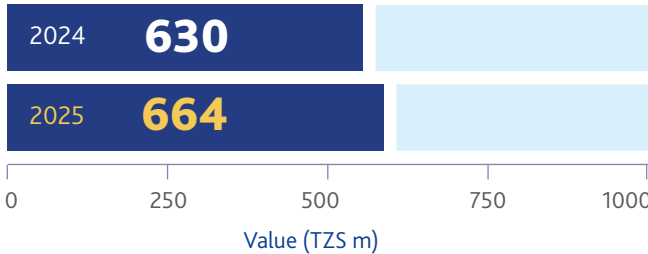
Directors' attendance and fees

Name of Director	Board	Human Resource Committee	Credit Committee	Audit & Risk Management Committee	Executive committee	Directors' fees 2025 (TZS Million)	Directors' fees 2024 (TZS Million)
Mr. Yogesh Manek	4	4	2		4	68	51
Mr. Shaffin Jamal	4		9		4	41	34
Mr. Hanif Jaffer	4			4	4	41	38
Mr. Said Ally Mwema	4				1	61	56
Ms. Brenda Lulu Msangi	3	4			1	41	36
Mr. Kalpesh Mehta	4			4	1	56	51
Mr. Sherazam Mazari	4		10		1	312	316
Ms. Irene Mlola						15	48
Ms. Saphy Almasi	1		2		1	13	-
Mr. Moremi Marwa	1				1	13	-
Mr. Kenneth Mutayoba Mutaonga						3	-
Number of meetings held	4	4	10	4	4		
Total Directors' fees	Total Directors' fees	Total Directors' fees	Total Directors' fees	Total Directors' fees	Total Directors' fees	664	630

Director remuneration

The remuneration for the Directors is reviewed to ensure that levels of emoluments and compensation are appropriate after considering industry benchmarks and international practices. Information on aggregate amounts of the emoluments and fees paid to Directors is disclosed in Note 11 and Note 39 to the consolidated and separate financial statements.

Total directors' fees (TZS million)



Key board activities and decisions during the year

During the year, the Board sat in twenty-six (26) meetings (2024: 27 times), comprising Board and committee sessions. Key decisions reached included:

Selected decisions and the governance intent

Board decision	What it addressed
Approval of 2026 budget	The Board went for a special seating which was intended to review the proposed budget for the financial year 2026 prepared by management. The board approved growth in asset book and entire balance sheet together with its ultimate impact of growth in operating profit before tax.
Review of implementation cost to income ratio reduction plan	The Board guided management on ensuring operation costs are optimized to boost the Group's cost to income ratios to the level required by the regulator and improve profitability.
Approval of policies, mandates and directives	In line with the requirements of best corporate governance practices during the year the Board reviewed, approved and guided management into creation of policies and mandates which are key to the overall operations of the Bank and the Group to match the strategies and ever-changing industry practices.

Subsidiary governance oversight

The Bank has established three subsidiaries in three different countries namely Exim Uganda, Exim Bank Comores, and Exim Djibouti. The countries of incorporation are also their principal place of business.

These are autonomous subsidiaries with independent management teams which all report to Head of strategic investments and subsidiaries who is part of executive management at Group management team, they also have individual Board of Directors which also report all critical affairs to the Group Board of Directors. All these subsidiaries are unlisted, and all have the same year end as the Exim Bank Tanzania. The investment in the subsidiaries includes the cost of shares and other initial payments made for and on behalf of the subsidiaries.

Subsidiary governance model (simplified)

	Local boards Subsidiary boards oversee local operations and compliance
	Local management Independent management teams deliver day-to-day execution
	Group oversight Head of Strategic Investments and Subsidiaries coordinates reporting
	Group Board Receives critical matters and provides direction



Whistleblowing and ethics framework

A formal Whistleblowing Policy, approved by the BARMC, which provides secure channels for employees and other stakeholders to report suspected unethical practices, fraud or policy violations without fear of retaliation. In 2025, six whistleblowing reports were received; four were fully investigated and closed, and two remained under investigation at year-end.

Code of Conduct & Ethics: Exim Bank Group has adopted a Code of Ethics that sets clear standards for integrity, transparency, and responsible conduct across its operations. The code requires compliance with laws and regulations, fair business practices, avoidance of conflicts of interest, and protection of customer confidentiality. Enforcement mechanisms include oversight by compliance and risk management functions, regular reporting to the Board and committees, internal audits and monitoring systems, disciplinary measures for violations, and whistleblower channels to encourage reporting of unethical behavior without fear of retaliation. This framework ensures accountability and reinforces the Group's commitment to ethical business practices.

The BARMC receives regular reports on compliance matters, including training completion rates, whistleblowing cases and significant incidents or regulatory matters, and oversees management's responses. Internal Audit provides independent assurance over the effectiveness of controls related to ethics and compliance.

Whistleblowing process (high-level)

	Report Secure channels for employees and stakeholders
	Triage Initial assessment and case assignment
	Investigate Fact-finding and control review
	Outcome Corrective actions and disciplinary measures where required
	Oversight Regular reporting to BARMC and independent assurance

Internal control environment and internal audit

The Board is responsible for ensuring that a comprehensive system of internal controls, policies and procedures is in place and operative, and that there is compliance with sound corporate governance principles. Internal Audit provides independent assurance over the effectiveness of controls and risk management, reporting to the Board through the Board Audit and Risk Management Committee, while also reporting to the Chief Executive Officer for administrative purposes.

Three lines of defence (governance view)

	First line Business ownership of controls and day-to-day risk management
	Second line Risk and Compliance framework, monitoring and challenge
	Third line Internal Audit independent assurance to the Board



10/ Financial Statements



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CORPORATE INFORMATION

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS	Exim Tower Plot 1404/05, Ghana Avenue P.O. Box 1431 Dar es Salaam, Tanzania	
PRINCIPAL BANKERS	Bank of Tanzania P.O. Box 2939 Dar es Salaam, Tanzania Deutsche Bank Trust Company Americas Church Street Station P.O. Box 318 New York, United States of America Deutsche Bank AG London, EC2P2AT United Kingdom Citibank New York 111, Wall Street New York 10043 United States of America Exim Bank (Uganda) Limited Plot 6 Hannington Road P.O. Box 36206 Kampala, Uganda JP Morgan Chase Bank, N.A 4 New York Plaza, Floor 13 New York NY, 10004 Exim Bank Comores S.A P.O Box 3, Place De Frace Moroni, Union des Comores Ph: +269 773 9400-01-02 ABSA bank limited (all southafrican offices) Johannesburg za Address: 1st Floor Sandton Campus North Building 15 Alice Lane Sandton 2196 +27011 8468265 Mobile:+27714630044	Deutsche Bank AG, Global Transaction Banking - Trade Finance Financial Institutions, Taunusanlage 12, 60325, Frankfurt Am Main, Germany Nedbank 3rd Floor Block H 135 Rivonia Road Sandown, Sandton 2196 P.O. Box 1144 Johannesburg 2000 South Africa Axis Bank Limited Corporate Office, Axis House Pandurang Budhkar Mag, Worli Mumbai-400025, India Sumitomo Mitsui Banking Corporation 1-1-2 Marunouchi Chiyoda-Ku Tokyo-Japan Stanbic Bank Kenya Limited Stanbic Centre, Chiromo Road Westlands, Nairobi KE-30 00200, Kenya Headquarter National Bank of Commerce Limited. Registered in the United Republic of Tanzania Registered office: NBC House, Azikiwe (registered number 32700). Street/Sokoine Drive P.O. Box 1863, Dar es Salaam, Tanzania CRDB Bank Tanzania Head Office, Plot No. 25, 26 Ally Hassan Mwinyi Road P.O. Box 268, Dar es Salaam

CORPORATE INFORMATION (CONTINUED)

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BANK SECRETARY	Joachim & Jacobs Group Limited House No. 37, Ali Hassan Mwinyi Road P.O. Box 3979 Dar es Salaam, Tanzania	
INDEPENDENT AUDITORS	KPMG Certified Public Accountants 2nd Floor, The Luminary Haile Selassie Road Masaki, P.O. Box 1160 Dar es Salaam, Tanzania Registration: PF No 020 and TIN 100-144-921	

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

1. INTRODUCTION

The Directors submit their report together with the audited consolidated and separate financial statements for the year ended 31 December 2025, which reflect the state of affairs of Exim Bank (Tanzania) Limited (the "Company" or "Bank") and its subsidiaries, Exim Bank Djibouti S.A., Exim Bank Uganda Limited and Exim Bank Comores S.A. (collectively referred as the "the Group").

2. INCORPORATION

The Company was incorporated in Tanzania under the Companies Act, No. 12 of 2002 in the year 1993 as a private Company limited by shares. From 1997 to date, the Bank managed to expand its network from 4 branches in Dar Es salaam to 32 across the country in Tanzania and 21 others in subsidiaries. In total there are 53 branches across the Group.

3. VISION

To be the Bank of choice.

4. OUR MISSION

The Bank is committed to remaining an innovative Tanzanian Bank offering service of international standards.

5. PRINCIPAL ACTIVITIES

The Bank's reach

The Group is engaged in the banking business, that is, accepting deposits for lending and investments and other commercial banking services. The Bank is licensed under the Tanzania Banking and Financial Institutions Act, 2006 and the subsidiaries are licensed under the respective laws of Uganda, Comores S.A and Djibouti.

About Bank's customers and engagement approach

Our Group is centered at servicing a very diversified portfolio of customers ranging from governments, public entities, corporate customers, small and medium enterprises all the way to individual customers offering a full bucket of financial, investment and insurance products across the region with our presence.

The Group has been in operation through four main revenue generating units which represent the face of the Bank; these are: -

- * Corporate unit which is focused on corporate clients who have met specific set criteria.
- * Commercial unit which is focused on corporate clients who have surpassed the Retail criteria but have not met the corporate criteria.
- * Retail unit which serves individual customers and all other corporates that have neither met the corporate nor commercial criteria including MSMEs & SMEs.
- * Treasury and Global Markets unit, which manages all other forms of arrangements not categorized in the two mentioned units above. This unit ensures optimal statement of financial position management and related risks together with servicing corporate, commercial and retail clients on foreign exchange and other financial market instruments.

The distinction between the units is set to ensure the Bank always deploys the right strategy and avails the right resources to meet the requirements of its diversified customer base and maintain maximum satisfaction across the different groups.

The units are supported by 14 functions which are strategically positioned to ensure smooth performance of the revenue generating units.

The Bank is committed to live up to its shared values and works to provide customers with the best services through a straightforward business model anchored in diversification by business, geography, risk and people, as well as a clear focus on our business strategy. The Bank embraces the future by establishing itself in unbanked markets where it connects with customers and develops a range of products and services, to meet their changing needs, using new technology to improve the services.

5. PRINCIPAL ACTIVITIES (CONTINUED)

Service delivery channels.

The Bank has been evolving around the needs and requirements of the market since inception. It has managed to open and run 32 branches in Tanzania and 21 more in the region where it has subsidiaries and the core service delivery channels.

The Bank has rolled out several alternative delivery channels such as ATMs which are 98, Mobile banking services, online banking services and cash management solutions.

The Bank is looking to engage agents across the country to increase accessibility of our services. As at 31 December 2025 the bank had 3,515 agents (31 December 2024: 2,807 agents).

6. OUR BUSINESS MODEL

Exim Bank plays a key role in connecting the providers and users of capital. We recognize the role we play in society, and our success as a business has always been closely linked to the progress of the people, communities and businesses we serve. We aspire to grow and deliver value for all our stakeholders. For us, value is best illustrated through customers satisfaction, shareholders value enhancement, staff welfare and serving the community around us. In achieving the same we anchor our actions on a firm foundation of defined strong values.

Our mission is to provide competitive and innovative financial solutions through digital transformation, to achieve distinctive customer experience, while caring for our people and delivering a sustainable contribution to society. Our purpose is to transform lives through financial sector innovation, intuitive action and sustainable business.

We invest in people, technology, and processes to deliver value in a responsible and sustainable manner. Therefore, through innovation and strategic investments, we continue to expand our delivery channels to deepen access to financial services. We have a robust plan to drive financial inclusion with a clear aim to serve the less privileged communities and include the lower segment of the market into the financial ecosystem.

We understand that as one of the leading financial service providers, our relevance today and in the future, along with our ability to create long-term value for our stakeholders, is dependent on our ability to effectively manage and leverage the forms of resources available to us.

7. RELATIONSHIP TO OUR STAKEHOLDERS

Our group is positioned to ensure we deliver value to all our stakeholders and fulfil a critical role in the economies of each country that we operate in. The following is the summary of our key stakeholders and snapshot of how our group is managing each of the stakeholders.

Stakeholder	Management of the relationship
Our esteemed customers	- We have established convenient and effective contact between us and our customers.
	- Offering innovative, efficient banking, convenient and secure solutions that meet the needs of our customers.
	- Create exceptional access to financial services and financial markets including access to information and advice.
	- Create safe and trustworthy financial services delivery options.
	- Supporting financial milestones for our esteemed customers with products and services delivered through innovative superior channels.
Investors/ shareholders	- Ensure consistent delivery of attractive and sustainable returns to shareholders' investment through optimized balance sheet.
	- Create environment for shareholders value growth. The Group reported total equity value of TZS 465 billion in 2025 compared to TZS 413 billion of 2024.
	- The Group has also established a convenient and stable communication channel in line with best practices.
Employees	- A workplace where employees can be productive and achieve their potential.
	- We have created a performance appraisal system which emphasizes the rationale for recognition and reward.
	- Self-led development and an opportunity for career progression.
	- A committed career development mechanism to consistently boost capacity of our workforce.
	- Effective communication channels have been established to ensure alignment of our workforce.
Regulators	- Continuous compliance and streamlining with all required regulations.
	- Fair and ethical engagement when dealing across the Group.
	- A stable financial services sector.
	- An inclusive and transformed sector.
	- During the year tax of TZS 46.1 billion (2024: TZS 43.4 billion) in respect of profit generated was paid by the Group to the respective governments of the countries in which we operate.
Community	- 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.
	- Creation of opportunities in terms of employment where in total over 1,318 staff have been hired across the group all mostly coming from the society we are operating in.
	- Our group has also consistently been engaging in many corporate social responsibilities which have ranged between health, education and many others.
	- We consistently provide equal chances to all vendors to take part in supplying several goods and services to the Group.
Vendors	- We maintain high standard of engagement, which provides a platform for all parties to deliver by agreement.
	- We have created a transparent mechanism through our outsourcing and procurement unit to obtain our vendors and an effective communication channel to ensure maximum participation.

8. CORPORATE GOVERNANCE STATEMENT

The Group and the Bank are committed to high standards of corporate governance. The Group has a comprehensive range of policies and procedures in place designed to ensure that it is well managed, with effective oversight and controls.

The Board of Directors ("Board") of Bank and the Group see governance as promoting strategic decision making that balances short, medium, long-term outcomes and safeguarding interests of Bank and the Group, shareholders and the society in which we operate to create sustainable shared value.

Directors have a statutory duty to promote the success of the Bank and the Group for the benefit of the stakeholders. In promoting the success of Bank and the Group, Directors must have due regard to the long-term consequences of their decisions, the legitimate interests of employees, the need to foster effective business relationships with suppliers, customers and various stakeholders, the impact of the Bank and the Group's operations on the community, the environment and the desire to maintain a reputation for high standards of business conduct.

The Board is committed to ensuring that the Bank complies with the laws, regulations and standards applicable to the industry. The Board ensures that high standards and practices in Corporate Governance and more specifically the principles, practices and recommendations set out under the Code of Corporate Governance Practices for Listed Companies, 1994 (CMSA Principles of Good Corporate Governance Practices), the Corporate Governance Regulations 2021 as well as the Companies Act, No. 12 of 2002, are adhered to.

The Board believes that good corporate governance is the core driver of sustainable corporate performance and creates shared value by ensuring the right balance between organizational growth and long-term stakeholders' value.

The Board of Directors regularly reviews its corporate governance arrangements and practices and ensures that the same reflects evolving good corporate governance norms, the developments in regulation, best market practice and stakeholders' expectations. Corporate governance framework enables the Board to oversee the strategic direction of Bank and the Group, financial goals, resource allocation, risk appetite and to hold the executive management accountable for execution.

9. CORPORATE GOVERNANCE FRAMEWORK

Those charged with governance

The Bank and Group is set and committed to healthy corporate governance practices, which strengthens and maintains confidence in what we do, thereby contributing to optimal long-term value creation for shareholders and other stakeholders.

Our Board recognizes its collective responsibility for the long-term success of the Bank and Group. It has set a reasonable best in class environment which enables it to take an active role in directing the operations of the Bank and Group. The Board meets at least four times a year (at least once per quarter) and has in place a formal schedule of matters reserved for it.

This includes overall strategy formulation, implementation guidance and monitoring of the outcome, corporate structure and capital composition structure, financial reporting and control, oversight and review of risk management and internal control systems, significant contracts, succession planning and new Board appointments for compliance with Good Corporate Governance principles.

The Board consists of sufficient members with the right mix of skills, experiences and knowledge to accomplish mission and vision of the bank.

The effectiveness, structure, size, composition of the Board and ongoing suitability and performance of each Board member is assessed periodically in line with requirements of Bank of Tanzania (BoT) and best practices. The Board has not received any complaints regarding their standing from any of the regulatory and professional bodies during the year.

The Board members qualifications are aligned to corporate governance regulation on Governance of Banks and Financial Institutions, and the appointment of each member is subject to regulatory vetting.

The Board maintains regular dialogue with shareholders and other stakeholders on matters of financial performance and strategy. Additionally, the Board periodically makes disclosures of significant developments on its website and other media.

The Board is committed to ensuring compliance with Corporate Governance regulations and adoption of best practice in governance.

10. ENVIRONMENTAL MATTERS

Considering the crucial impact of environmental conservation, the bank has developed a specific environmental and social policy. The policy articulates the commitments of the Bank to sustainable development, elaborates how the Bank integrates environmental and social issues into its processes and activities and sets the roles and responsibilities including the requirements to deliver these commitments.

In carrying out its mandate of promoting sustainable development, the Bank effectively and equitably manage environmental and social risks and impacts and improve outcomes of the financed activities.

Through our green policy our Group committed to:

- * Examine the environmental and social issues and concerns associated with potential business activities proposed for financing or being financed;
- * Identify, evaluate and manage the environmental and social risks and the associated financial implications arising from these issues and concerns;
- * Where avoidance is impossible, mitigate adverse impacts on people and the environment; and
- * Give due consideration to vulnerable and marginalized populations, groups, individuals, local communities, indigenous peoples, and other marginalized groups of people and individuals that are affected or potentially affected by the Bank-financed activities.

The Group is committed to promoting environmentally sound and sustainable development in full range of its credit products. The Bank believes that environmental and social sustainability is a fundamental aspect of achieving outcomes consistent with its Credit Policy and recognizes that projects which foster environmental and social sustainability rank among the highest priorities of its activities.

The Group in the daily operations observe the following for all businesses it finances:

- * Ensure that businesses financed observe environmental safety standards and regulatory requirements in line with country laws and international best practices.
- * Observe and mitigate negative impact of business on Biodiversity Conservation and Natural Resources.
- * Observe and mitigate negative impact of business on cultural heritage objects, sites and structures.

The Bank continued with its go-green initiatives aimed at creating awareness to the community at large towards environmental conservation. Currently the Bank is maintaining Ohio, Serena, Posta, Clock Tower and Kariakoo gardens in Tanzania Mainland. These efforts reflect our dedication to positive social impact and environmental stewardship, making them worthy of recognition.

The move has been conserving the environment, increasing the attractiveness of these areas, and providing an opportunity for local residents to find a place to rest while running their daily errands.

11. THE BOARD'S ROLE AND RESPONSIBILITIES

The Board's primary responsibility is to protect and maximize shareholders' value by considering and monitoring investment decisions, considering significant financial matters and reviewing the performance of management against industry benchmarks, budgets and business plans. The Board is accountable to shareholders and is responsible for overall oversight of Bank and the Group and ensures prudent running of Bank and the Group. In fulfilling its primary responsibilities, the Board ensures compliance with the principles of good governance while pursuing economic performance. The Board is also responsible for ensuring that a comprehensive system of internal controls, policies and procedures are in place and for compliance with sound corporate governance principles.

The Board, led by the Board Chairman, who is responsible among other matters for:

- * Promoting the Bank and the Group's long-term success and delivering sustainable value to shareholders.
- * Establishing and approving Bank and the Group's strategic and financial plans to be implemented by management.
- * Setting Bank and the Group's risk appetite and monitoring the Bank and the Group's risk profile.
- * Oversee the Risk Management Framework and its operation by management.
- * Approves capital expenditure for material transactions.
- * Reviews succession planning for the management team and makes senior executive appointments, organizational changes and high-level remuneration issues.
- * Provides oversight over performance against targets and strategic objectives.
- * Provides oversight into reporting to shareholders on the direction, governance and performance of the Group as well as other material events that require reporting and disclosure.

11. THE BOARD'S ROLE AND RESPONSIBILITIES

The Management team is encouraged and invited to attend board meetings to facilitate effective communication and assist the Board with its deliberations and provide critical insights and analysis of various business units within the Group.

12. BOARD NOMINATION, APPOINTMENT, INDUCTION AND TRAININGS

The current Board structure comprises of eight (8) non-executive Directors including the Board Chairman. The Board determines its size and composition, subject to the Company's Articles of Association, Board Charter and applicable law.

The Board composition is driven by the following principles:

- * The Board must comprise majority of independent non-executive directors.
- * The Board should consist of directors with a broad range of skills, experience and expertise and be from a diverse range of backgrounds.
- * The Chairman of the Board must be a non-executive director with requisite skills and competence to lead the Board.

Appointments to the Board are made on merit and candidates are considered against objective criteria, having due regard to the benefits of the diversity of the Board. A rigorous selection process is followed in relation to the appointment of Directors and certain specified senior appointments.

All newly appointed non-executive Directors participate in an induction program. The induction program often includes a series of meetings with other Directors, the Chief Executive Officer and Management team to enable new Directors familiarize themselves with the business. Directors also receive comprehensive guidance on Directors' fiduciary duties and responsibilities as well as liabilities.

At all times during their tenures, all Directors are expected to maintain the requisite skills and demonstrate ethical standards to carry out their obligations. The Chairman regularly reviews the professional development needs of each Director. The program of continuing education ensures that the Board is kept up to date with developments in the industry both locally and globally.

13. COMPOSITION OF THE BOARD OF DIRECTORS

In 2025, the Board of Directors (the "Board") comprised of eleven (11) members. No Director held an executive position during the year. The Board takes overall responsibility, including identifying key risk areas, consideration and monitoring of credit and investment decisions, reviewing policies, consideration of important financial matters, and generally reviewing the performance of management business plans and budgets.

The Board is also responsible for ensuring that a comprehensive system of internal controls, policies and procedures is operative and that there is compliance with sound corporate governance principles.

The Board is required to meet at least four times a year. During the year, the Board and its committees met twenty-nine (29) times. The Board delegates the day-to-day management of the business to the executive management team comprising the Chief Executive Officer, assisted by the senior management staff. The management team is invited to attend the Board sub-committee and Board meetings depending on the agenda items. Management remains responsible for the effective control of the operational activities and acts as a medium of communication and coordination among various business and operational units of the Group.

The Bank and its subsidiaries are committed to the principles of effective corporate governance. In this regard, the Directors also recognize the importance of integrity, transparency and accountability. The Board has the following sub-committees to ensure a high standard of corporate governance.

13. COMPOSITION OF THE BOARD OF DIRECTORS (CONTINUED)

The following are the Directors who served between 1 January 2025 to the date of this report.

No	Name	Position	Age	Gender	Nationality	Qualifications	Remarks
1	Mr. Said Ally Mwema	Chairman	72	Male	Tanzanian	Bachelor of Law	
2	Mr. Yogesh Manek	Director	71	Male	Tanzanian	Bachelor of Arts	
3	Mr. Hanif Jaffer	Director	63	Male	Tanzanian	Certified Public Accountant (CPA-T)	
4	Mr. Shaffin Jamal	Director	56	Male	Tanzanian	Master's in Business Administration	
5	Mr. Kalpesh Mehta	Director	55	Male	British	FCA, Bachelor of Arts (Econ) Hons	
6	Mr. Sherazam Mazari	Director	73	Male	Singapore	Bachelor of Business Administration-Finance	
7	Ms. Brenda Lulu Msangi	Director	46	Female	Tanzanian	Master's in Business Administration	
8	Ms. Irene Mlola*	Director	52	Female	Tanzanian	Master's in Business Administration	Resigned on 9th May 2025
9	Ms. Saphy Almasi**	Director	61	Female	Tanzanian	CPA(T), Master of Science in Finance	Appointed on 06 th October 2025
10	Mr. Moremi Marwa**	Director	50	Male	Tanzanian	CPA(T), MBA(Finance), B.Com, Hons	Appointed on 09 th September 2025
11	Mr. Kenneth Mutaonga**	Director	44	Male	Tanzanian	MBA, BSc Business Networking Engineering	Appointed on 15 th December 2025

14. BOARD COMMITTEES

The Board places significant reliance on its committees by delegating a broad range of responsibilities and issues to them to achieve effective independent oversight and stewardship. It therefore remains crucial that effective linkages are in place between the committees and the Board as a whole, not least as it is impracticable for all non-executive directors to be members of all the committees.

Mechanisms are in place to facilitate these linkages, including ensuring that there are no gaps or unnecessary duplications between the remit of each committee and overlapping membership between Board committees where necessary. Alongside interconnected committee membership, the Board receives documented summaries of each of the committee's meetings.

During the year, the Board had the following board sub-committees to ensure a high standard of corporate governance throughout the year.

- * Board Credit Committee (BCC)
- * Board Audit and Risk Management Committee (BARMC)
- * Board Executive Committee (EXCOM)
- * Board Human Resource Committee (BHRC)

(i) Board Credit Committee (BCC)

The Credit Committee seeks to ensure that the quality of the asset book remains within acceptable parameters and that the business has an effective credit policy, consistent with regulatory requirements and prudent risk management practices including credit impairment adequacy.

This committee met thirteen (13) times during the year (2024: 13 times), it comprised of the following members:

SN	Name	Position
1	Mr. Sherazam Mazari	Chairperson
2	Mr. Yogesh Manek	Member
3	Mr. Shaffin Jamal	Member
4	Ms Saphy Almasi	Member

14. BOARD COMMITTEES (CONTINUED)

(ii) Board Audit and Risk Management Committee (BARMC)

The committee oversees and advises on current and potential risk exposures of the Group, the enterprise Risk Management Framework, risk appetite, risk strategy, including strategy for capital and liquidity management and promoting a risk awareness culture across the Group, alongside established policies and procedures.

Also, the committee is responsible for overseeing the financial reporting process, ensuring that internal control systems are adequate and effective. The committee is responsible for among other things to review audit plans both internal and external auditors and communicate areas of concern or improvements, review of the management report letters from auditors concerning areas of improvements and deviations in accounting and operating controls also obtaining assurance from external auditors that adequate accounting records are maintained through review of policies, practices and implementation of all reporting proposed changes, review of effectiveness of financial management of the Bank and Group, capital and other regulatory compliances, review of independence and objectivity of external auditors in line with the requirements of regulatory frameworks and best practices. It is also responsible for establishment of the framework for reporting unethical practices and monitor effectiveness of the whistleblowing process. The committee met four (4) times during the year (2024: 4 times).

This committee is comprised of the following members:

SN	Name	Position
1	Mr. Kalpesh Mehta	Chairman
2	Mr. Hanif Jaffer	Member
3	Mr. Moremi Marwa	Member

(iii) Board Executive Committee (EXCOM)

The executive committee, among other duties is responsible for some policy development for the Bank and Group both through scheduled and ad-hoc basis. It oversees implementation policy while acting as a liaison for the main Board in decision making and function as a collaboration outlet. This is placed to fill specific gaps in the decision-making process which is critical to governance best practices. The committee met four (4) times during the year (2024: 4 times).

This committee is comprised of the following members:

SN	Name	Position
1	Mr. Yogesh Manek	Chairman
2	Mr. Shaffin Jamal	Member
3	Mr. Hanif Jaffer	Member
4	Mr. Sherazam Mazari	Member

(iv) Board Human Resource Committee (BHRC)

The role of the human resource committee among other duties is to assist the Board of Directors in fulfilling its oversight responsibility to shareholders by ensuring that the bank has coherent remuneration policies and practices that fairly and responsibly reward executives and staff, having regard to performance, governing laws, and highest standards of governance. The committee met four (4) times during the year (2024: 2 times).

This committee is comprised of the following members:

SN	Name	Position
1	Mr. Yogesh Manek	Chairman
2	Ms. Brenda Lulu Msangi	Member
3	Mr. Kenneth Mutayoba Mutaonga	Member

14. BOARD COMMITTEES (CONTINUED)

(iv) Board and committees meetings during the year

The Directors' attendance of meetings and remuneration for the year ended 31 December 2025 is indicated below:

Name of Director	Board	Human Resource Committee	Credit Committee	Audit & Risk Management Committee	Executive committee	Directors' fees 2025 (TZS Million)	Directors' fees 2024 (TZS Million)
Mr. Yogesh Manek	4	4	2		4	68	51
Mr. Shaffin Jamal	4		9		4	41	34
Mr. Hanif Jaffer	4			4	4	41	38
Mr. Said Ally Mwema	4				1	61	56
Ms. Brenda Lulu Msangi	3	4			1	41	36
Mr. Kalpesh Mehta	4			4	1	56	51
Mr. Sherazam Mazari	4		13		1	312	316
Ms. Irene Mlola						15	48
Ms. Saphy Almasi	1		2		1	13	-
Mr. Moremi Marwa	1				1	13	-
Mr. Kenneth Mutayoba Mutaonga						3	-
Number of meetings held	4	4	13	4	4		
Total Directors' fees						664	630

15. KEY BOARD ACTIVITIES/DECISIONS DURING THE YEAR

During the year the board in total sat in 29 meetings (2024: 27 times), which included both the board committee meetings and the main board session. All committees focused on its primary activities and there was no extraordinary meeting except for one that involved the board Executive committee. And among many other agendas that were discussed, the following are some of the key decisions that were reached in meetings held during the year.

Approval of 2026 budget

The Board went for a special seating which was intended to review the proposed budget for the financial year 2026 prepared by management. The board approved growth in asset book and entire balance sheet together with its ultimate impact of growth in operating profit before tax.

Review of implementation cost to income ratio reduction plan

The Board guided management on ensuring operation costs are optimized to boost the Group's cost to income ratios to the level required by the regulator and improve profitability.

Approval of policies, mandates and directives

In line with the requirements of best corporate governance practices during the year the Board reviewed, approved and guided management into creation of policies and mandates which are key to the overall operations of the Bank and the Group to match the strategies and ever-changing industry practices.

16. COMPANY SECRETARY

The Company Secretary who served during the year and to date of this report was Joachim & Jacobs Group Limited.

Providing support goes beyond scheduling meetings to proactively manage the agenda and ensure the presentation of high-quality up-to-date information in advance of meetings. The Company Secretary assists the Chairman with all development processes including Board evaluation, induction, and training. Both the appointment and removal of the Company Secretary is a matter for the Board as a whole.

17. GOVERNANCE AND MANAGEMENT OF THE SUBSIDIARIES

The Bank has established three subsidiaries in three different countries namely Exim Uganda, Exim Bank Comores, and Exim Djibouti. The countries of incorporation are also their principal place of business.

These are autonomous subsidiaries with independent management teams which all report to Head of strategic investments and subsidiaries who is part of executive management at Group management team, they also have individual Board of Directors which also report all critical affairs to the Group Board of Directors.

All these subsidiaries are unlisted, and all have the same year end as the Exim Bank Tanzania. The investment in the subsidiaries includes the cost of shares and other initial payments made for and on behalf of the subsidiaries.

18. MANAGEMENT TEAM

The management of the Bank is under the Chief Executive Officer (CEO), assisted by the following:

Title	Role
Chief Finance Officer	Supervisor of all financial decisions, responsible for preparation of financial results and strategy of the bank
Head of Business Operations and Service Delivery	Leader of the Bank operations team and primary implementor of operational directives
Chief Technology and Digital Transformation	Leader of the Bank technology digital transformation related team and primary implementor of technology directives
Head of Corporate & Institutional Banking	Leader of corporate banking team, chief implementor of corporate unit's strategic directives
Head of Retail Banking	Leader of retail banking team, chief implementor of retail unit's strategic directives
Head of Treasury	Leader of treasury team, chief implementor of Treasury related strategic directives
Head of Legal	Leader of legal team, chief representer of the Bank in all legal preceding
Head of Risk & Compliance	Leader of risk and compliance team, chief implementor of risk and compliance related strategic directives
Head of Credit	Leader of Credit team, chief implementor of Credit related strategic directives

Title	Role
Head of Special Assets Management (Credit Recoveries)	Leader of Credit recovery team, chief implementor of recovery related strategic directives
Head of Marketing & Communications	Leader of marketing team, chief implementor of marketing related strategic directives
Head of Administration	Leader of administration team, chief implementor of administration related strategic directives
Head of Human Resources	Leader of human resource team, chief implementor of staff related strategic directives
Head of strategic investments and subsidiaries	Primary contact point between the subsidiaries and the Group

The Chief Internal Auditor (CIA) reports directly to the Board through the Board Audit Committee. However, the CIA also reports to the CEO for administrative purposes.

19. ACCOUNTING POLICIES

The accounting policies of the Group, disclosed in Note 3 to the consolidated and separate financial statements, have been approved by the Board. The accounting policies for financial instruments form a significant part of the policies and are disclosed under Note 3 to the consolidated and separate financial statements. There have been no changes in accounting policies in the current year except as disclosed in Note 2 to the consolidated and separate financial statements.

20. CAPITAL STRUCTURE

The capital structure for the year under review was as shown below:

Authorized

20,000,000 ordinary shares of TZS 1,000 each (31 December 2024: 20,000,000 ordinary shares of TZS 1,000 each).

Issued and fully paid

12,900,000 ordinary shares of TZS 1,000 each (31 December 2024: 12,900,000 ordinary shares of TZS 1,000 each).

Details of capital management, regulatory capital and capital structure are disclosed under Note 6.6 to the consolidated and separate financial statements.

Gearing of the Bank

The Group's total equity account is 13% (15% in 2024) of the Group's liabilities and Bank reported equity account is 15% (17% in 2024) of the total liabilities.

Short term financing

The Group is primarily funded by the customers who have continued to trust the Group hence reported TZS 3.2 trillion (TZS 2.41 trillion in 2024). There are other counterparts ranging from other banks through vostro accounts (see note 28) to other partners financing the operations through issuance of various services to the Group and accepting payment on accrual basis see Note 33.

Medium term financing

The Bank has several partners (both local individuals and foreign counterparts) who have injected funds in way of fixed deposits, subordinated debt, standard loans and senior loan arrangements which are all medium term based see note 30 and note 31. The Bank is looking to maintain return on equity of above 16% in 2026, continued cost optimization to maintain cost to income ratio at less of 55% and growth of fee income which will all increase operating cashflows together with improving capital position in long run.

21. SHAREHOLDERS OF THE COMPANY

The total number of shareholders during the year was 5 (2024: 5 shareholders). The shares are held as follows:

	Name of the Shareholder	% of shareholding	31 December 2025 Number of Ordinary Shares	31 December 2024 Number of Ordinary Shares
1	Mr. Yogesh Manek	20%	2,580,000	2,580,000
2	Mr. Shaffin Jamal	20%	2,580,000	2,580,000
3	Mr. Hanif Jaffer	20%	2,580,000	2,580,000
4	Mr. Azim Virjee	20%	2,580,000	2,580,000
5	Mr. Azim Kassam	20%	2,580,000	2,580,000
	Total	100%	12,900,000	12,900,000

The Directors holding shares are listed below:

	Name	Nationality	Number of Ordinary Shares
1	Mr. Yogesh Manek	Tanzanian	2,580,000
2	Mr. Shaffin Jamal	Tanzanian	2,580,000
3	Mr. Hanif Jaffer	Tanzanian	2,580,000

22. DIRECTORS' REMUNERATION

The remuneration for the Directors is reviewed to ensure that levels of emoluments and compensation are appropriate after considering industry benchmarks and international practices. Information on aggregate amounts of the emoluments and fees paid to Directors is disclosed in Note 11 and Note 39 to the consolidated and separate financial statements.

23. FUTURE DEVELOPMENT PLANS

The Group is intending to improve profitability by leveraging its investments in customer-facing technology to enhance customer experience and introduce new innovative products. The Group's investment in technology will help improve operations and enhance productivity.

The Group is planning to continue with process re-engineering and operational enhancement through various strategies including planned upgrades to the Group's service delivery channels which some of these initiatives having already been deployed with the intention of transforming how we serve our customers by reducing the Turn Around Time (TAT) and increase efficiency in our operation which will all help to increase customer experience and ensure reliability of our service delivery channels as we push our Bank even closer to our customers.

Among other initiatives we plan to also introduce more service channels and more penetration strategies to increase accessibility of our services even in places without our branches, this will help open doors to numerous opportunities starting with Tanzanian population through creation of numerous platforms to the Tanzanian population to take part in this exciting journey as we look to introduce and push more on new products and new channels which will need more partners across the group (more agents), also these intend to push our services to the fingertips of our customers and increase Bank's overall efficiency.

The Group is looking to be more engaging and expand partnerships with general populations wherever we operate through leading in creativity and innovation in how conveniently we can onboard other players in the economies we operate in. In that regard we plan to re-look at our branch network and alternative channels to ensure various expansion strategies are all implemented to increase outreach while taking measures to further strengthen the risk management framework.

The medium-term strategy of the bank is to be among the top five retail and corporate bank of choice for local and regional corporations by deploying a combination of strategic pillars which are "Customer first, Process efficiency, Digital focus and Innovate to lead" which are backed by end-to-end digitalization to bring a renewed customer experience. The bank will win its strategy by effectively organizing its talented people, Process and System.

The Bank is planning to implement numerous initiatives such as rationalization of portfolios (business portfolio and operation reliability achieved through reduction of operation complexities, diversified products and reduction of dependence on individual standard financial products.

24. PERFORMANCE FOR THE YEAR

The Group recorded a profit for the year of TZS 74.9 billion (2024: profit of TZS 92.2 billion). The Bank recorded a profit for the year of TZS 61.2 billion (2024: profit of TZS 74.1 billion).

The total assets of the Group increased to TZS 4.0 trillion (2024: TZS 3.1 trillion) while that of the Bank grew to TZS 2.6 trillion (2024: TZS 2.1 trillion). The increase in total assets was mainly driven by the organic growth in customer asset book for the Group and other earning assets for the Bank.

Despite the ongoing post covid impacts to world economy, disruption of supply chain caused by Russia- Ukraine tension, Israel- Palestinian conflicts rising inflation and shift in spending pattern yet the Bank achieved a customer deposits growth of 32.4% above prior year. On the same note the Bank managed to grow the balance sheet by 27.3% from TZS 3.11 trillion in 2024 to TZS 3.97 trillion in 2025.

Regardless of the increased competition in financial industry the above performance takes the Bank to 5th position at group level on profit before tax among the Tanzanian banking industry and on asset size it's at the 4th position with 6% market share. This top tier position has persisted for few years now and there is a potential to increase the market share.

The Group is intending to achieve further growth in profit after tax following further growth in revenue through strategic growth of the asset book and mobilization of sufficient low-cost funds together with various operating costs optimization measures including process re-engineering and numerous operation enhancements measures to be applied across the group.

The details of the above financial results and position are reflected in the audited consolidated and separate financial statements.

25. BUDGET PERFORMANCE

Financial milestones

The bank targets a growth in balance sheet size, growth which will be attained through strategically positioned focus in optimizing the balance sheet to derive favorable yields while containing costs of funds. This will translate to a similar growth to the one attained between 2024 and 2025 and will also translate to better position when compared to 5 years medium term strategy which was set in 2022. Whilst geopolitical tensions in Eastern Europe may continue, management is optimistic that resulting challenges will not have significant impact on the business in 2026. However, management will continue observing the trends and take required precautionary measures to ensure stability of the Group's business.

Above growth in balance sheet is expected to allow growth in topline, growth in fee income and hence growth in operating profit which will be attained because of optimized operating costs which will allow for efficient operations and increase in productivity being materialization of prior year investments in various working tools and workforce optimization.

The above result will assist in improving cost to income ratio as part of the strategy to reduce the same to the required levels, again this growth is expected to grow the bank's capital levels above the required levels and create a sustainable position.

Group's industry position

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 the way they do business. These and other banking industry challenges can be resolved by new technology which has caused disruptions. However, the transition from the old systems to the innovative solutions has not always been an easy one. That said, banks need to embrace digital transformation as the only way to survive in the current landscape.

Main trends and factors likely to affect prospects

Intensive Competition

Over the past few years financial industry has seen intensive competition which both among the existing players and new entrants, most of which are the results of FinTechs which mostly target profitable spots in financial services. Given the trend expectation is that these and many other start-ups would keep on gaining market share hence shrinking the margins of the traditional banks and classic financial institutions. Despite the competitive advantage possessed by traditional financial institutions threats from these new entrants are challenging for more simplified and intuitive customer ways to offer financial services which can be expensive and complex to implement.

Over and above new entrants there is an increase in competition among the traditional banks given that only over 17% of bankable population is using banking services hence price war which reduces margins obtained by the existing members while speed of onboarding unbanked population is not at the same pace.

Cultural Shift

Post Covid-19 we have witnessed most of the customers shifting more from brick and motor banking to more digital space, squeeze of margins makes the classical banking cost inefficient, and banks are forced to consider transformation of operations. With covid-19 the banks are pushed even harder to fasten technology-based banking solutions. These required a lot of changes in many areas in a limited time to stay ahead of the competition and most are complex in nature and cost full especially in implementing them. The cultural shift towards new technologies is a reflective acceptance of digital transformation.

Increase in Expectations

All the banking stakeholders in recent years have significantly transformed how they view banks, which have also affected their level of expectations which most range around more smart and customized experiences, convenient access, more transparency, and personalized tastes across different products. Tolerance level of the customers has been reducing time to time and marginal slowdowns and downtimes sometimes results to loss of relationships and hence loss of business and with existence of social media where interaction increased information flow hence creates no margin unlike prior era.

Our key success factors and areas of strength

For the past 28 years we have been amongst the leading banks in innovation and leaders in offering of high standard services to our customers which are delivered through flexible and reliable operation set up which is delivered by quality professionals who serve at the highest level of integrity as we have consistently kept customer satisfaction at the center of what we do and how we operate.

25. BUDGET PERFORMANCE (CONTINUED)

Customer focused approach

We have always been the bank of choice given our commitment to center our entire operation while thinking about maintaining highest level of customer satisfaction which over time we attained it through innovative relationship management approaches, customized products, convenient service delivery channels and our effective customer support which have created an excellent customer experience which is among the best in the industry.

Leading in innovation

Since inception of our operation, we have consistently led the banking industry innovation through being the first in introducing several innovative (such as mobile branch, Credit cards and many others) means to serve our customers. From offering of innovative products, innovative delivery channels and innovative ways to integrate all necessary inputs across both the brick and motor banking era all the way to the current digitized banking environment. This gave our bank a front foot and brings us close to our customers efficiently and effectively.

Brand

Over the past two and half decades we have created a strong brand both at a company and at a Group level hence we were able to open operations across 3 countries and grow the customer base. This has been among our strongest holds, which principally keeps challenging the Bank and Group to keep up the highest standards of services, hence increase customer loyalty and remain the bank of choice across the regions which have been braced by our presence.

Technology and infrastructure

Our deep technology and infrastructure capabilities drive seamless customer experiences and support strong resilience. We have invested in technology which enables competitive product development, implementation of reliable techniques for controlling risks and enhancement of digital channels which help the bank to reach geographically faraway and diversified markets. As a Group we have embarked on the latest technologies starting with upgrading our core banking system together with significant infrastructure and connectivity enhancements, normally seen as addressing the enablers which assist in a more flexible structure that responds quickly to the dynamics of a fast-paced changing market environment.

Operations and governance

Our risk management, governance and controls help ensure customer and client outcomes are delivered in the right way. Our Risk Management Frameworks form an integral part of corporate governance. It lays the blueprint of high-level governance structure and outlines controls and processes which all help in implementing risk management strategies. Our effective communication channels help to cascade the same across the group to have alignment hence efficient implementation. Effective risk management equips the group and bank to respond actively to market volatilities and uncertainties using well analyzed risk-based information to enable more effective decision making.

Employee engagement

Our workforce is among our biggest competitive advantages, as we managed at a Group level to create a very diversified, capable and committed workforce which all works in sync and tirelessly to ensure our customers always get the best experiences. Over a quarter of a century now we focused in shaping our workforce to create readiness to attain our customers' needs for now and the future of our Group.

26. CASH FLOWS PROJECTION

Taking up from trend of the last 5 years where the Bank managed to report stable net cash inflow position from operating activities it further plans to maintain the momentum. Future cash flows of the Group will mostly be generated from deposits. The Group will continue to implement different strategies to mobilize deposits from various business segments and sectors by providing pre-eminent transactions and payment solutions together with various new strategies to reach the unbanked population. Strategic deployment of funds and proper management and monitoring of our investments are the biggest pillars to guarantee stable cashflow streams to meet the requirements of the Bank and Group at large.

We strategically budgeted growth of balance sheet through deployments in various high yielding and well diversified assets which will be financed again by diversified funding sources to meet the cashflow needs. Regional footprints give our Bank a competitive advantage when it comes to sourcing and deployments as this can be done through synchronized approach which considers the best alternative across the group.

Improvements in service delivery channel position a Bank in a region where customers and counterparts can transact easily and efficiently which will also promote flow of funds.

The Group places strong emphasis on management of liquidity risk and there is a regular periodical cash flow projection process handled by the Management Liquidity Committee to ensure the Group holds sufficient liquid assets to enable it to continue with normal operations. The Board Audit Risk Management Committee (BARMC) and management's Assets and Liabilities Committee (ALCO) also monitor the Group's exposure to liquidity risk by ensuring that limits are set based on realistic assumptions. The committees track compliance on quarterly and monthly basis, respectively.

The Group's main sources of liquidity are deposits, shareholders' funds and borrowings.

At company level the Bank managed to consistently maintain liquidity ratios way above the regulatory ratios and has implemented some deliberate strategies to optimize the banks' balance sheet which has helped largely in creating balance between assets and liabilities given their maturity profiles.

28.DIVIDEND

Dividends are not recognised as a liability until they are approved at the Annual General Meeting. The Directors have proposed a dividend of TZS 10 billion, to be distributed from the 2025 profit subject to approval from shareholders and Bank of Tanzania. In 2025, a dividend of TZS 10 billion, was approved and paid in respect of the financial year ended 31 December 2024.

29. RESOURCES

Employees with appropriate skills and experience in running the business are a key resource available to the Group and they assist in pursuing the Group's business objectives. The Group continues to encourage open and honest communication in decision-making. Employment issues as well as financial and economic factors affecting the Group's performance are regularly shared with the employees.

Human resources

At Exim, employee engagement is a critical driver of long-term sustainable value. Our people's thoughts and feelings about their work correlate with how satisfied our clients are and indicate how successful we are likely to be in accelerating our strategy to achieve higher growth and efficiency; while retaining the trust our stakeholders have in the group. The group is operated by 1,318 employees, (2024: 1,022 employees), who are well diversified and skilled, and the group spent TZS 910 million on training (2024: TZS 441 million). Staff productivity has slightly dropped by 19% (revenue per staff of TZS 259 million in 2025 from TZS 321 million in 2024).

Manufactured capital resources

The group's plant, property and equipment increased by 26.5% and despite the increased utilization and optimization of available tools, there was a decline in profitability by -14.1%, reflecting current capacity enhancements geared towards future profitability. The management has put in place strategic initiatives to ensure translation of these long-term investment initiatives into healthier profitability growth in years to come.

Intellectual capital resources

The group's competitive advantage is resting on its commitment to promotion of innovation and creativity from which a strategy team under head of strategy is established to oversee the group's strategic initiatives. The group overall has over 30 staff who are members of professional bodies and more are supported by the Bank to complete the same.

Also, our Group adopted and keeps on adopting and deploying several technologies ranging from making the most of available big data and emerging technologies which create operational efficiencies in our entire operations. The knowledge and expertise incorporated within our systems, processes and procedures and the equity built in the Groups' brand constitute our intellectual capital. We have invested in strong brand and subsidiary businesses, strategic partnerships and innovative products and solutions that we offer to our customers. We have remained committed to investing in digital adoption with automation at our center of thought as we deem that to be the future of banking operations.

Financial capital resources

The group's total shareholders' equity increased by 13% from TZS 413 billion in 2024 to TZS 471 billion in 2025. Earnings per share have decreased from TZS 7,062 to TZS 5,498.

Social capital resource

The Group has maintained its brand value mainly through maintenance of epic employee relations maintained through effective communication with employees and investors resulting in beneficial engagements with government, regulators, competitors, vendors, and tax authorities. Over the years the Bank maintained sustained support to the general community through community projects. The Bank further maintained its membership and participated in many social forums such as National Board of Accountants and Auditors (NBAA) (seminars, best presented financial statements awards ceremony), Tanzania Institute of Bankers (TIOB) (different meetings and representations) and many other.

29. RESOURCES (CONTINUED)

Natural capital resources

The group maintained its carbon neutral operations which are implemented through several initiatives including volunteering to maintain different gardens in various locations including several big ones in Dar es Salaam city center.



30. TREASURY POLICIES

The Group operates a centralized treasury department for managing treasury activities in accordance with the framework of treasury policies and guidelines approved by the Board. The treasury department transacts with several banks and financial institutions and adopts a systematic approach to the control and monitoring of counterpart credit risk. The Group, through its risk and compliance department, monitors compliance against the principal policies and guidelines. The key treasury policies are:

Market Risk Policy

The policy provides guidance/ framework for managing exchange rates and interest risks, also protecting the value of the Bank's assets from adverse effects of market rate movements.

Liquidity Policy

Provide guidance for management of the liquidity risk under normal and crisis situations. This sets out a liquidity management decision-making structure in the Bank, approaches to funding and planning for liquidity planning and management, regulatory compliance, and contingency funding plan. Strong cash generation in recent years and a prudent financing strategy have resulted in the Group currently being adequately positioned to withstand the credit and liquidity challenges in the Bank and capital markets.

Throughout the year the Bank reported above regulatory liquidity ratio of 20% because of strategically optimized balance sheet. Also, the Bank consistently complied with the required statutory minimum reserve requirements. Furthermore, the group reviewed its transfer pricing policy and same was concluded to still be relevant and in line with the requirements of the regulatory authorities and all transactions were done at arm's length and that no restriction for funds transfer between the group components was imposed during the period and none foreseen for the near future.

The group has not entered any new covenants.

Contingency Funding Policy

The policy provides guidance for managing stressed liquidity situations created by a problem or market wide crisis and ensures that the Bank is able all the time to meet its matured obligations as they fall due and remain a going concern.

Current liquidity including the level of borrowing

The Group ensures that liquidity is monitored to manage its liquidity gap by determining the excess or shortage of funds at selected maturity dates by tracing cash inflows and outflows over a series of specified time buckets. The aim is to trace and reflect the maturity periods for the assets and liabilities.

Maturity profile and un-drawn committed borrowing

The Group is sound and will remain to be sound in liquidity as it has adopted a more conservative approach to the investment of its surplus cash, with money market deposits being placed with relatively stronger financial institutions for shorter periods. Counterparty credit risk has been and continues to be monitored closely on a systematic and ongoing basis, taking account of the size of the institution.

31. PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks that may significantly affect the Group's strategies and development are mainly operational and financial as described below: -

Strategic Risks

The risk of current and prospective impact on income, capital and reputation of the bank arising from poor business decisions, improper implementation of decisions or lack of response to industry or technological changes. The risk is a function of the compatibility of the bank's strategic goals, business strategy supporting achievement of the goals, resources deployed to achieve these goals and quality of implementation.

Credit Risks

The risk of loss arising from the failure of customers or counterparties to fully honor their obligations. This includes timely and full payment of principle, interest, collateral, and other receivables.

31. PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Capital Risks

The risk that the bank has an insufficient level or composition of capital to support its normal business operations as well as to meet regulatory capital requirements under normal operating conditions (both actual and as defined for internal planning or regulatory testing purposes).

Liquidity Risks

The risk that the bank is unable to meet its contractual or contingent obligations or that it doesn't have the appropriate amount, tenor and composition of funding and liquidity to support its assets.

Market Risks

The risk of loss arising from potential adverse changes in the value of the bank's assets and liabilities due to fluctuations in market variables including but not limited to interest rates, currency exchange rates, credit spreads, equity prices, commodity prices, implied volatilities and asset correlations.

Operational Risks

The risk of loss arising from inadequate or failed processes or systems, people or due to external events where the root cause is not due to credit or market risks.

Compliance Risks

The risk of current or prospective impact on income, capital. Reputation risk arising from violations or non-compliance with laws, rules, regulations, agreements, prescribed practices or ethical standards as well as incorrect interpretation of relevant laws and regulations.

Refer to Note 6 for more details on financial risk management.

32. RISK MANAGEMENT AND INTERNAL CONTROL

The Board accepts ultimate responsibility for the risk management and internal control systems of the Group. The management is delegated to ensure that adequate internal financial and operational control systems are developed and maintained on an ongoing basis to provide reasonable assurance regarding:

- * The effectiveness and efficiency of operations.
- * The safeguarding of the Group's assets.
- * Compliance with applicable laws and regulations.
- * The reliability of accounting records.
- * Business sustainability under normal as well as adverse conditions; and
- * Responsible behaviors towards all stakeholders.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance with such measures by some staff. Whilst no system of internal control can provide absolute assurance against misstatements or losses, the Group's system is designed to provide the Board with reasonable assurance that the procedures in place are operating effectively. The Board assessed the internal control systems throughout the financial year and is of the opinion that these met the acceptable criteria. The Board carries out risk and internal control assessment through the Audit and Risk Management Committee.

33. BANK'S OPERATING ENVIRONMENT

The Board accepts ultimate responsibility for the risk management and internal control systems of the Group. Management is delegated to ensure that adequate internal financial and operational control systems are developed and maintained on an ongoing basis to provide reasonable assurance regarding:

Macro-economic conditions

Inflation

Headline inflation stood at 3.6 percent in December 2025, up from 3.1 percent in the same month of 2024, yet remained within the national target range of 3–5 percent. The rate was also within the EAC and SADC convergence criteria of not more than 8 percent and 3–7 percent, respectively. The uptick in inflation was largely attributable to higher food prices, driven by seasonal demand and associated pressures during the festive period. Notably, the contribution of unprocessed food to overall inflation rose to 1.5 percent in December 2025, compared with 0.6 percent in 2024.

33. BANK'S OPERATING ENVIRONMENT (CONTINUED)

Bank's credit to private sector

Credit growth was highest in the mining sector at 91.1 per cent in December 2025, followed by trade and agriculture with growth rates of 49.7 per cent and 28.9 per cent, respectively. Personal loans, predominantly extended to micro, small, and medium-sized enterprises, continued to constitute the largest share of private sector credit at 35.8 per cent, followed by trade at 15.3 per cent and agriculture at 13.2 per cent. Credit to the private sector grew by 23.5 per cent in December 2025, compared with 18.1 per cent in November 2025.

Interest rates

The lending and deposit interest rates moderated marginally in December 2025. The overall lending rate eased slightly to 15.24 per cent, from 15.27 per cent in the preceding month. Similarly, lending rates charged to prime customers (negotiated rates) decreased slightly to 12.38 per cent, compared with 12.61 per cent in November 2025. On the deposit side, the overall rate was 8.36 per cent, slightly lower than 8.54 per cent in the preceding month, while the negotiated deposit rate remained almost unchanged at 11.66 per cent. As a result, the short-term interest rate spread of one-year lending and deposit rates narrowed to 5.88 per centage points, from 6.12 percentage points recorded in the corresponding month in 2024.

Money supply

Annual growth in extended broad money was 25.8% in December 2025, compared with 22.9% in November 2025. The growth was mainly driven by continued expansion of credit to the private sector, which grew by 23.5 per cent, compared with 18.1 per cent in the previous month.

Treasury Bills Market

In December 2025, the Bank of Tanzania conducted a single Treasury bill auction with a total tender size of TZS 176.1 billion, primarily to finance government budgetary operations and for monetary policy purposes. Reflecting ample liquidity in the economy, the auction was oversubscribed, attracting total bids of TZS 3 41.2 billion, of which TZS 291.7 billion were accepted. As a result, the overall weighted average yield declined to 5.87 per cent, from 6.25 per cent recorded in the preceding month.

Treasury Bonds Market

In December 2025, the Bank of Tanzania conducted a 20-year Treasury bond auction with a tender size of TZS 236.3 billion. The auction was oversubscribed, reflecting investors' appetite for longer-maturity instruments. The auction received bids worth TZS 813.5 billion, of which TZS 232.9 billion were accepted. Weighted average yields eased to 12.02 per cent, signaling favorable borrowing conditions and sustained confidence in the domestic debt market.

Foreign Exchange rates

The shilling remained stable against currencies of major trading partners, consistent with a low inflation rate and adequate foreign exchange reserves, trading at an average rate of TZS 2,452.76 per US dollar in December 2025, almost the same as TZS 2,444.81 traded the previous month. On an annual basis, the shilling depreciated slightly by 1.3 per cent from TZS 2,420.84 per US dollar in December 2024, compared with an appreciation of 3.8 per cent recorded in the similar period in 2024 (2023: TZS 2,516 per US dollar).

Gross Domestic Product (GDP)

The domestic economy maintained strong growth momentum in the third quarter of 2025, driven by sustained investment from both the public and private sectors. Real GDP in mainland Tanzania grew by 6.4 per cent, up from 6.1 per cent in the same quarter of 2024, with major contributions coming from agriculture, mining and quarrying, construction, and financial and insurance services activities

Regulatory environment

In the year the banking environment remained sound, stable and resilient with adequate capital to support economic activities. The Bank of Tanzania (BoT) continued to strengthen risk management practices in the financial sector by implementing various policies and regulatory reforms to safeguard the stability of the industry including directing banks with capital inadequate ratios to implement capital restoration plans and adhering to the regulatory requirements.

33. BANK'S OPERATING ENVIRONMENT (CONTINUED)

Political environment

The Group is operating under a sufficiently stable political environment in both countries which safeguards the interests of shareholders and meet stakeholders needs. Overall stabilization and growth of the bank and economy at large. Also, stable political environment has promoted the increase in foreign investment and the domestic investments and operations through fair and stable tax regime and policies induced by the governments leading to the increase of production capacity.

- * The countries' political stability provides reassurance for local and international stakeholders.
- * Renewed trust and restored relations among regional and international countries increased FDIs and Aids.
- * Relaxation of some policy conditions restored confidence and increased business activities.
- * The upper end of mobile users and internet penetration provides opportunities to offer service digitally.
- * Population growth, with a large part being youth, indicates the availability of the labor force and the ability to adopt new technologies.
- * The endowment of various natural resources provides an opportunity for economic growth and increased per capita income.

Competitive position

The banking landscape continues to face competition from other players, mainly Mobile Network Operators (MNOs) and FinTech with technology disruptions becoming a norm. Similarly, the mergers and acquisitions being witnessed in the banking industry will likely create entities that will increase competition in the sector. Exim will continue to drive innovation and other transformations in various aspects including digital transformation agenda towards building the bank of the future and creating value to our society through access to credit, financial inclusion and social responsibility programs.

The Bank continues to support customers' demands, which has been a critical focus of the Group throughout the year. This has been achieved through providing banking services to all over Tanzania, Uganda, Djibouti and Comores S.A.

Market forces

The Group serves a diverse customer base with changing needs and ever-increasing demand for more value and convenience. Technology is highly impacting the banking landscape; clients expect 24/7 banking services wherever they are in the world. The same access as offered by other service providers. They also expect constant innovation.

The Group maintains a customer centric focus, innovating business models that meet the customer demands and leverages on cutting edge technology to find solutions for customer needs. We have enhanced capabilities of our core banking system and alternative channels and ensure our footprint presence across the country and in our cross-border operations to foster excellent customer experience.

Speed and effect of technological change

The banking sector has embraced technology to serve customers more efficiently and conveniently. The use of technology has revolutionized banking from brick and mortar to clicks, changing how banks deliver services across its channels. The Group is strategically focused on deploying technological advancements to meet the growing demands of our customers and remain competitive. We are committed to adopting new technologies and business models that support growth and driving digital adoption.

The Group also intends to build advanced analytics capability to maximize the utilization of the data assets in revenue growth, risk/fraud control and efficiency (financial control and operational cost). We will continuously promote and drive agile culture throughout the organization to manage speed, scale and value of the digital transformation.

Financial inclusion

Building on our desire to transform, we remain keen on deepening access to financial services in the regions we operate in because we believe financial inclusion has a bearing on our sustainability. We strive for full inclusion for the unserved and underserved population within our markets of operation. The Group has taken financial inclusion as a social responsibility, aggressively working to ensure financial inclusion is enhanced in the country through our wide range of branch network, ATMs, mobile branches, point of sales, and agents. We fully support government initiatives to increase financial inclusions like in Tanzania to grow the banked population from 17% in 2018 to 50% by 2030 (Source: Financial sector development master plan 2020/21 – 2029/30 by Ministry of Finance and Planning) .

Our strategy embraces a broad definition of financial inclusion, seeking to improve access, ensure quality and actual usage of financial products and services, including credit, insurance, payments, remittances, and savings. As a Group, we are focused on making sure technology transforms financial services in a way that works for everyone.

Human rights

The Group complies to all regional and international human rights instruments. We also promote human rights through our employment policies and practices, through our supply chain and through the responsible use of our products and service in accordance with the requirements of the constitutions of Tanzania, Uganda, Djibouti and Comores S.A.

33. BANK'S OPERATING ENVIRONMENT (CONTINUED)

Health

The group remains committed to conducting our business in compliance with all applicable health and safety laws and regulations (the Occupational Safety Human Resources Policy, Version 5.0, July 2021 and Health Act.No.5 of 2003) and other best practices. The group strive to provide a safe and health work environment to avoid adverse impact and injury to its employees and customers by taking responsibilities towards the safety of everyone on our premises, including employees, contractors, customers, visitors and members of the public and ensures that they are not exposed to risks that may compromise their Health and Safety.

34. KEY PERFORMANCE INDICATORS

The following KPIs summarise the Group's financial performance, asset quality, efficiency and capital position. Financial KPIs are calculated from the audited consolidated and separate financial statements. Regulatory capital ratios are prepared using applicable prudential rules and may include prescribed regulatory adjustments.

Performance indicator		2025	Group 2024	2025	Bank 2024
Definition and calculation method					
Return on equity	Net profit/Average total equity for past two years	17.78%	25.11%	18.82%	27.3%
Return on assets	Profit Before Tax/Average total assets for past two years	3.42%	4.61%	3.82%	5.32%
Cost to income ratio*	(Operating expenses excluding Provisions)/ (Net interest income + non-interest income)	64.56%	58.62%	59.58%	54.5%
Gross loans to total deposits	Total gross loans/Total deposits	67.64%	75.63%	69.82%	83.24%
Non-performing loans to gross loans	Gross Non-performing loans/Total Gross Loans	2.02%	5.55%	2.44%	4.26%
Earning assets to total assets	Total Earning assets/Total assets	85.92%	85.41%	82.55%	84.09%
Growth on total assets	Trend (Current year total assets-previous year total assets)/ Previous year total assets	27.28%	4.43%	23.89%	6.13%
Growth on loans and advances to customers	Trend (Current year loans and advances to customers -previous year loans and advances to customers)/Previous year loans and advances to customers	19.43%	18.6%	12.62%	23.5%
Growth on customer deposits	Trend (Current year customer deposits -previous year customer deposits)/Previous year customer deposits	32.42%	0.96%	34.53%	9.94%
Growth on total shareholders' funds	Trend (Current year total shareholders' funds -previous year total shareholders' funds)/Previous year total shareholders' funds	12.46%	28.72%	15.69%	24.81%
Capital adequacy:					
CET1 to total RWA	CET1 Capital/Risk weighted average assets including off-balance	18.47%	17.66%	20.22%	17.66%
Tier-1 capital to total RWA	Tier-1 Capital/Risk weighted average assets including off-balance	18.47%	17.66%	20.22%	17.66%
Tier 1 + Tier 2 capital	Total Capital/Risk weighted average assets including off-balance	19.53%	19.09%	21.57%	19.09%

**If the cash recoveries from previously written off loans and advances portfolio were incorporated on the cost to income ratio, the group ratio for 2025 would be 61.66% (2024: 54.04%). For the bank the corresponding ratio would be 55.41% (2024: 48.29%).*

The Bank aligned branch operations to the re-engineered operating model; strengthened workforce capability; improved coordination between head office and branches; and launched the upgraded SimBanking application and USSD service to improve customer experience and usage.

35. SOLVENCY

The Board confirms that applicable accounting standards have been followed and that the statements of affairs of the Group as at 31 December 2025 as set out in the consolidated and separate statements of financial position have been prepared on a going concern basis. The Directors consider the Group and the Company to be solvent within the meaning ascribed by the Companies Act, No. 12 of 2002.

36. GENDER PARITY

The Group is proud to be an Equal Opportunity Employer with 1,318 employees, out of which 639 were female and 679 were male (2024: 1,022 employees, out of which 480 were female and 542 were male). During the year, 30% (2024: 20%) of the senior management team were women.

37. RELATED PARTY TRANSACTIONS

The related party transactions and balances are disclosed in Note 39 to the consolidated and separate financial statements.

38. WELFARE OF EMPLOYEES

Our Group is based on understanding that our work force is what makes us who we are. Hence, we live in a belief that our workforce is our most valuable asset. Hence we make effort to develop their abilities and increase their productivity. We encourage a work culture that values relationships at every level in the Group; encouraging them to express their views and share their ideas to bring about improvements towards the achievement of our vision for the sustainability of the group.

The Group believes in a conducive, supportive and inspiring work environment that creates an enduring presence of a loyal and committed workforce, that is motivated, trained, and proactive towards delivering the value we committed to our stakeholders. Over two decades the Group invested in creation of 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.

Relationship between management and employees

There was continued good relationship between employees and management during the year. There were no unresolved complaints received by management from the employees during the year. The Group is an Equal Opportunity Employer. It provides equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind.

Our management and those charged with governance have centered attention to creating, maintaining, and improving the right work culture. This culture has been instilled in all employees across all levels to always ensure alignment between different levels and key stakeholders.

This right culture creation and development started with creation of strong and top management with the aligned mind set through talent spotting and management, employee development, capacity improvement and leadership capabilities across all levels. At Exim, those charged with governance always strive to create a conducive atmosphere where our entire workforce will be efficiently and effectively utilized hence our entire workforce work as one.

Learning and Development

For the year 2025, the Group spent TZS 910 million (2024: TZS 441 million) in employees' learning and development. Training programs have been and are continually developed to ensure employees are adequately trained at all levels. All employees undergo annual training to upgrade soft/banking skills and enhance development.

Performance Management System (PMS)

Among key areas that have seen amongst the biggest improvement yet in the past few years is employee performance management, which effective from January 2021 a new performance management strategy was introduced, and this intended at enhance how development of our employee is managed. The enhancements intended to improve how targets are set at beginning of review period, establish an effective and efficient performance improvement across the review period, it has also improved how the performance basis are set and what they imply and then how the performance appraisal is done. Since introduction of this new appraisal system the following have been the results.

- * Improvement in employee productivity
- * Growth in revenue.
- * It has created a more engaging process than before. The Group starts the PMS process with Balanced Scorecard which establishes the milestone that the Group intends to achieve by both end of medium term (normally 5 years) and cascaded in annual basis. The Group goals are then split into an individual bases to create a unified effort across the board.

38. WELFARE OF EMPLOYEES (CONTINUED)

Performance Management System (PMS) (continued)

Among the key achievements, our Bank was awarded Employee Engagement Award during the 2023 ATE Employer of the year Awards Ceremony.

Also the Bank scored GBM awards 2023, as the most innovative banking brand in Tanzania.

Our Group continues to enhance the transparency and objectivity of the exercise by employing the upgraded version in its electronic Performance Management System which is also expected to maximize the look and feel experience for users interfacing with it.

Change Management

In 2024, management introduced Change Management Program. In the dynamic sphere of financial services that we are in, the strategic adoption of advanced technologies is imperative if we are to maintain our competitiveness and enhance their customers' experience. The upgrade of our core banking system and other technology-related changes that are in progress is a transformational undertaking that is an integral part of our modernization efforts. Thus, the need for an integrated Change Management Program to leverage on the technologies to achieve our strategic and financial objectives. The Change Management Program Framework consists of 3 Cs which are Compliance, Capability and Courtesy.

Talent management

The Bank has an electronic learning management system which has been a key ingredient in implementing learning and development programs. Through the launched platform, the talent management programs have been executed quicker, easier, and in the most reliable way.

Medical assistance

Our employees are provided with medical insurance through a defined contribution plan. Currently, these services are provided by Strategies Insurance (Tanzania) Limited and National Health Insurance Fund. There is also a bank group life assurance cover for all staff.

Health and safety

The Group has a bank administration and security department which ensures that a culture of safety always prevails. A safe working environment is ensured for all employees and contractors by providing adequate and proper training and supervision as necessary.

Talent retention

Our group continuously seeks to identify, develop and retain talented employees. The group has developed its diversified mechanism to identify the potential talents and engage in improving and developing its capacity which in the combination of many other aspects it creates a bond between the workforce and its staffs to create an identity in valuing what everyone does to the point that retention levels have been increasing to 88% in 2025 from 91% in 2024. In the current workforce 30% of staffs have been with the bank for over 10 years (30% in 2024), 20% are between 6-10 years (20% in 2024) and 50% have worked between 0-5 years (50% in 2024).

Financial assistance to staff

Loans and advances under various schemes are available to all confirmed employees depending on the assessment and discretion of management as to the need and circumstances as per the Group's Human Resources (HR) policy approved by the Board. This is to assist in promoting the welfare of employees.

Persons with disabilities

Applications for employment by persons with disability are always considered, bearing in mind the aptitude of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues, and appropriate training is arranged. It is endeavored that training, career development and promotion of persons with disability should be identical to that of other employees.

Succession planning

The Bank endeavors to minimize the risk of key man dependence by creating a succession pool. The succession pool creates a provision for talent sourcing in the event of an attrition in a critical position where development plans are established in preparation for their readiness. This is the process put in place to address the following main objectives: -

- * Identify high-potential employees capable of rapid advancement to positions of higher responsibility,
- * Ensure the systematic and long-term development of individuals to replace critical job incumbents as the need arises,
- * Create 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.

38. WELFARE OF EMPLOYEES (CONTINUED)

Employee benefit plan

The Group and all its employees contribute to the statutory social security funds in Tanzania that is NSSF which is defined contribution scheme. Employees contribute 10% and the Group also contributes 10% to the schemes. The subsidiaries comply with the social security laws and regulations applicable in the respective countries.

39. POLITICAL AND CHARITABLE DONATIONS

The Group did not make any political donations during the year. Donations made to various charitable organizations during the year as part of Corporate Social Responsibility (CSR) on health, education, sports, tourism and environment to support endeavors amounted to TZS 616 million (2024: TZS 280 million).

40. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Group remains committed to the communities that it operates in and made contributions under the education, environment, and health pillars which it continues to focus on.

The Bank has further strengthened its Exim Cares division, which its primary mission is creating platforms and initiatives in which Eximites (Exim Staff), and associated partners can transform lives through their actions. This transcends the traditional approach of CSR which is mostly through donations. Exim Cares is the 's social responsibility arm that addresses important social issues and builds on the commitment of Exim at work today, for tomorrow's approach which aims at working for a better tomorrow for the communities that support and surrounds the bank.

Eximites (Exim Staff)

Further in line with Exim Cares mission of enabling staff to transform lives through their actions, each department was given a budget to choose and support a cause of their choice. Through this approach, various charitable activities to several orphanages were conducted.

Health Care

Diabetes Screening

Through the Exim Cares programme, we partnered with the Tanzania Diabetes Association, marked World Diabetes Day 2025 by offering free diabetes screenings to staff and customers, reinforcing its commitment to early detection, healthier workplaces, and community wellbeing across Tanzania

Breast Cancer Awareness

In line with the Exim Cares commitment to promoting health and wellbeing, and as part of this year's Customer Service Week celebrations, we placed a strong focus on employee health by partnering with Ocean Road Hospital to conduct a Breast Cancer Awareness Session. The session provided practical insights on breast cancer prevention, early detection, and available support services, reinforcing Exim Cares' mission to foster healthier workplaces and empower employees with knowledge that supports long-term wellbeing.

Renovation

Through the Exim Cares Programme, we successfully renovated and officially handed over the Child and Adolescent Psychiatric Unit at Muhimbili National Hospital, addressing a critical gap in mental health care for some of the country's most vulnerable patients. This intervention goes beyond infrastructure improvement it creates a safer, more dignified, and therapeutic environment where children and young people facing mental health challenges can receive care that supports healing, stability, and recovery. Through our CSR initiative, Exim Cares, we aim to raise over TZS 300 million over the next three years to improve mental health services and upgrade facilities.

Education - Donation

As part of ongoing commitment to supporting Tanzania's development through investment in education, we officially handed over newly constructed and fully furnished classrooms and sports equipment to Kaphunya and Nyakitundu secondary schools in Buhigwe District, Kigoma Region.

This initiative has enhanced the learning environment by easing classroom congestion and supporting students' academic and physical development. Through this effort, we are proud to support government initiatives to strengthen the education sector and invest in the future of Tanzania's youth, ensuring our contributions have a meaningful and lasting impact on the communities we serve.

Young Scientists of Tanzania

We proudly sponsored Young Scientists Tanzania (YST) as part of our ongoing commitment to supporting innovation and education. YST has been promoting STEM (Science, Technology, Engineering, and Mathematics) education among Secondary school students across Tanzania for the past fourteen years. In 2025, the YST Science Outreach Program expanded its reach to all regions of the country, providing valuable capacity-building workshops for both teachers and students.

40. CORPORATE SOCIAL RESPONSIBILITY (CSR) (CONTINUED)

Collaboration with JKCI to Promote Workplace Wellness

Through the Exim Cares programme, we partnered with the Jakaya Kikwete Cardiac Institute (JKCI), to conduct a comprehensive cardiovascular screening and awareness session for staff at Exim Tower. The initiative supported early detection of heart-related conditions, promoted preventive healthcare, and reinforced a culture of workplace wellness. It also reflects our long-standing collaboration with JKCI to strengthen national healthcare systems, extend life-saving services beyond borders, and contribute to improved health outcomes for communities in Tanzania and the region.

Blood donations-World Blood Donor Day

As part of our ongoing commitment to community welfare and in commemoration of the Blood Donor Day, we conducted a Blood Donation Drive through Exim Cares. This significant event took place on Friday, the 6th of June 2025, across various regions where we have branches, including Dar es Salaam, Dodoma, Mbeya, Mtwara, and Kahama. We managed to collect 569 units and handover 110 essential medical items to National Blood Transfusion Service (NBTS). This crucial equipment are set to significantly enhance NBTS's nationwide blood collection and storage capacity, ultimately improving the quality, safety, and availability of blood in public health facilities across Tanzania.

Women Empowerment Program (WEP)

Under Exim Cares initiatives, we continue to make a lasting difference in the lives of women through Women Empowerment Program m (WEP). The program is giving women the chance to gain financial support, practical business skills, and leadership confidence that help them grow both personally and professionally. Through a partnership with Ndoto Hub, we successfully completed three rounds of six-week training sessions, reaching women entrepreneurs across different parts of Tanzania. The participants have benefited from practical training in business planning, marketing, leadership, and financial management. To support these women beyond training, we have already provided over TZS 140 million shillings in interest-free loans to the trained women. This support has helped many of them expand their operations, formalize their businesses, and create new job opportunities.

Through WEP, we partnered with Mind Matters for a series of 'Mindful Leadership' training targeting 150 female entrepreneurs and 100 University female students at Kairuki University. Building on three successful cohorts, the program provided young women with practical leadership skills, emotional intelligence, and confidence to thrive in the professional world. This initiative supports our commitment to empower 600,000 women by 2028. Through workshops, mentorship, and real-world challenges participants gain stronger communication, decision-making, and problem-solving abilities. This collaboration continues to break barriers and prepare Tanzania's next generation of women leaders.

41. IMPACT OF COVID

Overall impact of COVID

It's been six years since COVID-19 pandemic outbreak and the economy is at the recovery stage, during this time the Group has been continuously monitoring the impact of the pandemic and various measures taken by different sovereigns including but not limited to government of Tanzania, Uganda, Comoros, Djibouti through Central Banks together with measures taken by other governments which might affect how we operate as a Group.

With that regard the economies we operate in remained stable and the business environment remained sustainable across most sectors. The financial sector continued to perform well, despite the rapid changes seen in several patterns of the economy including changes in consumers' spending behavior and investors risk appetites. However, we have noted that some sectors were adversely impacted by the pandemic, mainly because of the measures taken by individual governments and businesses to respond to the outbreak.

Governments we operate in opted for solid measures which enabled us to control the impact of the pandemic which allowed the economic activities to fully resume and sustain the same. The pandemic impacted mostly the tourism related sectors such as hospitality whilst other sectors such as construction, agriculture, transportation, health, and trade continued to grow at a steady rate. Most economies did not opt for operation suspension or scale down as more understanding of the pandemic is attained hence banks continued to operate however general global economic slowdown disrupted the ability to generate cashflows and credit worthiness of customers. We however remain optimistic that the banking sector will continue to strive as a result of strong measures the governments have taken to improve business environment. We have seen Central Banks provide significant relief policies to promote credit growth for the private sector.

41. IMPACT OF COVID (CONTINUED)

Overall impact of COVID (continued)

Specifically, the measures taken by the Central Bank of Tanzania and together with our strategic initiatives yielded the seen performance of the Group despite the effect of the pandemic.

The Bank and group have tapped the opportunities availed by Central Bank policies and directive measures including but not limited to loans modifications to sectors affected and effort to alleviate the effects of the pandemic to the economy.

To mitigate liquidity risks as the economy recovers from effects of Covid-19 pandemic, the bank in collaboration with government stakeholders through the regulators continues to take various steps to ensure continuity of operations even as it monitored the situation. The bank is positioned to take appropriate actions to respond to the changes in the market and fully navigate any significant disruption that may ensue.

Measures taken by the Central Bank mitigate the risks of the pandemic

- * Circular was on SMR reduction for Loans that shall be extended to agriculture at rate not more than 10% will qualify for SMR reduction equivalent to loan amount extended, this helped to increase liquidity for Bank to invest in earning assets.
- * BOT Reduced risk weights on salaried loans from 100% to 50% for computing regulatory capital of banks, this increases capital ratios which in turn creates a room to further extend credit to the private sector.
- * Relaxation of agent banking eligibility criteria, whereby BOT removed a requirement for business experience of at least 18 months for applicants of agent banking business by retaining only a requirement for National ID card or National ID number which create a room of potential growth of agent network.
- * Limitation of interest rate paid on mobile money trust accounts whereby interest rate on deposit held in mobile money trust accounts shall not exceed rate offered on savings deposits by the respective Bank which led to the reduction of interest expense attributable to trust accounts.

Measures taken by the Bank and Group to mitigate the risks of the pandemic

- * To protect staff and the public to ensure business continuity by, continuing providing awareness and health campaigns for staff and customers to drive compliance with the mitigation guidelines including social distancing, handwashing and wearing of facemasks which were provided by the Bank for free to all staffs.
- * Ensuring appropriate Personal Protective Equipment (PPEs); Sanitizers, thermometer guns, gloves, and facemasks, which are distributed to the entire network i.e., HQ, branches and ATMs.
- * Aggressive deployment and issue of innovative technology solutions and tools such as Microsoft teams and zoom for internal and external meetings to reduce physical interactions.
- * Improvement, deployment of new and pushing customers to consider Bank's alternative service delivery channels mainly to do with digital banking platforms and solutions such as online banking, Bank to wallet, PoS, ATM solutions, Cash management solutions to minimize customers' branch visits.
- * Installation of sanitizers at Bank's premises including branches, HQ, ATMs to reduce the risk of surface transmission.

Assessment of the measures taken by the Bank and Group to mitigate the risks of the pandemic

Credit risks

In terms of credit risk, the Bank had not experienced the significant increase in credit risk in all its financial instruments during the recovery from the pandemic. Credit portfolio performance was relatively stable during the year (reported a contained NPA of less than 5% to gross loan book), strengthened by the credit reforms implemented over the period.

The Group is implementing numerous credit monitoring initiatives ranging from portfolio management and monitoring identification of early warning signals and implementing proactive corrective actions timely. Moreover, the Bank implemented a strategy to contain the loan book growth and strategically push for higher yield but lower credit risk such as consumer loans, close engagement with customers and timely restructuring of credit facilities to align with the anticipated cash flows and writing off loan and advances in line with Central Bank guidelines. Again, the Bank through its channels keeps on engaging borrowers and customers on various sectors through close monitoring and follow up of Covid-19 restructured facilities.

Hence from above initiatives taken the pandemic was seen to have a marginal detrimental impact directly to the Bank's operation hence no significant adjustment made with respect to economic assumptions applied and disclosed by the Bank as of 31 December 2025.

42. MAJOR FINANCING TRANSACTIONS

There was no major financing transaction during the year.

43. CLIMATE-RELATED RISKS

The Group recognizes the climate change related risk. Extreme weather events such as storms, high winds, drought, and high temperatures may generally impact various businesses.

The Group's business, which is directly linked to climate change is in agricultural sector. The Group has persistently complied with BOT guidelines about concentration risks to mitigate likely any negative impact.

The Group has in place internal environmental policy which among other things promote digital communication, digital transactions, and paperless activities. There are no changes to the current environmental protection policy, hence no additional financial commitment is required regarding climate related risks.

Forward-looking climate-related risks that could potentially impact the financial statements of the Group are physical damage of the low lying coastal leased buildings hosting the facilities and employees, and massive lending to agricultural sector.

44. SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE

44.1. Basis of Preparation

44.1.1. Statement of Compliance

This sustainability report has been prepared for the year ended 31 December 2025 in accordance with the IFRS Sustainability Disclosure Standards, as issued by the International Sustainability Standards Board (ISSB).

In preparing this report, the Bank made use of the proportionality mechanisms as permitted by IFRS S1 primarily to areas where data and methodologies are still being developed, particularly climaterelated metrics and certain social metrics. One of the key proportionality mechanisms is the option to disclose qualitative (rather than quantitative) information in circumstances where quantitative information is not readily available without undue cost and effort. Accordingly, this report includes both quantitative and qualitative disclosures on the financial effects of the Bank's material climate-related risks and opportunities. The relief has also been applied on disclosures for other non climate topics where data is limited The following standards have been applied to this report:

- * IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information; and
- * IFRS S2 Climate-related Disclosures.

These standards provide a globally consistent framework for disclosing sustainability-related risks and opportunities that could reasonably affect the Bank's enterprise value over the short, medium, and long term. At the reporting date, no other IFRS Sustainability Disclosure Standards beyond IFRS S1 and IFRS S2 had been issued by the ISSB that are required to be applied by the Group.

The Bank has also referred to and considered relevant disclosure topics outlined in the Sustainability Accounting Standards Board (SASB) standards for Commercial banks. These supplementary references have helped guide the selection of industry-specific metrics and enhance the relevance and comparability of the information presented in this report.

Additionally, the Group considered the Bank of Tanzania Guidelines on Reporting of Sustainability-Related Risks and Opportunities for Banks and Financial Institutions (2025) and the National Board of Accountants and Auditors (NBAA) Technical Pronouncement No. 1 of 2024 for Public Interest Entities. Where local regulatory requirements provide additional specificity, the Group has applied those requirements alongside IFRS S1 and IFRS S2.

44.1.2. Connectivity with Financial Statements

This sustainability report has been prepared for Group and should be read in conjunction with the Group's consolidated financial statements, prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IFRS® Accounting Standards). It covers a 12-month period for the year ended 31 December 2025, which is aligned with the reporting period of the related Financial Report 2025. It therefore encompasses Exim Bank (Tanzania) Limited as the parent company and its consolidated banking subsidiaries in Uganda, Comoros and Djibouti.

Presentation currency:

The presentation currency of this report is the Tanzanian Shilling (TZS), which is also the presentation currency of the financial statements. Unless otherwise indicated, monetary amounts are shown in TZS millions.

44. SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED)

44.1. Basis of Preparation (continued)

44.1.2. Connectivity with Financial Statements (continued)

Time Horizons

The Bank defines time horizons based on when sustainability-related risks and opportunities could reasonably be expected to occur. As at the end of the reporting period, the following time horizons were identified, which align with the timelines used for strategic decision-making:

- * Short term: 0 to 12 months.
- * Medium term: 1 to 5 years
- * Long term: Beyond 5 years

44.1.3. First-time Adoption and Transition Reliefs

The year ended 31 December 2025 is the first reporting period in which the Group has prepared sustainability related financial disclosures in accordance with IFRS S1 and IFRS S2. In doing so, the Group has applied certain transition reliefs available to first-time adopters related financial disclosures in accordance with IFRS S1 and IFRS S2:

(i) The Group has applied the relief from presenting comparative information set out in IFRS S1 paragraph E3 and IFRS S2 paragraph C3. As a result, the report does not include comparative sustainability related information for prior periods. The Group expects to provide comparative information from the 2026 reporting period onwards.

(ii) The Group has also applied the relief from disclosing Scope 3 greenhouse gas (GHG) emissions as set out in IFRS S2 paragraph C4(b). Accordingly, Scope 3 emissions, including emissions associated with the Group's lending portfolio (Scope 3, Category 15 – “Investments” under the GHG Protocol), are not disclosed for the 2025 reporting period. The Group intends to commence disclosure of Scope 3 emissions, including financed emissions, from the 2026 reporting period. This is also in line with the roadmap provided by the National Board of Accountants and Auditors (NBAA).

44.2. Overview of the Group and Value Chain

44.2.1. Overview of the Group

Exim Bank (Tanzania) Limited (“Exim” or “the Bank”) is a commercial bank headquartered in Dar es Salaam and licensed under the Banking and Financial Institutions Act, 2006. Together with its banking subsidiaries in Uganda, Comoros and Djibouti, the Bank forms the Exim Group (“the Group”).

The Group operates a multi-service business model organised around Retail and SME Banking, Corporate and Institutional Banking, Treasury and Global Markets and Bancassurance, serving individual, SME corporate and public-sector customers through regional branches and agent network and digital channels in its four operating countries

Geographically, the Group has a presence in four countries through 52 branches: 31 in Tanzania, 8 in Uganda, 7 in Comoros and 6 in Djibouti, supported by a representative office in Ethiopia. This physical footprint is complemented by an electronic distribution network comprising 86 ATMs and 2,807 banking agents, which extends access to financial services into rural and periurban areas where a full branch presence may not be economically viable. Digital channels, particularly mobile and internet banking, are increasingly central to the Group's service delivery. Mobile banking usage rose from approximately 35 per cent in 2024 to 58 per cent of customers in 2025, reflecting the Group's emphasis on digital transformation and financial inclusion.

The Group serves a large and diverse customer base, including individual customers, small and medium sized enterprises, large corporate and public sector entities. Its activities generate revenue primarily through net interest income on loans and advances and noninterest income from fees, commissions and trading activities. The Group's business model is underpinned by a commitment to strong risk management and responsible finance.

In 2025 the Board approved a refreshed Enterprise Risk Management Framework, which recognises Sustainability Risk and Climate-related Financial Risk as principal risks, and approved dedicated policies on climate-related financial risk, environmental and social risk management and personal data protection. These frameworks are described in more detail in Notes 6, 7, 8 and 9 sized enterprises, large corporates and public-sector entities.

For more detailed information on the Group's business model, customer segments and delivery channels, refer to the Directors report within this annual report (Note 5,6&7)

44. SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED)

44.2. Overview of the Group and Value Chain (continue)

44.2.2. Our Value Chain

The Group's value chain comprises its funding sources upstream, its own operations, and the downstream activities it finances through its lending and investment portfolios.

Upstream value chain – funding sources

The Group is funded primarily by customer deposits across retail, SME, corporate and institutional segments.

These are supplemented by shareholders' equity, interbank and other wholesale funding and lines from development finance institutions (DFIs) such as the African Development Bank. Access to DFI funding is increasingly linked to robust environmental, social and governance practices and to the implementation of policies such as the Environmental and Social Risk Management Policy (ESRMP) and the Climate Related Financial Risk Management Policy.

Upstream value chain:

Supplier / funding type	Description	Climate / sustainability exposure
Customer deposits	Retail, SME, corporate and institutional current accounts, savings and term deposits.	Indirect exposure via confidence in the Group's financial strength and ESG practices; no direct climate risk from the deposits themselves.
Shareholders' equity	Paid in capital and retainedin capital and retained earnings of the Group.	Supports the Group's capacity to absorb climate related and other sustainabilityrelated losses.
Development finance institutions	Medium and and longterm funding lines and guarantees from DFIs such as the African Development Bank.	Conditions typically require robust E&S and climate risk management; incentives to enhance sustainability practices.
Interbank and other wholesale funding	Funding from other financial institutions and wholesale markets.	Indirectly influenced by perceptions of the Group's risk profile, including ESG and climate relatedrelated risk management.

Own operations – banking service delivery

The Group's own operations include its branch and ATM network, agency banking operations, digital channels and head office and support functions. Day to day banking services is delivered through 52 branches, 86 ATMs and 2,807 agents, supported by mobile and internet banking platforms and a workforce of more than 1,000 employees.

Sustainability considerations in own operations include energy use and associated greenhouse gas emissions, employee health, safety and development, data security and privacy, business ethics and compliance, and the resilience of premises, systems and people to physical climate risks such as floods and heatwaves. These matters are discussed in Notes 7, 8 and 9.

Downstream value chain – customers and financed activities

Downstream, the Group's value chain consists of the customers and activities it finances through its lending and investment activities. As of 31 December 2025, the Group's loan portfolio amounted to approximately TZS 1.35 trillion across 17 sectors, including agriculture, manufacturing, trade, transport, real estate and services.

The environmental and social performance of borrowers and the sectors in which they operate directly influence the Group's credit risk profile and its exposure to climate-related physical and transition risks. At the same time, this portfolio provides the opportunity to support a more sustainable economy by financing climate resilient agriculture, renewable energy, energy efficiency and other green and socially beneficial activities.

44. SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED)

44.2. Overview of the Group and Value Chain (continue)

44.2.2. Our Value Chain (continue)

Downstream value chain

Customer segment / portfolio	Key products and services	Climate / sustainability exposure
Retail and SME customers	Savings and current accounts, personal and SME loans, mortgages, vehicle and asset finance, credit cards, digital banking.	Exposure to physical risks (e.g. drought and flooding affecting SME and agriculture borrowers) and to social topics such as financial inclusion and customer protection.
Corporate and institutional clients	Working capital, term loans, trade and supply chain finance, project and commodity finance, cash managementchain finance, project and commodity finance, cash management and treasury services.	Significant exposure to climate related transition and physical risks in sectors such as agriculture, manufacturing, transport, energyrelated transition and physical risks in sectors such as agriculture, manufacturing, transport, energy and real estate; managed through ESRMP and the Climate Risk Policy.
Publicsector entities	Lending and transactional services to government and public institutions, including infrastructure and social projects.	Exposure to climate resilient infrastructure and social projects; opportunities to support national climate and development objectivesresilient infrastructure and social projects; opportunities to support national climate and development objectives.
Treasury and investment counterparties	Investment in government securities and other financial instruments; interbank placements.	Indirect exposure to sovereign climate and fiscal risks and to broader macroeconomic conditions influenced by climate change.

The Group's value chain encompasses a broad set of stakeholders, including the Central Government and regulatory authorities such as the Bank of Tanzania (BoT), the National Board of Accountants and Auditors (NBAA), the Tanzania Revenue Authority (TRA), as well as other relevant oversight bodies. Furthermore, the value chain integrates communities, whose engagement and development remain central to the Group's sustainability agenda

44.3. Reporting Boundary

44.3.1. Reporting Boundary (excluding GHG emissions)

The boundary for this sustainability related financial disclosures is aligned with the boundary used for the Group's consolidated financial statements. It includes Exim Bank (Tanzania) Limited as the parent company and its banking subsidiaries in Uganda, Comoros and Djibouti. The Group's reporting entity and the extent of sustainability related information considered and included in the Group's consolidated sustainability are summarised below:

Entity	Country	Ownership / control basis	Information considered and included
Exim Bank (Tanzania) Limited	Tanzania	Parent company	100% of the sustainability information
Exim Bank (Uganda) Limited	Uganda	Wholly ownedowned subsidiary	100% of the sustainability information
Exim Bank Comoros S.A.	Comoros	Majority ownedowned subsidiary	100% of the sustainability information
Exim Bank Djibouti S.A.	Djibouti	Majority ownedowned subsidiary	100% of the sustainability information
Leased assets (Group as a lessee	Across the group	-	100% of the sustainability information related to the use of the leased assets during the lease term

44.3.2. Reporting Boundary for GHG Emissions

The Group applies the operational control approach to determine its organisational boundary for greenhouse gas (GHG) emissions. The organisational boundary consists of Exim Bank (Tanzania) Limited and all its consolidated subsidiaries. All emissions from facilities, vehicles, and operations under the Group's financial control are included within this boundary.

For greenhouse gas (GHG) reporting purposes, the Group applies the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard to define the organisational and operational boundaries for its emissions. The Group also refers to the GHG Protocol Corporate Value Chain (Scope 3) Standard for the definition of Scope 3 categories.

44. SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED)

44.3. Reporting Boundary (continued)

44.3.2. Reporting Boundary for GHG Emissions (continued)

Within this organisational boundary, emissions are classified as:

- * Scope 1, comprising direct GHG emissions from sources owned or controlled by the Group, such as fuel used in the vehicle fleet and backup generators.
- * Scope 2, comprising indirect GHG emissions from the generation of purchased electricity consumed at branches, offices and data centres.

For this first year of reporting, the Group has applied the transition relief in IFRS S2 paragraph C4(b) and has therefore not disclosed Scope 3 emissions, including financed emissions from its lending portfolio. The Group discloses Scope 1 and Scope 2 emissions to the extent permitted by current data and methodologies, as described in Note 7.6. and methodologies are in place.

44.4. Judgements and Measurement Uncertainties

The preparation of this sustainability related financial disclosures requires the Group to exercise judgement and to make estimates and assumptions in areas where information cannot be measured directly. This note summarises the most significant judgements applied and the main sources of measurement uncertainty.

44.4.1. Significant judgements

Judgement	Description	Note reference
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. Judgement was also applied in considering which metrics within the disclosure topics in external frameworks such as the SASB Commercial Banks Standard (FNCB) were applicableCB) were applicable to the Group.	Note 5
Determination of the organisational and operational boundary for GHG emissions and related inputs	For the purposes of greenhouse gas emissions reporting, the Group has applied the operational control approach to determine its organisational boundary and has classified emission sources into Scopes 1, 2 and 3 in accordance with the GHG Protocol. Determining that operational control is the most appropriate basis, and identifying which operations and sources fall within Scope 1 and Scope 2 for the current period, involve significant judgement. Judgement is also involved in selecting the emission factors used for scope 1 and scope 2 emissions, taking into account available national and international data. The Group has applied the transition relief in IFRS S2 and has not yet measured or disclosed Scope 3 emissions.	Note 3.2. Note 7.6
Scenario analysis – Judgments in selection of possible future climate scenario	As required in IFRS S2, the Group has developed its climate risk scenario analysis to assess the resilience of the Group's operation from climate risk. One of the significant judgments applied is the selection of possible future climate scenario and assessment of the potential impact under each scenario.	Note 7.XX

44. SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED)

44.4.2. Measurement uncertainty

Certain amounts and metrics disclosed in this report are subject to a high degree of measurement uncertainty because they involve estimates and forward-looking information. The main sources of measurement uncertainty are summarised below.

Source of Uncertainty	Description	Note reference
GHGrelated metrics	The Group measures its greenhouse gas emissions in accordance with the GHG Protocol, unless otherwise stated as required by IFRS S2. The related metrics are subject to inherent uncertainties arising from reliance on activity data (for example, fuel consumption and electricity usage) and emission factors obtained from thirdparty sources. Where activity data and emission factors cannot be obtained on a timely basis, or are incomplete, estimation methods may be used, which introduce additional measurement uncertainty.	Note 7.6
Climate related financial effects	Estimates of anticipated financial effects arising from climate related risks, including the potential impact of physical and transition risks on credit losses, collateral values and capital adequacy, are subject to significant measurement uncertainty. With limited history linking climate scenarios to portfolio performance and evolving methodologies for climate stress testing, there is a wide range of potential outcomes for these financial effects over the medium to long term.	Notes 7.1, 7.2, 7.3

Management has used the best available information and reasonable estimation techniques to prepare this report and will continue to improve data quality as systems and methodologies evolve.

44.5. Materiality Assessment

As part of its inaugural sustainability reporting exercise in alignment with IFRS S1 and IFRS S2, the Group has established a formal process to identify the sustainability related risks and opportunities that could reasonably be expected to influence its short, medium and long-term prospects.

This process builds on the Group's existing practice of integrating environmental and social considerations into credit risk assessment through its Environmental and Social Risk Management Policy (ESRMP) and has been extended to cover climate related, social and governance matter more broadly.

The materiality assessment was led by the Risk and Compliance Department, working with relevant business units and subject matter experts. The process was designed to ensure crossfunctional collaboration and senior management oversight. The results were communicated to the Board Audit and Risk Management Committee (BARMC) for review. The BARMC is the Board committee responsible for overseeing the Group's principal risks, including Sustainability Risk and Climatedrelated Financial Risk.

44.5.1. Materiality assessment process

The Group's methodology follows the two-step process recommended by the International Sustainability Standards Board (ISSB):

- (i) Identify sustainability related risks and opportunities that could reasonably be expected to affect the Group's prospects.
- (ii) Identify the material information related to those risks and opportunities that is necessary for primary users of general-purpose financial reports.

Step 1: Identification of sustainability related risks and opportunitiesrelated risks and opportunities:

The first step was to develop a comprehensive view of the sustainability related risks and opportunities that may affect the Group over its defined time horizons.

44. SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED)

44.5. Materiality Assessment (Continued)

44.5.1. Materiality assessment process (Continued)

Understanding the context:

Management first considered the context in which the Group operates, including its business model, geographic footprint, regulatory environment and key stakeholder relationships. The Group operates in Tanzania, Uganda, Comoros and Djibouti through 52 branches and provides retail, SME, corporate and institutional banking as well as treasury and bancassurance services.

The Group is regulated primarily by the Bank of Tanzania, which has issued guidelines on sustainability related risk management and reporting, and by other regulators in the countries of operations.

Identifying risks and opportunities:

Drawing on this context, the Group adopted a structured approach to identifying sustainability related risks and opportunities, considering both its own operations and the activities in its upstream and downstream value chain as described in Note 2. Key inputs into this process included:

- * IFRS Sustainability Disclosure Standards (IFRS S1 and IFRS S2), Sustainability Accounting Standards Board (SASB) and ISSB educational materials.
- * The Climate Disclosure Standards Board (CDSB) framework, with a focus on environmental and climate-related topics
- * Topics disclosed in the sustainability reporting of peer institutions.
- * The Group's existing risk management frameworks and policies, particularly the Enterprise Risk Management Framework (ERMF), the Environmental and Social Risk Management Policy (ESRMP) and the Climate Related Financial Risk Management Policy.
- * The Group's Strategic Plan 2023–2027, which sets out strategic priorities such as digital transformation, financial inclusion and portfolio growth.
- * Regulatory expectations from the Bank of Tanzania and other regulators; and
- * Insights from an independent sustainability advisor.

Assessing the effect on the Group's prospects:

To determine which matters warranted further analysis, management assessed whether each identified risk or opportunity could reasonably be expected to affect the Group's cash flows, access to finance or cost of capital over the short, medium or long term. This assessment considered both the likelihood of the matter occurring and the magnitude of its potential financial impact. The identification of risks and opportunities is made before considering mitigation actions, so that the underlying exposures are properly understood.

Step 2 – Identification of material information:

In the second step, management determined which information about the identified sustainability related risks and opportunities is material in the context of the Group's overall reporting. Information was considered material if its omission, misstatement or obscuring could reasonably be expected to influence the decisions of existing and potential investors, lenders and other primary users. In making this assessment, management considered:

- * The nature and size of the exposure, including the proportion of the lending portfolio in affected sectors.
- * The vulnerability of borrowers and operations to climate related physical and transition risks.
- * The significance of social and governance topics such as financial inclusion, E&S risk integration, data security and business ethics to the Group's long-term resilience and licence to operate; and
- * The expectations of key stakeholders, including regulators, development finance institutions and other funding partners.

The judgements applied in identifying material information will be reassessed at each reporting date to take account of changes in the Group's business, emerging risks, stakeholder expectations and improvements in data availability and measurement methodologies.

44. SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED)

44.5.2. Materiality Assessment Results.

The outcome of the materiality assessment is a set of material sustainability related topics that are considered most relevant to the Group's prospects.

Pillar	Material topic	Rationale for materiality	Affected component of reporting boundary	Note reference
Environmental	Climate transition risk	- Exposure to carbon and intensive sectors in the lending portfolio. These include Energy (TZS 37.2 billion, 2.75% of portfolio), Gas (TZS 19.6 billion, 1.45%), Transport (TZS 106.3 billion, 7.86%) and Manufacturing (TZS 162.2 billion, 12.0%). - Transition risk may lead to increased credit risk, capital requirements, regulatory scrutiny and reputational risk as climate policies tighten.	Downstream – financing portfolio	Note 7.1
	Climate physical risk	- Borrowers in climatevulnerable sectors, including Agriculture (TZS 74.9 billion, 5.54%), Tourism (TZS 42.6 billion, 3.15%), Hotels & Restaurants (TZS 70.4 billion, 5.21%) and Real Estate (TZS 148.5 billion, 10.98%). - These portfolios expose the bank to risk of floods, droughts and other extreme weather, which can affect loan performance, collateral values and provisioning.	Downstream – financing portfolio; own operations (branches, premises)	Note 7.1.2
Social	Financial inclusion & capacity building	The Group's branch network, ATM network, 2,807 agents and digital channels provide access to financial services for underserved populations across four countries. Financial inclusion is a strategic priority and supports longterm value creation and national development objectives.	Downstream – products and service delivery	Note 8.1.1
	Employee engagement, diversity & inclusion	A diverse and engaged workforce strengthens talent pipelines, reduces turnover, boosts productivity, and supports compliance, while also building customer trust and driving innovation.	Own operations (branches, premises)	Note 8.1.1
Social / Environmental	Incorporation of E&S factors in credit analysis	The Group's nonretail portfolio includes exposures to sectors with elevated environmental and social risk profiles, including agriculture, manufacturing and real estate. Failure to integrate E&S risks into credit decisions could result in unexpected credit losses, loss of access to DFI funding and reputational damage.	Downstream – credit origination and portfolio management	Note 8.1.2
Governance	Data security and privacy	The Group processes and stores sensitive data for a substantial customer base across four countries, including through mobile and internet banking and agency banking. Increasing digitalisation heightens exposure to cyber threats and data breaches, which could lead to financial losses, regulatory penalties and reputational damage.	Own operations and downstream – digital channels	Note 9.1.1
	Business ethics	As a financial institution operating in multiple jurisdictions, the Group is exposed to risks related to fraud, corruption, money laundering and other unethical practices. Ethical lapses could result in regulatory sanctions, financial penalties, loss of license, reputational damage and erosion of stakeholder trust.	Own operations; upstream and downstream stakeholder relationships	Note 9.1.2
	Systemic risk management	The Group's ability to maintain strong capital and liquidity positions and to withstand adverse economic and financial conditions is critical to its resilience and to financial stability in its operating markets. Climaterelated risks and other sustainabilityrelated risks are increasingly integrated into capital and liquidity planning.	Own operations	Note 9.1.3

44. SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED)

Interaction with material information in the financial statements

This sustainability-related financial disclosures include within their scope the effects of risks and opportunities that might not yet be captured in the Group's consolidated financial statements. As a result, the Group may conclude that certain information is material in the context of sustainability reporting, even if the same information would not be considered material for financial statement purposes. This is particularly relevant for forward looking matters, such as climate related physical and transition risks, evolving regulatory expectations (including the Bank of Tanzania's sustainability guidelines) and risks and opportunities arising in the Group's value chain.

The disclosures in this note, and in Notes 7, 8 and 9, are intended to complement the financial statements by providing users with additional insight into the sustainability-related factors that could affect the Group's future financial performance, position and cash flows. Sustainability Governance

The Group's governance framework ensures robust oversight of sustainability-related risks and opportunities. Ultimate accountability rests with the Board of Directors, which is supported in this role by its specialized committees and senior management team.

44.6.Sustainability Governance

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44.6.1. Board oversight

The Board of Directors holds ultimate responsibility for the Group's strategic direction and oversight of material sustainability risks and opportunities across ESG dimensions. It approves and reviews key frameworks, including the ERMF, ClimateRelated Financial Risk Management Policy, ESRMP, and Personal Data Protection Policy.

The Board comprises eight nonexecutive directors with diverse expertise in law, accounting, finance, and business management. Details of the directors are provided in note 13 & 14 of director's report for the year ended 31 December 2025.

Oversight is through the following committees:

Sn	Committee	Role and responsibility
1	BARMC (Board Audit and Risk Management Committee).	Oversees sustainability and climaterelated risks as principal risks under the ERMF, including risk appetite, exposures, stress testing, and disclosures.
2	BCC (Board Credit Committee).	Reviews environmental and social risk integration in credit decisions, applying the ESRMP to highrisk transactions.
3	EXCOM (Executive Committee).	Monitors strategic initiatives, including sustainability, digital transformation, and financial inclusion.
4	BHRC (Board Human Resource Committee).	Oversees workforcerelated sustainability topics such as diversity, inclusion, and training.

The BARMC Charter, last updated in August 2025, embeds sustainability and climate risk oversight within its broader mandate. Ahead of this inaugural sustainability report, the Board and BARMC received briefings from management and an independent advisor on IFRS S1 and S2 requirements. Details of the skills and competencies of the board members are provided in the report of those charged with governance (Not 13)

The Group is committed to continuous training for directors and senior management on sustainability and climaterelated matters, recognizing that regulatory requirements and market expectations are evolving. During the year 2024 and 2025 the senior management received training and were involve don various briefings on ESG and sustainability reporting.

The board and its committees receive information on sustainabilityrelated risks and opportunities through the existing riskreporting cycle. In line with their charters, BARMC and BCC consider reports from management and control functions on principal risks, including Sustainability Risk and Climaterelated Financial Risk, during their regular meetings. These reports cover matters such as policy implementation, key risk indicators and climaterelated stress testing, and material issues are escalated to the full Board.

44. SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED)

44.6.1. Board oversight (continued)

The Group' sustainability governance structure:

Board of Directors					
BARMC		BCC		BHRC	
Management Role					
Chief Executive Officer		Chief Finance Officer		Head of Risk & Compliance	
				Head of Credit	
Support Teams					
Internal Audit	Business operations and service Delivery	Administration	Marketing and Communication	Retail Banking	Corporate and Investment Banking(CIB)

44.6.2. Management's role in governance

Senior management is responsible for implementing the Boardapproved strategies and policies and for the daytoday identification, assessment and management of sustainabilityrelated risks and opportunities. Roles and responsibilities are defined within the ERMF and supporting policies.

- * The Chief Executive Officer has overall responsibility for risk across the Group and for embedding a strong risk culture, including with respect to sustainabilityrelated matters. The Head of Risk and Compliance has primary responsibility for Sustainability Risk and Climaterelated Financial Risk. This role includes maintaining and implementing the ERMF, developing risk appetite (including sustainability components), overseeing the suite of risk frameworks and policies, coordinating climaterelated and E&S risk assessments and stress testing, and reporting on sustainabilityrelated risks to the Management Committee (ManCom), BARMC, the Board and regulators.
- * The Head of Credit is responsible for implementing the ESRMP and Credit Risk Policy in credit origination and portfolio management. This includes ensuring that environmental and social risk screening, categorisation and due diligence are embedded into lending decisions and that highrisk transactions are appropriately mitigated or escalated to the BCC and BARMC as required.
- * The Head of Finance is responsible for sustainabilityrelated financial reporting and disclosure, including the integration of sustainabilityrelated information with the IFRS financial statements and the coordination of data for climate and ESG metrics.
- * The Chief Technology and Digital Transformation Officer are responsible for IT/Cyber Risk as a principal risk under the ERMF and is responsible for data security and privacy and the resilience of digital channels and technologyrelated aspects of sustainability. The Head of Business Operations and Service Delivery is the designated Data Protection Officer under the Personal Data Protection Policy and oversees operational aspects of data protection and business continuity.
- * Business unit heads and support functions, including Retail and SME Banking, Corporate and Institutional Banking, Treasury, Human Resources and the Exim Cares CSR function, are responsible for managing sustainabilityrelated risks and opportunities within their areas. This includes delivering financial inclusion programmes, developing products that support client transitions and managing CSR initiatives.
- * The Management Committee (ManCom) oversees the implementation of sustainabilityrelated strategies and risk management across the Group. ManCom receives regular updates on sustainabilityrelated risk exposures, climaterelated stress testing and E&S risk integration and ensures that agreed actions are implemented.

At management level, sustainabilityrelated risks and opportunities are discussed through existing governance forums, including the Executive committee (ExCom). Business and control functions report on relevant developments in risk exposures, climate and E&S matters, financial inclusion programmes and data security as part of their regular reporting to Excom. Issues assessed as material are escalated to the appropriate Board committee in line with the ERMF and committee charters.

44. SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED)

44.6.3. Impact of sustainability on remuneration policies

At present, the Group does not have a formal mechanism that directly links variable remuneration for senior management or other employees to specific sustainability or climaterelated performance metrics. However, elements of sustainability are already reflected within the broader performance evaluation framework for key management personnel and staff. In particular, performance assessments take into account adherence to the Group's risk appetite and compliance policies (including risk management, ESRMP and Anti Money Laundering - AML/Combating the Financing of Terrorism - CFT requirements), as well as conduct in line with the Group's Code of Ethics.

Looking forward, the Bank is actively exploring ways to strengthen this alignment by introducing measurable sustainability targets within its incentive structures.

44.6.4. Risk management integration

The processes and policies used to identify, assess, prioritise and monitor sustainabilityrelated risks and opportunities are integrated into the Group's overall risk management framework. As explained in Note 5, sustainabilityrelated risks and opportunities are identified through the materiality assessment and then incorporated into the ERMF and associated risk frameworks.

Under the ERMF (reviewed in November 2025), Sustainability Risk and Climaterelated Financial Risk are designated as principal risks alongside credit, market, liquidity, operational and compliance risks. The ERMF defines the risk taxonomy, governance structures, threelinesofdefence model and risk appetite framework.

The Climate Related Financial Risk Management Policy sets out how climaterelated physical and transition risks are identified, assessed, managed and reported, including the use of climaterelated stress testing. The ESRMP embeds environmental and social screening, categorisation and due diligence into nonretail lending processes. The Personal Data Protection Policy governs data security and privacy, while the Credit Risk Policy integrates E&S factors into credit assessment and sets sector and product limits consistent with risk appetite and regulatory requirements.

- * Sustainabilityrelated risks are managed through the Group's threelinesofdefence structure. Business units and operations form the first line and own and manage sustainabilityrelated risks in daytoday activities.
- * Risk & Compliance and other control functions form the second line, providing oversight, developing frameworks and monitoring exposures.
- * Internal Audit forms the third line, providing independent assurance on the effectiveness of the ERMF and related controls and governance, including those relating to climate, E&S risk and data protection.

The BARMC oversees the integration of sustainabilityrelated risks into the ERMF and receives regular reports on Sustainability Risk and Climaterelated Financial Risk, including risk appetite metrics, policy implementation status, the results of climaterelated stress testing and any significant incidents or breaches. This ensures that sustainabilityrelated risks are managed with the same rigour as other principal risks and that the Board is able to monitor the Group's overall risk profile in the context of its strategy and risk appetite.

44.7. Environmental related risks and opportunities

44.7.1. Climate transition risk

(a) Description

Climate transition risk refers to the potential financial and operational impacts arising from the transition to a lowercarbon economy. As defined in the Group's Climate Related Financial Risk Management Policy (2025), transition risks may arise from changes in climaterelated laws and regulations, shifts in market preferences, technological developments and evolving stakeholder expectations.

For the Group, transition risk is most relevant in its downstream financing activities, particularly sectors that are carbonintensive or otherwise exposed to policy and market changes. Based on the Group's portfolio exposure as of 31 December 2025, transitionsensitive sectors include Energy, Gas, Transport and Manufacturing.

44. SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED)

44.7. Environmental related risks and opportunities (continued)

44.7.1. Climate transition risk (continued)

As of 31 December 2025, the Group's exposures to these sectors were as follows: Energy: TZS 37.2 billion (2.75% of the loan portfolio)

- * Gas: TZS 19.6 billion (1.45%)
- * Transport: TZS 106.3 billion (7.86%)
- * Manufacturing: TZS 162.2 billion (12.0%)

These sectors are exposed to a range of transition drivers, including potential carbon pricing mechanisms, stricter emissions standards, fuel efficiency requirements, shifts in demand towards lowercarbon products and technological substitution (for example the uptake of renewable energy or electric vehicles). If clients in these sectors are unable to adapt, they may experience reduced profitability, increased operating costs and potential asset impairments, which in turn could affect their ability to service their loans and thereby increase the Group's credit risk.

The Group views transition risk through four main categories:

- * Policy and legal risk: arising from new or more stringent climaterelated regulations and policies, including emissions limits, reporting requirements or sectorspecific restrictions.
- * Technology risk: arising from the adoption of lowcarbon technologies that may make existing assets or business models obsolete.
- * Market risk: arising from changes in customer and investor preferences, which may reduce demand for carbonintensive goods and services; and
- * Reputational risk: arising from perceptions that the Group is financing activities that are inconsistent with environmental expectations or best practice.

(b) Effects on business model and value chain

Most of the Group's transition risk arises in the downstream value chain, through its lending to corporate and SME clients in the sectors noted above. These exposures may affect the Group's business model and value chain in several ways.

- * Clients in carbon intensive sectors may face rising compliance costs or investments in cleaner technologies. Some assets risk becoming stranded under stricter climate policies or shifting customer demand, increasing credit risk and expected losses where borrowers have limited capacity to adapt.
- * Demand for traditional lending to highemission activities is expected to decline, while demand for green and transition finance grows. Failure to adapt product offerings and sector focus could expose the Group to reduced business volumes and missed opportunities in lowcarbon segments.
- * Development finance institutions (DFIs) and ESGfocused investors increasingly require banks to demonstrate robust climate risk management. The Group's ability to access such funding will depend on its approach to transition risk and portfolio alignment with climate objectives.

(c) Effects on strategy and decisionmaking

The Group is responding to transition risk through its risk management and strategic planning processes. The Climate Related Financial Risk Management Policy and the ESRMP provide the primary frameworks for managing transition risk at transaction and portfolio level.

- * At the transaction level, transition risk is considered as part of credit assessment and approvals. Sectors and clients that are more exposed to transition drivers are subject to enhanced scrutiny. The ESRMP requires all nonretail clients to be screened against an exclusion list and to be categorised as High, Medium or Low environmental and social (E&S) risk. Highrisk transactions, which can include those with significant transition risk, require enhanced due diligence and may be subject to specific E&S and climaterelated conditions in the loan documentation. Transactions with unacceptable transition risk may be declined.
- * At the portfolio level, the Group is building its capability to analyse transition risk by sector and geography and to monitor concentrations in higherrisk segments. The Climate Risk Policy provides guidance on identifying transitionsensitive sectors and on assessing how policy, market and technology changes could affect those sectors. As described in Note 7.2, climaterelated stress tests performed in 2025 included transitionrelated scenarios applied to selected sectors, providing management with initial insight into the sensitivity of the portfolio to transition shocks.
- * Strategically, the Group is beginning to consider how to rebalance its portfolio over time to reduce exposure to hightransitionrisk sectors and increase financing to activities that support the lowcarbon transition, such as renewable energy, energy efficiency and other green projects. The Group is also exploring opportunities to develop green finance products and sustainabilitylinked loans that can support clients in transitioning their business models

44. SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED)

- * These considerations are progressively being integrated into the Group's strategic planning and risk appetite discussions, including through the ICAAP process and Boardlevel oversight by BARMC and BCC.

(d) Financial effects

For the 2025 reporting period, no specific credit loss provisions or asset impairments have been separately identified and disclosed relating to climate transition risk. Transition related risks are, however, implicitly captured within the Group's existing credit risk assessment processes and Expected Credit Loss (ECL) models, which consider borrower financial strength, sector prospects and macroeconomic outlook, all of which can be influenced by climate related developments.

Looking ahead, transition risk could affect the Group's financial statements in several ways:

- * In the income statement, potential impacts include reduced interest income if the Group actively reduces exposure to certain highrisk sectors, higher credit loss expenses if clients in transitionsensitive sectors experience financial stress, and new revenue streams from green and transition finance products as these are developed and scaled.
- * In cash flows, transition risk may require investment in new systems, data capabilities and staff training to support climaterelated risk management, as well as reallocation of capital towards lowerrisk or green sectors.

44.7.2. Climate physical risk (lending portfolio and own operations)

(a) Description

Climate physical risk refers to the potential financial and operational impacts arising from the increasing frequency and severity of climaterelated weather events (acute risks) and from longerterm gradual changes in climate patterns (chronic risks). As set out in the Group's Climate Related Financial Risk Management Policy (2025), acute risks include events such as floods, storms and droughts, while chronic risks include longerterm shifts such as rising temperatures, changing precipitation patterns and sealevel rise.

The Group's operating regions, particularly Tanzania, are already experiencing the effects of climate change, including more frequent and prolonged droughts and episodes of severe flooding. These physical risks can affect the Group both directly, through impacts on its own premises and operations, and indirectly, through impacts on the creditworthiness of its borrowers and the value of collateral.

Physical risk is particularly relevant for borrowers in climatevulnerable sectors. Based on the Group's portfolio as of 31 December 2025, climatesensitive sectors include:

- * Agriculture: TZS 74.9 billion, representing 5.54% of the loan portfolio.
- * Tourism: TZS 42.6 billion, representing 3.15% of the loan portfolio.
- * Hotels & Restaurants: TZS 70.4 billion, representing 5.21% of the loan portfolio.
- * Real Estate: TZS 148.5 billion, representing 10.98% of the loan portfolio.
- * Transport and construction: which may also be exposed to infrastructure damage and service disruption during extreme events.

(b) Effects on business model and value chain

Physical risk affects the Group's business model and value chain in several ways, particularly through the downstream lending portfolio.

In the financing portfolio, extreme weather events and gradual climate shifts can disrupt clients' operations, damage physical assets and reduce income.

- * For agricultural borrowers, droughts and floods can impair crop yields and livestock production, reducing the ability to service loans.
- * For tourism and hospitality clients, extreme weather may lead to cancellations, lower occupancy and damage to facilities. For real estate borrowers, properties in highrisk zones may suffer damage or depreciate in value. These impacts can increase the probability of default, reduce collateral coverage and lead to higher expected credit losses and provisions.
- * Physical risk also affects the Group's collateral base. A portion of the Group's real estate collateral and other physical security is located in areas that may be vulnerable to flooding or other climaterelated hazards. If the market value of such collateral declines because of perceived or actual physical risk, this may reduce lossgivendefault estimates and increase credit losses in the event of borrower default.
- * In terms of own operations, branches, offices and critical infrastructure such as data centres may be exposed to flooding, storms or extreme heat. Physical damage to premises or prolonged power and network outages could temporarily disrupt service delivery, increase operating costs and, in severe cases, require capital expenditure to repair or relocate affected facilities.

44. SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED)

44.7. Environmental related risks and opportunities (continued)

44.7.2. Climate physical risk (lending portfolio and own operations)

These effects emphasise the need for the Group to understand where its exposures are geographically concentrated and to incorporate physical risk considerations into lending, collateral and business continuity plans.

(c) Effects on strategy and decision-making

The Group is progressively integrating physical climate risk into its risk management and strategic decisionmaking, building on its Climate Risk Policy and the ESRMP.

At the transaction level, physical risk is considered within the E&S risk assessment for nonretail lending. For example, agricultural and real estate projects may be assessed for exposure to drought, flooding and other hazards based on their location and project characteristics. Where material physical risks are identified, the Group may require additional mitigation measures, such as irrigation improvements, flood defences, insurance coverage or diversification of activities, and may reflect these risks in loan structure, covenants or pricing.

At the portfolio level, the Group is enhancing visibility of physical risk concentrations by sector and geography. The Climate Risk Policy supports tools to map exposures to hazards such as droughts and floods, integrating this data into portfolio monitoring and stress testing. As noted in 7.2, physical risk scenarios were incorporated into the 2025 climate stress tests, focusing on drought and flood impacts across agriculture, tourism, real estate, and other climate-sensitive portfolios

The Group's business continuity and facilities planning also increasingly consider climaterelated physical risk when assessing branch location, critical infrastructure and resilience measures such as backup power.

The Bank has not yet formalised a standalone climate transition plan or a detailed decarbonisation pathway for its Scope 1 and Scope 2 emissions. In this initial reporting period, the Bank's priorities are to implement its climate related financial risk management policy, improve the quality of climaterelated data (including operational emissions and portfolio exposures), and further develop its climate stresstesting and greenfinance capabilities. As the Bank's emissions data (including financed emissions) and scenario analysis become more robust, management expects to consider the development of a formal climate transition plan, including the assumptions and resources that would be required to support its implementation.

Internal Carbon pricing.

Exim Bank does not currently use an internal carbon pricing to manage climate-related risks, to guide strategic planning, to support investment decision-making and to contribute to our emissions reduction targets.

(d) Financial effects

For the 2025 reporting period, the Group has not separately quantified the financial effects of physical climate risk in terms of specific credit provisions or asset impairments attributed to physical events due to data limitations. However, management recognises that physical climate risk is implicitly reflected in the Group's credit risk assessment and provisioning processes.

Looking ahead, physical risk could affect the Group's financial statements in several ways:

- * In the income statement, physical risk may lead to higher credit loss expenses in sectors and regions experiencing climaterelated shocks, and to increased operating expenses related to repairs, insurance and business continuity measures.
- * In the statement of financial position, physical risk may result in higher loanloss allowances for exposures in climatevulnerable sectors, and, over the medium to long term, potential impairments of physical assets (for example branches or properties in highrisk locations) if damage or risk perceptions reduce their value.
- * In cash flows, physical risk may increase insurance premiums and require investment in climateresilient infrastructure, such as more robust IT and facilities and redundant power and communications systems, to maintain service continuity.

Management is committed to enhancing its internal data systems and process to ensure quantification of the full effects of climate risks in the coming years.

44. SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED)

44.7. Environmental related risks and opportunities (continued)

44.7.3. Resilience of the Group's strategy and business model in relation to climaterelated risks

- * IFRS S2 requires entities to assess and disclose the resilience of their strategy and business model to climaterelated risks using climaterelated scenario analysis. In line with IFRS S2 requirements, Exim Bank Group conducted its inaugural climaterelated scenario analysis to evaluate the resilience of its strategy and business model against both physical and transition risks. The 2025 assessment focused on portfolio segments most exposed to physical climate risks and, given current data limitations, was primarily qualitative.
- * Scenarios were aligned with the Group's risk appetite and planning cycle, tailored to Tanzania's context by considering historical climate events, sector vulnerabilities, and evolving regulatory expectations. Oversight was provided through the Board of Directors and senior management structures, ensuring accountability and governance.
- * Exim Bank Group maintains financial flexibility to adapt to severe scenarios, safeguarding solvency and operational resilience. The scenario analysis will be updated annually, with progressive enhancements as data quality, regulatory requirements, and methodologies advance.

Scenario analysis and stress testing

Scenario	Short Term (0–5 years)	Medium Term (5–10 years)	Long Term (10+ years)
Accelerated Transition to Net Zero	Rising compliance costs from new regulations, disclosure requirements, and carbon pricing necessitate adjustments in lending and operations.	Operational costs stabilize as adaptation measures take effect, supporting resilience in the Group's portfolio.	Declining physical risks reinforce portfolio resilience, supported by strengthened sustainability practices.
Delayed Transition with Intensifying Physical Risks	Continued reliance on fossil fuels heightens exposure to floods, droughts, and heatwaves, increasing credit risk in vulnerable sectors.	More frequent and severe climate impacts strain borrowers' repayment capacity, requiring enhanced risk mapping and mitigation strategies.	Persistent physical risks undermine financial stability, demanding ongoing reinsurance and diversification strategies.
Disorderly Transition with Market Volatility	Fragmented policy actions trigger financial instability, leading to volatility in the loan portfolio and higher operational costs.	Inflationary pressures and energy price shocks challenge affordability of financial products, necessitating adaptive pricing and capital buffers.	Market volatility gradually stabilizes, but uneven adaptation leaves residual risks, requiring product innovation to sustain affordability and resilience.

For the year 2025, the Group's has disclosed a qualitative scenario analysis due to current data limitations. However, it is committed to strengthening its data systems and processes to enable the quantification and disclosure of its scenario analysis effects in the coming years.

44.7.4. Significant areas of uncertainty

The Group recognizes that modelling climaterelated scenarios and assessing their financial implications is subject to significant uncertainty. Key challenges include:

- * Qualitative focus: As this is the Group's inaugural year of ISSBaligned reporting, scenario analysis has been primarily qualitative due to data limitations.
- * Unpredictable impacts: Future outcomes remain difficult to forecast given variability in climate patterns and dependence on global emission trajectories shaped by political, technological, and social factors.
- * Regulatory evolution: Regulators such as the Bank of Tanzania (BoT) and the National Board of Accountants and Auditors (NBAA) have mandated IFRS S1/S2 adoption from 2025, but detailed requirements for banks are still evolving.
- * Data and methodology gaps: Current models rely on historical data and internal assumptions. The absence of standardized climate risk metrics tailored to Tanzania's banking sector limits comparability and precision.

The Group is committed to strengthening its data infrastructure, analytical methodologies, and governance frameworks to support more comprehensive and quantitative scenario analysis in future reporting cycles.

44. SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED)

44.7. Environmental related risks and opportunities (continued)

44.7.5. Capacity to adjust or adapt strategy and business model

The Group's resilience to climate change is anchored in its financial flexibility, enabling adjustments in capital allocation, lending focus, and product offerings as risks and opportunities evolve. This adaptability ensures responsiveness to regulatory developments, market shifts, and climate impacts, safeguarding longterm sustainability.

Accelerated Transition to Net Zero (0–5 years)	Delayed Transition (5–10 years)	High Physical Risk (10+ years)
The Group would redirect financing toward lowemission and climatefriendly sectors, applying stricter criteria for carbonintensive clients. Lending products would be adapted to incentivize renewable energy and energyefficient practices.	With slower policy action, the Group would rely on a diversified loan portfolio to spread risk. Strengthened data systems and disclosure processes would support resilience despite prolonged exposure to physical risks.	Under severe climate conditions, the Group would reinforce risk management frameworks, invest in climateresilient infrastructure, and enhance operational resilience across branches and digital platforms to safeguard continuity and protect clients.

44.7.6. Processes, controls and policies for climaterelated risks and opportunities

Exim Bank Group integrates climate considerations into its overall risk management framework. The Bank follows a structured process to identify, assess, and monitor climaterelated risks and opportunities, drawing on historical climate data, predictive models, and market analysis. Scenario analysis, as outlined in Note 7.3, informs both risk evaluation and opportunity identification.

This approach supports recognition of potential benefits, including financing opportunities in sustainable sectors less dependent on natural resources. Oversight is embedded within existing governance structures, ensuring climaterelated risks and opportunities are aligned with broader strategic decisionmaking.

44.7.7. Climate-related metrics (excluding GHG emissions)

The Group currently tracks only greenhouse gas (GHG) emissions and the specific sustainability metrics outlined in this report, as it is still in the process of transitioning toward fully integrating sustainability risks and opportunities into its operations and business model.

44.7.8. Greenhouse gas emissions

44.7.9. Summary of gross GHG emissions

The table below summarises the Bank's absolute gross greenhouse gas (GHG) emissions for the year ended 31 December 2025. This disclosure covers Scope 1 and Scope 2 emissions only, as permitted under the transition relief provided by IFRS S2, which allows entities reporting under IFRS S2 for the first time to exclude Scope 3 emissions, including financed emissions.

Absolute gross GHG emissions for the year

Scope	Category	Emissions (t CO2E)	% of total
Scope 1	Direct emissions (motor vehicles, generators)	336.28	18%
Scope 2	Indirect emissions (electricity)	1,570.46	82%
	Total (Scope 1 + 2)	1,906.73	100%

No third-party validation has been performed on the metrics or assumptions at this stage. However, the Group intends to engage an independent advisor in future years to verify emission calculations and assess alignment with science-based pathways, particularly if it proceeds with setting a net zero commitment.

44. SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED)

44.7. Environmental related risks and opportunities (continued)

44.7.10. Methodology, inputs and assumptions

The Group measures its GHG emissions in accordance with the GHG Protocol: A Corporate Accounting and Reporting Standard, unless otherwise stated as required by IFRS S2.

- * **Scope 1 emissions** arise primarily from the combustion of Petroleum fuel in Vehicles owned by the Group across branches and regional offices. These activities are directly managed by the Group and fall within its operational control.
- * **Scope 2 emissions** arise from the consumption of gridsupplied electricity across Exim Bank Group's owned and leased premises, including the head office, branch network, data centres, and administrative buildings. These emissions have been calculated using the locationbased method, reflecting the average carbon intensity of the Tanzanian national grid during the reporting period.
- * **Scope 3 Emissions:** For the year 2025, the Group has not disclosed Scope 3 emissions, including Category 15: Financed Emissions, in line with the transition relief provided for the first-year adopters.

Key assumption	Methodology and assumptions used
Activity data	For the measurement of emissions, the Group applies the following activity data: * Scope 1 GHG emissions: Fuel consumption (e.g., diesel) in backup generators and the vehicle fleet, sourced from purchase records, invoices, and vehicle logs. * Scope 2 GHG emissions: Electricity consumption across all locations, sourced from utility invoices and financial records.
Emission factors	The Group applies standard emission factors to convert activity data into greenhouse gas (GHG) emissions: * Scope 1: An emission factor of 2.91 CO₂ per litre is used for diesel consumed in company vehicles and backup generators, consistent with GHG Protocol. * Scope 2 (Purchased electricity): A locationbased emission factor of 0.34 kg CO₂e per kWh is applied, reflecting the average emissions intensity of the Tanzanian national grid, as reported by the National Carbon Monitoring Centre (NCMC). Emission factors are reviewed periodically to ensure relevance and consistency with the best available national or international data. Any material changes in factors or methodology will be disclosed in future reporting periods.

44.8. Social related risks and opportunities:

44.8.1. Financial inclusion and capacity building

(a) Description

Financial inclusion is a material topic for the Group, embedded in its purpose of helping customers become financially better off. With operations in Tanzania, Uganda, Comoros, and Djibouti, the Group supports socioeconomic development by expanding access to affordable financial services for underserved populations, including youth, women, and SMEs. This agenda also aligns with Tanzania's national goal of increasing access to formal financial services and is central to the Group's growth strategy.

The Group's distribution channels are central to advancing financial inclusion. The Group leverages:

- * **Branch Network:** Physical branches across Tanzania, Uganda, Comoros, and Djibouti provide access to underserved communities, including rural areas.
- * **Digital Platforms:** Mobile and online banking expand reach, enabling lowcost access to financial services for youth, women, and SMEs.
- * **Agent Banking:** Partnerships with local agents extend services to remote areas, reducing barriers to entry for vulnerable populations.
- * **Strategic Partnerships:** Collaborations with DFIs, NGOs, and regulators enhance outreach and capacity building.

Together, these channels ensure broader access to affordable financial services, aligning with national development priorities and ISSB disclosure requirements.

44. SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED)

44.8. Social related risks and opportunities: (continued)

44.8.1. Financial inclusion and capacity building (continued)

(b) Effects on business model and value chain

Effective pursuit of financial inclusion and capacity building has material implications across Exim Bank Group's value chain:

- * Downstream: Expanding access to financial services grows and diversifies the customer base, particularly in retail and SME segments. Diversification reduces concentration risk and stabilizes earnings.
- * Operations: A strong inclusion track record enhances the Group's reputation and social licence to operate. Demonstrated commitment to inclusion strengthens relationships with regulators and policymakers and differentiates the Group in competitive markets.
- * Upstream: Alignment with financial inclusion objectives facilitates access to funding from DFIs and ESGfocused partners. Such funding can provide longerterm or more affordable capital to support lending and inclusion programmes.

(c) Effects on strategy and decisionmaking

Financial inclusion and capacity building are embedded in the Group's strategic plan and are operationalised through specific programmes and community investments. Key initiatives include:

- * **Women Empowerment Programme (WEP):** Providing business training and financial literacy for women entrepreneurs, with programmes such as a sixweek business course delivered in Arusha, aimed at improving financial management skills and access to finance.
- * **SME lending programmes:** Tailored financing solutions for SMEs, including products such as Kopa KiBoss for public servants and other SMEspecific loan offerings, designed to address the needs of smaller businesses and support entrepreneurship and job creation.
- * **Financial literacy initiatives:** Communitybased programmes that provide education on savings, budgeting and financial planning, aimed at improving financial capability and encouraging the use of formal financial services.
- * **Agency banking expansion:** Continued expansion and optimisation of the agency banking network, which enables the Group to provide services in areas where establishing a full branch would not be economical, thereby extending reach to underserved communities.
- * **Digital banking promotion:** Campaigns and product enhancements that support the adoption of mobile and internet banking, allowing customers to access services conveniently and securely and reducing the need to travel to branches.

Community investments under the Exim Cares CSR platform reinforce these efforts by supporting health, education and environmental initiatives that improve the wellbeing and resilience of communities in which the Group operates.

(d) Financial effects

The financial impacts of financial inclusion and capacity building, both current and anticipated, arise primarily from operating costs and community investment expenditures. These include the costs of developing and maintaining the agent network, digital infrastructure, staff training and targeted community programmes. The Group's inclusion initiatives contribute to the growth of:

- * Retail and SME customer numbers, deposits and loan volumes.
- * Transaction volumes through agents, ATMs and digital channels; and
- * Fee and commission income from payments and other services.

The Group's investment in inclusion and capacity building is reflected in operating expenses related to agent network development, digital infrastructure, staff training and CSR activities. These costs are embedded within the Group's cost base rather than separately identified.

Looking ahead, the Group expects financial inclusion and capacity building to:

- * Increase fee and commission income and interest income as newly banked customers deepen their usage of financial products.
- * Strengthen the resilience of the downstream value chain by broadening the customer base and reducing overreliance on a narrow set of large clients; and
- * Support access to DFI funding lines and partnerships that are conditioned on demonstrable inclusion and development impact.

44. SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED)

44.8. Social related risks and opportunities: (continued)

44.8.1. Financial inclusion and capacity building (continued)

(e) Processes, controls and governance

Financial inclusion and capacity building are managed through the Group's strategic and business planning processes and are overseen by the Board and senior management.

- * Strategy and targets for inclusion are set as part of the corporate strategy process and are implemented by Retail and SME Banking, Business Development and other relevant units.
- * The Exim Cares CSR platform coordinates community investment and capacity building initiatives and reports to senior management and the Board on activity and impact.
- * Performance against inclusionrelated objectives is monitored through operational metrics such as the number of agents, ATMs and branches, digital adoption rates and programme participation, and is discussed at Management Committee (ManCom) and Board level.

The Group has not set sustainability related targets. As the Group's sustainability reporting matures, the group will formalise inclusionrelated targets and indicators and to disclose them in more detail in future reports.

(f) Financial inclusion metrics

Metrics	Metrics descriptions	Metrics as of 31 December 2025
Access Expansion	* % of retail clients from underserved groups (women, youth, rural)	44.1%
	* Growth in SME loan portfolio	48.9%
Digital Inclusion	* % of transactions via mobile/online platforms	47%
	* Number of active agent banking outlets	3335
Capacity Building	* Number of clients trained in financial literacy/business skills	300
	* % of SME clients receiving advisory support	19%
Affordability	* Average loan size and interest rates for inclusion products	TZS 12.9 million and 14.86%
	* % of concessional or DFIlanked financing deployed	0%
Funding & Partnerships	* Volume of funding accessed from DFIs/ESG investors tied to inclusion	TZS 0
	* % of portfolio aligned with inclusive finance objectives	n/a

Financial literacy initiatives and participants

In 2025, the Group delivered financial literacy initiatives under the Exim Cares platform and through the Women Empowerment Programme. These initiatives focused on topics such as saving and budgeting, responsible borrowing and basic business management for underserved customers, including women and youth.

A total of approximately TZS616 million was invested in CSR and community investment in 2025, including renovation and equipping of health facilities, support for secondary schools, blood donation and health awareness campaigns, science and innovation sponsorship, local branch CSR initiatives and the Women Empowerment Programme.

44. SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED)

44.8. Social related risks and opportunities: (continued)

44.8.2. Employee engagement, diversity & inclusion

(a) Descriptions:

- * Employee engagement, diversity, and inclusion (EDI) are considered material topics for the Group because they directly influence a company's ability to attract, retain, and motivate talent, which in turn affects longterm value creation. These factors are financially relevant as they shape productivity, innovation, and risk management capacity.
- * Strong employee engagement supports operational resilience and customer service quality, while diversity and inclusion broaden perspectives, reduce bias in decisionmaking, and enhance adaptability in a changing market.

(b) Effects on business model and value chain

High engagement and inclusive practices strengthen workforce stability, reduce turnover, and enhance productivity. A diverse workforce fosters innovation and better decisionmaking, which supports customer service quality and competitive positioning. Conversely, weak engagement or lack of inclusion can increase costs through attrition, reputational risks, and reduced operational efficiency.

(c) Effects on strategy and decisionmaking

- * Inclusive hiring practices strengthen the talent pipeline by ensuring access to a broader and more diverse pool of skills, perspectives, and experiences. Engaged employees who feel valued and included are more resilient, adaptable, and aligned with organizational goals, which enhances productivity, strengthens risk management, and supports compliance with regulatory standards.
- * A diverse and inclusive workforce also builds stronger customer trust and credibility, particularly important in financial services, where relationships underpin business success. Moreover, it enables the Group to design innovative products and services that meet the needs of varied customer segments, thereby expanding market reach and reinforcing competitiveness. By embedding employee engagement, diversity, and inclusion across its value chain, Exim Bank Group not only mitigates workforcerelevant risks but also creates sustainable longterm value.

(d) Metrics

Metric	Metrics descriptions	Details
Workforce Diversity	Gender, age, and representation of underrepresented groups across total workforce and leadership.	Total Workforce - Women = 48% Leadership - Women 35%
Employee Engagement	Results of engagement/satisfaction surveys; turnover and retention rates.	EXIM EMPLOYEE ENGAGEMENT SURVEY 2025 1 Favourable of less 2 Favourable 3 More Favourable 4 Most Favourable Overall Company Satisfaction = 77% (4) Understanding of company objectives = 93% (4) Line Manager treatment = 89% (4) Job Motivation = 84% (4)
Training & Development	% of employees completing diversity, inclusion, and ethics training; average training hours.	Code of Conduct (Induction) – 69.7%
Leadership Diversity	% of women and underrepresented groups in management and executive positions.	Executive Female: 29% Management Female: 54%
Health & Wellbeing	Programs supporting employee wellbeing; absenteeism rates.	Breast Cancer Awareness Session – 23% attendance Men's Mental Health Session – 51% attendance Emotional Intelligence Session – 48% attendance Diabetes Awareness Session – 38% attendance

44. SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED)

44.9. Governance-related risks and opportunities:

44.9.1. Incorporation of environmental and social factors in credit analysis

(a) Description

The incorporation of environmental and social (E&S) factors into credit analysis is a material risk management topic for the Group. As a financial intermediary with a lending portfolio of approximately TZS 1.35 trillion across 17 sectors, the Group is indirectly exposed to the E&S risks faced by its borrowers. These risks can arise from environmental impacts (such as climaterelated physical and transition risks) and social issues (such as labour practices, community relations or land use), which may affect a borrower's operations, legal compliance and reputation.

Failure to properly identify and manage E&S risks in lending could lead to unexpected credit losses (for example where clients incur fines, face project delays or lose their licence to operate), the loss of access to funding from development finance institutions (DFIs) that require robust E&S risk management, and reputational damage to the Group as a responsible financier.

The Group's exposure to sectors with elevated E&S risk profiles, including agriculture, manufacturing and real estate, underscores the importance of systematic E&S integration in credit decisions.

(b) Effects on business model and value chain

Environmental and social (E&S) factors materially influence a company's business model and value chain, shaping both risk and opportunity.

Environmental risks such as carbon regulation, resource scarcity, and climate change can alter cost structures and longterm viability. Social factors-including labor practices, supply chain ethics, and community relations-affect reputation, operational resilience, and stakeholder trust. Across the value chain, supplier compliance, operational adjustments, and customer demand for sustainable products all influence cashflow stability and competitive positioning.

Integrating E&S factors into credit analysis provides a more complete view of default risk and resilience. Companies that proactively manage sustainability issues often benefit from lower financing costs and stronger stakeholder confidence, while those exposed to unmanaged risks face heightened credit concerns.

(c) Effects on strategy and decisionmaking

The Group's strategy is to systematically embed E&S risk management into the credit cycle for all nonretail lending. This is operationalised through the Environmental and Social Risk Management Policy (ESRMP), which was updated in August 2025.

- * All retail and nonretail clients are screened against an exclusion list. Prohibited activities-such as those involving harmful or exploitative child or forced labour, certain hazardous materials, or significant degradation of critical habitats-are not financed.
- * Clients that pass the exclusion screening are categorized according to their level of E&S risk (High, Medium, or Low), based on factors such as sector, location, scale, and nature of activities.
- * Highrisk transactions require enhanced due diligence, which may involve detailed E&S assessments, reviews of environmental impact assessments and permits, and the development of E&S action plans outlining mitigation measures. These transactions may include specific E&S covenants and conditions precedent, and are subject to heightened scrutiny and approval, including Board Credit Committee (BCC) involvement.
- * Mediumrisk transactions are subject to standard due diligence, with E&S aspects considered alongside financial and business factors and may include E&S monitoring requirements.
- * Lowrisk transactions undergo basic screening and follow standard credit processes, with E&S risks considered minimal.

E&S assessments are incorporated into credit proposals and influence decisions on whether to proceed, how to price the facility and what terms and conditions to attach. Transactions with unacceptable E&S risks may be declined.

The ESRMP also sets out requirements for ongoing monitoring of highrisk clients to ensure continued compliance with E&S requirements and to identify emerging risks.

44. SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED)

44.9. Governance-related risks and opportunities:(continued)

44.9.1. Incorporation of environmental and social factors in credit analysis (continued)

(d) Processes, controls and governance

The E&S risk integration process is governed by the ESRMP, which is approved by the Board and reviewed at least annually. The Credit Department is responsible for implementing the policy in daytoday lending activities, supported by the Risk & Compliance function.

- * Credit analysts and relationship managers perform the initial E&S screening and risk categorisation using standardised tools and checklists. They are responsible for ensuring that E&S considerations are documented in credit proposals.
- * For highrisk transactions, assessments may be reviewed by Risk & Compliance, and external E&S experts may be engaged where specialised expertise is needed.
- * The Board Credit Committee (BCC) provides oversight of significant E&S exposures by reviewing and approving highrisk transactions.
- * The Board Audit and Risk Management Committee (BARMC) provides overall oversight of the ESRMP as part of its responsibility for Sustainability Risk, receiving periodic reports on E&S exposures, policy implementation and compliance.

The Group intends to further strengthen its E&S risk integration over time by enhancing tools and guidance for sectorspecific risks, providing additional staff training and developing more granular metrics and reporting on E&S performance.

44.9.2. Data security and privacy

(a) Description

Data security and privacy are material operational and governance risks for the Group. As a financial institution serving customers across four countries through branches, ATMs, agents and digital channels, the Group processes and stores large volumes of sensitive personal and financial data. The increasing use of mobile and internet banking and the extensive agency banking network have greatly improved customer convenience and expanded financial inclusion, but they have also increased the Group's exposure to cyber threats and data breaches.

A significant data breach or cybersecurity incident could result in direct financial losses from fraud and remediation costs, regulatory penalties under data protection and banking laws, legal liabilities, business disruption and severe reputational damage leading to loss of customer trust. In recognition of these risks, the Group's Enterprise Risk Management Framework designates IT/Cyber Risk as a principal risk, and the Group has adopted a dedicated Personal Data Protection Policy (2025).

(b) Effects on business model and value chain

Data security and privacy risks principally affect the Group's own operations and its downstream digital channels.

The Group's strategy relies heavily on digital transformation and the use of mobile and internet banking to reach customers and to deliver services more efficiently. Customer trust in the security and confidentiality of digital channels is therefore critical. A significant cybersecurity incident could undermine customer confidence.

Furthermore, the Group operates under the supervision of the Bank of Tanzania and other regulators, as well as under emerging data protection frameworks in its operating countries. Noncompliance with data protection requirements could result in fines, sanctions or restrictions on operations. In the longer term, lapses in data security and privacy could adversely affect the Group's reputation among regulators, investors and funding partners, with potential implications for its ability to grow and access capital.

(c) Effects on strategy and decisionmaking

The Group's strategy for managing data security and privacy risks is based on a multilayered "defence in depth" approach, overseen by the Board through the BARMC and implemented by management through the ICT governance framework and the Personal Data Protection Policy.

44. SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED)

44.9. Governance-related risks and opportunities:(continued)

44.9.2. Data security and privacy :(continued)

Key elements include:

- * **Governance and oversight:** IT/Cyber Risk is identified as a principal risk under the Enterprise Risk Management Framework. The Chief Technology and Digital Transformation Officer manage daytoday risk and reporting, while the Head of Business Operations and Service Delivery serves as Data Protection Officer. BARMC receives regular updates on IT and data protection risks, incidents, and controls.
- * **Policy framework:** The Personal Data Protection Policy (2025) governs lawful data handling, supported by IT security policies, ICT governance, and incident response procedures.
- * **Technology and controls:** The Group invests in access controls, network security, monitoring systems, encryption, and backup solutions to safeguard systems and data.
- * **People and culture:** Staff receive regular security awareness training to reduce human error and strengthen resilience against phishing and other threats.
- * **Incident response and continuity:** Defined procedures and continuity plans enable rapid detection, containment, and recovery from data breaches or cyber incidents.

Metrics:

Metric	Metric descriptions	Details
Data Breaches	Number of data breaches; percentage involving personally identifiable information (PII)	No data breaches incidences were noted in 2025.
Financial Impact	Monetary losses, fines, or settlements related to data security or privacy incidents.	0 TZS
Training & Awareness	% of employees completing cybersecurity and data protection training; frequency of training programs.	In 2025, approximately 71.62% of staff completed cybersecurity and data protection awareness training.
ThirdParty Risk	% of critical vendors/suppliers assessed for data security compliance; incidents involving third parties.	0 TZS

44.9.3. Business ethics

(a) Description

Maintaining high standards of business ethics is fundamental to the Group's licence to operate and to the trust of its stakeholders. Operating across four countries and serving a diverse customer base, the Group is exposed to risks related to fraud, corruption, bribery, money laundering and other unethical behaviours. Lapses in business ethics could lead to regulatory sanctions, financial penalties, loss or restriction of licences, litigation, reputational damage and deterioration in employee morale and culture.

The Group's Enterprise Risk Management Framework designates Compliance Risk as a principal risk and identifies Financial Crime Risk as a key risk within this category. The Group operates under stringent antimoney laundering (AML) and combating the financing of terrorism (CFT) requirements in its operating jurisdictions.

(b) Effects on business model and value chain

Within the Group's own operations, unethical practices could result in fines, sanctions or remedial programmes imposed by regulators, restrictions on new business activities, and damage to staff morale and engagement. In the upstream value chain, unethical behaviour could jeopardise relationships with funding partners, including development finance institutions and correspondent banks, which have strict expectations regarding ethics, AML/CFT compliance and sanctions adherence. In the downstream value chain, loss of customer trust following a major ethical incident could lead to customer attrition and reduced business volumes.

Given the importance of trust in financial services, the Group adopts a zerotolerance policy for financial crime, bribery and corruption.

44. SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED)

44.9. Governance-related risks and opportunities:(continued)

44.9.3. Business ethics (continued)

(c) Effects on strategy and decisionmaking

The Group's strategy is to foster a strong ethical and compliance culture throughout the organisation, integrated into its risk management framework and supported by robust policies, training and oversight.

Key components include:

- * A comprehensive **AML/CFT programme**, which covers customer due diligence and knowyourcustomer (KYC) procedures, transaction monitoring, sanctions screening and suspicious transaction reporting.
- * **Mandatory AML and ethics training** for all staff, designed to ensure awareness of legal and regulatory obligations and of the Group's expectations regarding conduct. In 2025, approximately **97.87%** of staff completed the mandatory AML training programme.
- * A formal **Whistleblowing Policy**, approved by the BARMC, which provides secure channels for employees and other stakeholders to report suspected unethical practices, fraud or policy violations without fear of retaliation. In 2025, six whistleblowing reports were received; four were fully investigated and closed, and two remained under investigation at yearend.
- * **Fraud prevention and detection measures**, including internal controls, segregation of duties and regular monitoring and investigation of anomalies.
- * **Code of Conduct & Ethics:** Exim Bank Group has adopted a Code of Ethics that sets clear standards for integrity, transparency, and responsible conduct across its operations. The code requires compliance with laws and regulations, fair business practices, avoidance of conflicts of interest, and protection of customer confidentiality. Enforcement mechanisms include oversight by compliance and risk management functions, regular reporting to the Board and committees, internal audits and monitoring systems, disciplinary measures for violations, and whistleblower channels to encourage reporting of unethical behavior without fear of retaliation. This framework ensures accountability and reinforces the Group's commitment to ethical business practices.

The BARMC receives regular reports on compliance matters, including training completion rates, whistleblowing cases and significant incidents or regulatory matters, and oversees management's responses. Internal Audit provides independent assurance over the effectiveness of controls related to ethics and compliance.

Metrics:

Metric	Metric descriptions	Details
AntiCorruption & Bribery	* Number of confirmed incidents. * Monetary losses, fines, or settlements. * % of employees trained.	AML – 76.8%, Fraud – 68.1%
Competitive Behaviour	Number of legal actions for anticompetitive practices; associated financial penalties.	n/a
Supply Chain Ethics	% of suppliers screened for ethical practices; incidents of noncompliance.	n/a
Data & Privacy Ethics	Number of substantiated complaints regarding breaches of customer privacy; fines/penalties incurred.	There were 10 complaints about data privacy and protection, and both were.
Training & Awareness	% of employees completing ethics/compliance training; frequency of training programs.	Data Protection – 71.6%, BCM – 85.6%, Code of Conduct (induction) – 69.7%

44. SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED)

44.9. Governance-related risks and opportunities:(continued)

44.9.4. Systemic risk management

(a) Description

Systemic risk management refers to the Group's ability to maintain adequate capital and liquidity and to withstand adverse economic and financial conditions, including those related to sustainabilityrelated risks such as climaterelated credit shocks. As a significant financial institution with total assets of approximately TZS 3.9 trillion and operations across four countries, the Group's resilience is important not only to its own stakeholders but also to the stability of the financial systems in which it operates.

Effective systemic risk management is essential for protecting depositors and creditors, maintaining regulatory compliance and supporting the wider economy through the provision of credit and financial services.

(b) Effects on business model and value chain

Strong capital and liquidity positions underpin the Group's business model. They allow the Group to continue operating and serving customers, even in times of stress, and to support clients through economic cycles.

In the downstream value chain, this means that the Group can provide credit and other financial services to individuals, businesses and public entities, contributing to economic resilience.

In the upstream value chain, robust capital and liquidity metrics support the confidence of regulators, depositors, interbank counterparties, DFIs and other funding partners.

Systemic risk management also interacts with sustainabilityrelated risks. For example, climaterelated credit risks and other sustainabilityrelated risks are increasingly considered in the Group's risk appetite, capital planning and stress testing, as described in Notes 7.2 and 7.3.

(c) Effects on strategy and decisionmaking

The Group's strategy for systemic risk management is implemented through its Internal Capital Adequacy Assessment Process (ICAAP), Internal Liquidity Adequacy Assessment Process (ILAAP), stress testing programme and risk appetite framework.

- * The ICAAP assesses the Group's capital needs in relation to its risk profile, including credit, market, operational, liquidity and sustainabilityrelated risks. It ensures that the Group holds sufficient capital to support its activities under both normal and stressed conditions and informs decisions on dividend policy, capital raising and business growth.
- * The ILAAP assesses liquidity risks and ensures that the Group has adequate highquality liquid assets and funding diversification to meet its obligations as they fall due, even under stressed conditions.
- * The Group conducts regular stress tests to assess the impact of adverse scenarios, including economic downturns, market disruptions and climaterelated events, on capital, liquidity and earnings. The results of these stress tests are incorporated into capital planning, risk appetite setting and strategic decisions.
- * The Group has established risk appetite limits for capital and liquidity ratios, which are approved by the Board and monitored regularly. Breaches or nearbreaches are escalated to management and the Board as required.

The Board, through the BARMC, receives regular reports on capital adequacy, liquidity positions, stress test results and risk appetite utilisation, enabling it to oversee systemic risk management effectively.

The Bank's liquidity ratios as of 31 December 2025 were as follows:

- * The total Capital Adequacy Ratio was 20.29%, providing a buffer of 8.29% points above the regulatory minimum of 12%; and
- * The Tier 1 Capital Ratio was 18.29%, providing a buffer of 10.29% points above the regulatory minimum of 8%.

These buffers indicate significant capacity to absorb losses, including those arising from sustainabilityrelated risks such as climaterelated credit losses, while remaining compliant with regulatory requirements.

Further details on the Groups' capital adequacy ratios are included in the financial statements (Note 6)

44. SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED)

44.9. Governance-related risks and opportunities:(continued)

44.10. Events After the Reporting Period

There were no material events that occurred after the reporting period and before the date of authorisation of these disclosures that would require adjustment to or disclosure in this report.

The financial statements of the Group are in compliance with all provisions of TFRS-1 and other legal and regulatory requirements.

45. AUDITORS

The company’s auditor, KPMG has expressed its willingness to continue in office and are eligible for re-appointment. A resolution to reappoint KPMG as auditor will be put to the Annual General Meeting.

Approved by the Board of Directors and signed on its behalf by:



Saidi Ally Mwema
Chairman

31/03/2026

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2025

The Companies Act, 2002 requires the Directors to prepare consolidated and separate financial statements for each financial year which give a true and fair view of the state of the financial affairs of the Group and the Bank as at the end of the financial year and of its financial results for the year then ended. It also requires the Directors to ensure the Group and the Bank keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Bank. They are also responsible for safeguarding the assets of the Group and the Bank.

The Directors are responsible for the preparation of the consolidated and separate financial statements that give true and fair view in accordance with the IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS® Accounting Standards), and in manner required by the Companies Act, 2002, the Banking and Financial Institutions Act, 2006, and for such internal controls as Directors determine are necessary to enable the preparation of the consolidated and separate financial statements that are free from material misstatements, whether due to fraud or error.

The Directors accept responsibility for the annual consolidated and separate financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with IFRS® Accounting Standards and in the manner required by the Companies Act, 2002 and the Banking and Financial Institutions Act, 2006. The Directors are of the opinion that the consolidated and separate financial statements give a true and fair view of the state of the financial affairs of the Group and the Bank and of its operating results. The Directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of the consolidated and separate financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Group and the Bank will not remain a going concern for at least twelve months from the date of this statement.

The independent auditor is responsible for reporting on whether the annual financial statements give a true and fair view in accordance with the applicable financial reporting framework.

Signed on behalf of the Board of Directors by:



Saidi Ally Mwema
Chairman

31/03/2026

DECLARATION OF HEAD OF FINANCE

FOR THE YEAR ENDED 31 DECEMBER 2025

The National Board of Accountants and Auditors (NBAA) according to the power conferred to it 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 with a declaration issued by the Head of Finance responsible for the preparation of the financial statements of the entity concerned.

It is the duty of a professional accountant, to assist the Directors to discharge the responsibility of preparing consolidated and separate financial statements of the Group and the Bank showing a true and fair view of the Group's and the Bank's financial position and performance in accordance with applicable accounting standards and statutory requirements. Full legal responsibility for the preparation of the consolidated and separate financial statements rests with the Directors as stated under the Statement of Directors' Responsibilities on an earlier page.

I, Issa Hamisi Rajabu, being the Deputy Chief Finance Officer of Exim Bank (Tanzania) Limited hereby acknowledge my responsibility of ensuring that the consolidated and separate financial statements for the year ended 31 December 2025 have been prepared in accordance with International Financial Reporting Standards and the requirements of Companies Act, 2002 and the Banking and Financial Institutions Act, 2006.

I thus confirm that the consolidated and separate financial statements comply with International Financial Reporting Standards and the requirements of Companies Act, 2002 and the Banking and Financial Institutions Act, 2006 as on that date and that they have been prepared based on properly maintained financial records.



Issa Hamisi Rajabu
Deputy Chief Finance Officer

31/03/2026

NBAA Membership No.: ACPA 4773

INDEPENDENT AUDITOR'S REPORT

to the shareholders of Exim Bank Tanzania Limited

Opinion

We have audited the consolidated and separate financial statements of Exim Bank (Tanzania) Limited ("the Group and Bank") set out on pages 185 to 317, which comprise the consolidated and separate statements of financial position as at 31 December 2025, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and the notes to the consolidated and separate financial statements, including material accounting policies.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Group and Bank as at 31 December 2025, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS® Accounting Standards) and in the manner required by the Companies Act, 2002 and Banking and Financial Institutions Act, 2006.

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 consolidated and separate financial statements* section of our report. We are independent of the Group and Bank in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), as applicable to audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the consolidated and separate financial statements of public interest entities in Tanzania. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Expected credit loss on loans and advances to customers

Refer to the following notes to the consolidated and separate financial statements;

- * Material accounting policies: note 3(i)- Impairment of financial assets
- * Use of judgements and estimates: note 4 Critical accounting estimates and assumptions (b) Determination of ECL allowances under IFRS 9 and Critical judgements in applying the Group's and the Bank's accounting policies (b) Significant increase of credit risk
- * Note 6.1 Credit risk
- * Note 8 (b) Expected credit loss
- * Note 19 Loans and advances to customers

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Key audit matter	How the matter was addressed in out audit
As at 31 December 2025, gross loans and advances to customers amounted to TZS 2,162 trillion (rounded) for the Group and TZS 1,382 trillion (rounded) for the Bank. The related expected credit loss (ECL) amounted to TZS 29 billion (rounded) and TZS 25 billion (rounded) for the Group and Bank, respectively. The key areas where we identified significant levels of management judgement and therefore increased levels of audit focus are: * Assumptions and judgements used in determining the criteria for Significant Increase in Credit Risk (SICR), incorporating both quantitative considerations such as days past due and qualitative considerations such as borrower specific financial difficulties, which together affect the staging decisions. * Establishing the appropriate macroeconomic variables and developing the probability weighted forward looking scenarios (base, upside, and downside), including the scenario weightings applied to each product or market, involves significant judgement and has a material impact on the ECL. The macroeconomic variables include inflation rate, GDP growth rate, interest rates, and unemployment rate. * Choosing appropriate models and consideration for significant judgements and assumptions for the determination of probability of default (PD), exposures at default (EAD) and loss given default (LGD) and ultimately the measurement of Expected Credit Loss (ECL). * Consideration for significant judgements around the LGD modelling assumptions for stage 3 loans including realization period of collateral as well as collateral values. * Assumptions and judgements used to determine management's out-of-model adjustments, which include overlays. * The disclosure associated with the ECL on loans and advances to customers rely on material data inputs and include management judgements, estimates and assumptions used in determining the ECL. The measurement of ECL on loans and advances to customers is a key audit matter because it involves significant management judgement and a high level of estimation uncertainty.	Our audit procedures included, the following: * We evaluated the design and implementation and operating effectiveness of controls over: - o the credit appraisal and approval processes; - o the approval of external collateral valuation vendors; and - o the review and approval of monthly ECL results. * We evaluated management's model for establishing stage 1, 2 and 3 impairments. For a sample of collateral values, we challenged the reasonability of management assumptions such as the realization period, by obtaining the list of collaterals sold and assessed the time taken to realize the collateral, from when the Group and Bank first initiated recovery measures. * We performed a retrospective review by comparing the previous year's ECL estimate to the actual outcome in the current year. In addition, for a sample of loan exposures, we assessed whether facilities are correctly staged/classified and valued based on IFRS 9, Financial Instruments (IFRS 9) requirements. * On a sample basis we challenged management assumptions and judgements to evaluate the appropriateness of the SICR criteria used by the Group and Bank by comparing it against the IFRS 9 requirements. In addition, assessing whether the stage classification as at the reporting date is appropriate. This included assessing quantitative factors such as days past due by re-aging the loans and qualitative factors such as payment history of loans, extension terms granted for customers and other default triggers through reviewing customer credit performance on a sample basis. * We Involved our internal Financial Risk Management (FRM) specialists to evaluate the appropriateness of macroeconomic variables and probability-weighted scenarios used such as base, upside and downside, against macro-economic factors such as inflation rate, GDP growth rate, interest rates and unemployment rate by agreeing the variables to independent sources. * We evaluated the reliability and reasonableness of significant judgements around LGD modelling for stage 3 loans as well as the completeness, accuracy and relevance of the information used by the Group and Bank in establishing the PD and LGD, including evaluation of the appropriateness of the collateral realization period, and appropriateness of collateral values used by agreeing a sample of the values to collateral valuation reports together with the recalculation of management's PD using the reviewed inputs. * We assessed the ECL calculations to evaluate the appropriateness and mathematical accuracy of the model through independent re-computation, and on a sample basis, evaluated if the correct parameters, namely PDs, LGD and EADs were appropriately determined. * We assessed the reasonableness of management's out-of-model adjustments by challenging the underlying assumptions such as reduced cure rates and additional haircuts applied to collateral realization, by assessing the historical transitioning of loans from non-performing to performing and assessing actual amounts realised from the sale of collateral respectively. * We evaluated management's method of determining groups of similar financial assets for purposes of measuring ECL to confirm that assets are properly stratified by reviewing the portfolio segmentation. * We evaluated the adequacy of the ECL related disclosures, including key assumptions for loans and advances to customers in the consolidated and separate financial statements in accordance with the requirements of IFRS 7, Financial Instruments: Disclosures (IFRS 7).

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Exim Bank (Tanzania) Limited Annual report and audited consolidated and separate financial statements for the year ended 31 December 2025", but does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

Directors' responsibilities for the consolidated and separate financial statements

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS® Accounting Standards) and in the manner required by the Companies Act, 2002 and Banking and Financial Institutions Act, 2006, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate 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 Bank or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate 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 consolidated and separate 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 and 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 and 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 consolidated and separate 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 Bank to cease to continue as a going concern.
- * Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- * Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated and separate 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 other legal and regulatory requirements

As required by the Companies Act, 2002 we report to you, solely based on our audit of financial statements, that:

- * in our opinion, proper accounting records have been kept by the Bank;
- * the individual accounts are in agreement with the accounting records of the Bank;
- * we obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit;
- * Directors' report is consistent with the financial statements; and
- * information specified by the law regarding Directors' emoluments and other transactions with the Bank is disclosed.

As required by Banking and Financial Institutions Act, 2006 and its regulations, we report to you solely based on our audit of financial statements that, nothing has come to our attention that causes us to believe that the Bank has not complied with the Banking and Financial Institutions Act, 2006 and its regulations including computation of its capital position.

KPMG
Certified Public Accountants (T)



Signed by: CPA Alexander Njombe (ACPA 2714)
Dar es Salaam

31 March 2026

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	Groups		Banks	
		2025	2024	2025	2024
		TZS'M'	TZS'M'	TZS'M'	TZS'M'
Interest income calculated using the effective interest method	7(a)	304,656	244,623	194,310	160,242
Other interest income	7(b)	2,363	6,606	2,363	6,606
Interest expense and similar charges	8(a)	(88,012)	(63,723)	(78,235)	(59,771)
Net interest income		219,007	187,506	118,438	107,077
Fee and commission income	9(a)	59,871	53,316	28,959	29,449
Fee and commission expense	9(b)	(326)	(322)	(326)	(320)
Net fee and commission income		59,545	52,994	28,633	29,129
Foreign currency dealings and translation gain		42,965	51,234	31,050	42,377
Revenue		321,517	291,734	178,121	178,583
Other income	10	19,854	36,788	41,991	45,283
Expected credit loss	8(b)	(13,869)	(7,752)	(8,216)	(3,970)
Other expenses	11	(83,155)	(71,596)	(48,883)	(44,335)
Personnel expenses	12	(98,566)	(84,576)	(57,356)	(52,550)
Depreciation and amortization expenses	13	(27,782)	(23,597)	(14,833)	(13,214)
Profit before income tax		117,999	141,001	90,824	109,797
Income tax expense	14(a)	(43,079)	(48,850)	(29,587)	(35,717)
Profit for the year		74,920	92,151	61,237	74,080

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

Other comprehensive income

Items that will not subsequently be reclassified to profit or loss

	Notes	Groups		Banks	
		2025	2024	2025	2024
		TZS'M'	TZS'M'	TZS'M'	TZS'M'
Gain/(Loss) on equity investments at FVOCI	21(a)	(57)	100	(57)	100
Deferred tax (charge)/credit	14(d)	17	(30)	17	(30)
		(40)	70	(40)	70
Items that may subsequently be reclassified to profit or loss					
Loss on government securities at FVOCI	21(a)	(5,504)	(20,381)	(5,504)	(20,381)
Deferred tax charge	14(d)	1,651	6,114	1,651	6,114
Exchange differences on translation of foreign operations	35(d)	(3,033)	(4,231)	-	-
Other comprehensive income/loss) for the year, net of tax		(6,926)	(18,428)	(3,893)	(14,197)
Total comprehensive income for the year, net of tax		67,994	73,723	57,344	59,883

Profit for the year attributable to

Holders of Ordinary shares of the bank	70,924	91,104	61,237	74,080
Non-controlling interests	3,996	1,047	-	-
	74,920	92,151	61,237	74,080

Total comprehensive income for the year attributable to

	(1,737)			
Holders of Ordinary shares of the bank	65,735	72,157	57,344	59,883
Non-controlling interests	40	2,259	1,566	-
	67,994	73,723	57,344	59,883

Earnings per Share

		TZS/ Share		TZS/ Share
Basic and diluted earnings per share (Note 15)	5,498	7,062	4,747	5,743

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

Groups				Banks	
	Notes	2025	2024	2025	2024
		TZS'M'	TZS'M'	TZS'M'	TZS'M'
Assets					
Cash and balances with Central Bank	17	399,373	297,833	245,381	151,804
Loans and advances to banks	18	651,009	409,278	436,382	220,516
Loans and advances to customers	19	2,138,894	1,785,454	1,356,993	1,204,936
Government securities at amortized cost	20	263,936	219,772	105,119	127,105
Government securities: FVTPL	20	17,326	15,974	17,326	15,974
Government securities: FVOCI	20	254,746	215,882	254,746	215,882
Equity investments: FVOCI	21(a)	2,920	3,062	2,920	3,062
Corporate Bonds: Amortized cost	21(c)	85,543	10,524	3,570	3,047
Other assets	22	20,548	32,165	13,061	22,827
Assets held for sale	23	615	536	-	-
Property and equipment	24	57,484	45,452	35,467	27,261
Right of use Asset	25	24,400	29,111	16,314	19,272
Investment in subsidiaries	26	-	-	106,628	77,864
Intangible assets	27	22,596	21,786	13,971	11,754
Deferred tax asset	14(c)	30,340	26,968	26,014	24,550
Total assets		3,969,730	3,113,797	2,633,892	2,125,854
Liabilities and equity					
Liabilities					
Deposits due to banks	28	145,739	135,920	190,380	235,075
Deposits due to customers	29	3,196,145	2,413,679	1,979,011	1,471,008
Current income tax payable	14(b)	6,851	10,104	4,462	6,803
Term borrowings	30	8,560	8,569	8,560	8,569
Subordinated debts and senior loans	31	21,989	22,907	21,989	22,907
Lease liability	32(a)	30,114	34,417	21,316	23,946
Other provisions	37	234	140	234	140
Other liabilities	33	89,064	75,021	59,327	56,137
Total liabilities		3,498,696	2,700,757	2,285,279	1,824,585
Equity					
Share capital	34	12,900	12,900	12,900	12,900
Regulatory and other reserves	35	8,965	15,127	(11,783)	(7,890)
Retained earnings		408,788	343,818	347,496	296,259
Equity attributable to owners of the parent		430,653	371,845	348,613	301,269
Non-controlling interest	40	40,381	41,195	-	-
Total Equity		471,034	413,040	348,613	301,269
Total liabilities and equity		3,969,730	3,113,797	2,633,892	2,125,854

Independent Auditor's Report appears on pages 181 to 184.

The financial statements on pages 185 to 317 were approved and authorized for issue by the Board of Directors. on 31/03/2026 and were signed on its behalf by:


Said Ally Mwema
Chairman


Yogesh Manek
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

GROUP	Notes	Issued capital	Regulatory reserves	Fair value reserve	General and legal reserve	Currency translation reserve	Retained earnings	Total con-trolling interest	Non - con-trolling interest	Total
		TZS'M'	TZS'M'	TZS'M'	TZS'M'	TZS'M'	TZS'M'	TZS'M'	TZS'M'	TZS'M'
At 1 January 2025		12,900	9,204	(7,894)	3,475	10,342	343,818	371,845	41,195	413,040
Total comprehensive income										
Profit for the year		-	-	-	-	-	70,924	70,924	3,994	413,040
Other comprehensive income/(loss) net of taxes		-	-	(3,893)	-	(3,033)	1,737	(5,189)	(1,737)	(6,926)
Transfer from retained earnings/NCI from general and legal reserve	35(c)	-	-	-	3,502	-	(3,502)	-	-	-
Transfer from regulatory reserves to retained earnings	35(b)	-	(2,738)	-	-	-	2,738	-	-	-
Transactions with equity holders										
Dividend declared		-	-	-	-	-	(10,000)	(10,000)	-	(10,000)
Change of investment		-	-	-	-	-	3,071	3,071	(3,071)	-
As at 31 December 2025		12,900	6,466	(11,787)	6,977	7,309	408,786	430,651	40,381	471,034
At 1 January 2024		12,900	4,114	6,303	4,848	14,573	256,950	299,688	21,193	320,881
Total comprehensive income										
Profit for the year		-	-	-	-	-	91,104	91,104	1,047	92,151
Other comprehensive income/(loss) net of taxes		-	-	(14,197)	-	4,231	(519)	(18,947)	519	(18,428)
Transfer from retained earnings/NCI from general and legal reserve	35(b)	-	-	-	(1,373)	-	1,373	-	-	-
Transfer from regulatory reserves to retained earnings	35(c)	-	5,090	-	-	-	(5,090)	-	-	-
Transactions with equity holders										
Dividend declared		-	-	-	-	-	-	-	18,436	18,436
As at 31 December 2024		12,900	9,204	(7,894)	3,475	10,342	343,818	371,845	41,195	413,040

BANK STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

BANK	Notes	Issued capital	Regulatory reserves	Fair value reserve	General and legal reserve	Retained earnings	Total
		TZS'M'	TZS'M'	TZS'M'	TZS'M'	TZS'M'	TZS'M'
At 1 January 2025		12,900	-	(7,894)	4	296,259	301,269
Profit for the year		-	-	-	-	61,237	61,237
Other comprehensive income net of taxes		-	-	(3,893)	-	-	(3,893)
Transfer to retained earnings	35(b)	-	-	-	-	-	-
Transactions with equity holders							
Dividend		-	-	-	-	(10,000)	(10,000)
As at 31 December 2025		12,900	-	(11,787)	4	347,496	348,613
At 1 January 2024		12,900	-	6,303	4	222,179	241,386
Profit for the year		-	-	-	-	74,080	74,080
Other comprehensive income net of taxes		-	-	(14,197)	-	-	(14,197)
Transfer to retained earnings	35(b)	-	-	-	-	-	-
Transactions with equity holders							
Dividend		-	-	-	-	-	-
As at 31 December 2024		12,900	-	(7,894)	4	296,259	301,269

The notes set out on pages 192 to 317 form an integral part of these financial statements. Independent Auditor's Report appears on pages 181 to 184.

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

Groups				Banks	
Notes	2025	2024	2025	2024	
	TZS'M'	TZS'M'	TZS'M'	TZS'M'	
Cash flows from operating activities					
Profit before tax		117,999	141,001	90,824	109,797
Adjustment for:					
Depreciation of property and equipment	24	11,202	9,100	5,859	5,088
Amortization of intangible assets	27	6,161	5,231	3,073	2,840
Depreciation of right of use assets	25	10,418	9,266	5,901	5,286
Write-off		-	-	-	136
Impairment charge/(release)		13,869	7,752	8,216	3,970
Interest expense on lease liability	32(a)	2,306	1,997	1,447	1,373
Interest expense on subordinated debt		1,535	1,780	1,535	1,736
Interest expense on term borrowing		635	625	635	625
Interest expense - deposits		81,442	48,565	65,368	42,746
Interest expense - deposits from other banks		2,114	2,159	9,250	13,335
Interest income - loans and advances		(168,854)	(136,865)	(140,142)	(112,352)
Interest income - government securities		(67,360)	(58,591)	(47,309)	(45,158)
Interest income - bonds		(3,344)	(298)	(393)	(354)
Foreign exchange gain on cash equivalents		(9,651)	(15,970)	(6,755)	(7,843)
Foreign exchange loss on borrowings		(912)	(53)	(912)	(53)
Foreign exchange loss on lease liability		(170)	(376)	(170)	(16)
Gain/ loss on disposal of assets		(38)	(68)	(9)	(66)
Gain on lease modification		(408)	(410)	(403)	(403)
Loss/(Gain) on fair valuation on equity investment at FVTPL		-	555	-	-
Dividend income		(33)	(48)	(25,121)	(12,583)
		(121,108)	(125,649)	(119,940)	(101,693)
Changes in operating assets and liabilities:					
-Loans and advances to customers		(320,828)	(287,388)	(159,081)	(224,895)
-Government securities -Amortised cost		11,134	79,835	11,134	79,835
-Government securities -FVTPL		(47,207)	(45,879)	18,232	(34,804)
-Equity securities -FVOCI		-	(791)	-	(791)
-Government securities -FVOCI		(51,269)	(8,982)	(51,268)	(8,981)
-Investment securities: Bonds		(74,649)	30,502	(499)	(1,046)
-Non-current assets held-for-sale		(79)	347	-	-
-Other assets		7,844	(1,070)	9,033	(4,595)
-Deposits due to banks		9,852	22,734	(42,138)	(74,200)
-Deposits from customers		774,763	18,738	501,431	128,750
-Other provisions		94	(856)	94	(227)
-Other liabilities		13,949	1,881	3,552	3,631
Cash generated from operating activities		320,495	(175,577)	261,374	(129,219)

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

	Notes	Groups		Banks	
		2025	2024	2025	2024
		TZS'M'	TZS'M'	TZS'M'	TZS'M'
Interest received - bonds		23	473	369	356
Interest received - government securities		64,719	58,449	45,442	45,175
Payment of term borrowings interest	30	(644)	(624)	(644)	(624)
Payment of senior loans and subordinated debts interest	38	(1,541)	(2,047)	(1,541)	(2,003)
Interest received - loans and advances		119,562	131,698	140,926	106,885
Interest payment - deposit		(66,632)	(44,420)	(58,800)	(38,556)
Interest payment - deposit due to other banks		(2,147)	(6,896)	(11,807)	(9,964)
Interest payment lease		(2,306)	(1,997)	(1,447)	(1,373)
Dividend received		33	48	25,121	12,583
Tax paid	14(b)	(46,128)	(43,428)	(31,724)	(28,883)
Net cash generated from operating activities		385,434	(84,321)	367,269	(45,623)
Cash flows from investing activities					
Purchase of property and equipment	24	(22,738)	(12,444)	(14,082)	(7,968)
Purchase of intangible assets	27	(6,512)	(8,049)	(5,290)	(3,418)
Additional investment in subsidiary		-	-	(29,988)	(2,500)
Proceeds from sale of assets		217	(776)	27	125
Proceeds from sale of investment in subsidiary		-	-	1	1
Proceeds from sale of assets		-	-	-	-
Net cash (used in)/from generated from investing activities		(29,033)	(21,269)	(49,333)	(13,761)
Cash flows from financing activities					
Additional investment by NCI	40	(3,073)	18,436	-	-
Payment of senior loans and subordinated debts - principal	38	-	(10,001)	-	(10,001)
Dividend paid to Equity holders		(10,000)		(10,000)	
Payment of lease liability	32	(9,443)	(8,891)	(4,991)	(4,978)
Net cash used in financing activities		(22,516)	(456)	(14,991)	(14,979)
Cash and cash equivalent at 1 January		590,015	695,808	298,897	374,344
Net cash flows from operating activities		385,434	(84,321)	367,269	(45,623)
Net cash flows used in investing activities		(29,033)	(21,269)	(49,333)	(13,761)
Net cash flows from/(used in) financing activities		(22,516)	(456)	(14,991)	(14,979)
Increase in cash reserve requirement (SMR)		(48,633)	(15,717)	(30,290)	(8,927)
Effect of exchange rate fluctuations on cash held		9,651	15,970	6,755	7,843
Cash and cash equivalents at 31 December	17(b)	884,918	590,015	578,307	298,897

The notes set out on pages 192 to 317 form an integral part of these financial statements.
Independent Auditor's Report appears on pages 181 to 184.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

1. GENERAL INFORMATION

Exim Bank (Tanzania) Limited (the "Bank" or the "Company") and its subsidiaries, Exim Bank Djibouti S.A., Exim Bank Uganda Limited and Exim Bank Comores S.A. (collectively referred to as the "the Group") provide retail and corporate banking services in the United Republic of Tanzania, The Union of Comores S.A, The Republic of Djibouti and The Republic of Uganda. Exim Bank Djibouti S.A. has representative office in Ethiopia.

The Bank is a limited liability company and is incorporated and domiciled in the United Republic of Tanzania. The address of its registered office is:

Exim Tower
Plot 1404/45, Ghana Avenue
Dar es Salaam, Tanzania

2. BASIS OF ACCOUNTING

The principal accounting policies applied in the preparation of these Consolidated and separate financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

(a) Basis of preparation

The Consolidated and separate financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS® Accounting Standards) and in the manner required by the Companies Act, 2002 and Banking and Financial Institutions Act, 2006. The Consolidated and separate financial statements have been prepared under the historical cost convention, as modified by the revaluation of debt and equity instruments designated at fair value through other comprehensive income and fair value through profit or loss.

The preparation of financial statements in conformity with IFRS® Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Consolidated and separate financial statements are disclosed in Note 4.

Details of group's accounting policies have been disclosed in note 3, whereas changes thereto have been disclosed on note 2 (b) below.

(b) Adoption of new and revised international financial reporting standards

(i) New standards amendments and interpretations adopted by the Group and Bank

During the current year, the Bank has adopted all of the new and revised standards and interpretations issued by the IASB and the IFRS-IC that are relevant to its operations and effective for annual reporting periods beginning on 1 January 2025. The adoption of these new and revised standards and interpretations has not resulted in material changes to the group and Bank's accounting policies. The Bank adopted the following standards, interpretations and amended standards during the year:



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

2. BASIS OF ACCOUNTING (CONTINUED)

(b) Adoption of new and revised international financial reporting standards (Continued)

(ii) New standards and interpretations that are not yet effective and have not been early adopted

Title	Key requirements	Effective date
Lack of Exchangeability - Amendments to IAS 21	The amendments require companies to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include: * the nature and financial impacts of the currency not being exchangeable. * the spot exchange rate used. * the estimation process; and * risks to the company because the currency is not exchangeable.	1-Jan-25
Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28	The amendments clarify the accounting treatment for sales or contribution of assets between an investor and their associates or joint ventures. They confirm that the accounting treatment depends on whether the non- monetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations). Where the non-monetary assets constitute a business, the investor will recognize the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognized by the investor only to the extent of the other investor's interests in the associate or joint venture. The amendments apply prospectively.	To be announced
Amendment to IFRS 9, "Financial Instruments" and IFRS 7, "Financial Instruments: Disclosures" - Classification and Measurement of Financial Instruments	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).	1-Jan-26
IFRS 18, 'Presentation and Disclosure in Financial Statements'	The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose 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 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'.	1-Jan-27
IFRS 19, 'Subsidiaries without Public Accountability'	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.	1-Jan-27

These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

2. BASIS OF ACCOUNTING (CONTINUED)

(b) Adoption of new and revised international financial reporting standards (Continued)

(iii) Early adoption of standards

There are no other standards that are not yet effective which have been early adopted and that would be expected to have a material impact on the Group and Bank in the current or future reporting periods and on foreseeable future transactions.

3. MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied in all the years presented, unless otherwise stated.

(a) Basis of consolidation

Subsidiaries

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied in all the years presented, unless otherwise stated.

The consolidated financial statements incorporate the financial statements of the Bank and entities controlled by the Bank (its subsidiaries) made up to 31 December each year. Control is achieved when the Bank:

- * has the power over the investee;
- * is exposed, or has rights, to variable returns from its involvement with the investee; and
- * has the ability to use its power to affects its returns.

When the Bank has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights in combination with other decision-making rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Bank considers all relevant facts and circumstances in assessing whether or not the Bank's voting rights in an investee are sufficient to give it power, including:

- * potential voting rights held by the Bank, other vote holders or other parties;
- * rights arising from other contractual arrangements; and
- * any additional facts and circumstances that indicate that the Bank has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Bank obtains control over the subsidiary and ceases when the Bank loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Bank gains control until the date when the Bank ceases to control the subsidiary. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

The subsidiaries prepare separate financial statements for the purpose of submission to the regulatory authorities and as part of statutory requirement.

Non-controlling interests

Non-controlling interests in subsidiaries are identified from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets.

The choice of measurement is on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Bank and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Bank and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (Continued)

Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fairvalue when the control is lost.

The gain or loss on disposal recognized in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

Transactions eliminated on consolidation

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

(b) Interest income and expense

Effective interest rate method

Interest income and expense are recognised in profit or loss under the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to: • the gross carrying amount of the financial asset; or • the amortised cost of the financial liability.

The Bank recognise interest income for all financial assets measured at amortised cost, FVOCI and interest expense for all financial liabilities measured at amortised cost using the effective interest rate method.

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. e 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. The IBOR reform Phase 2 amendments allow as a practical expedient for changes to the basis for determining contractual cash flows to be treated as changes to a floating rate of interest, provided certain conditions are met. The conditions include that the change is necessary as a direct consequence of IBOR reform and that the transition takes place on an economically equivalent basis.

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 Bank only includes interest on those financial instruments that are set out in effective interest method 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 recognized as a part of the fair value change in 'Net trading income'.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Transactions eliminated on consolidation (continued)

When a financial asset becomes credit-impaired 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 3 (l)) and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

For financial assets originated or purchased credit impaired (POCI) the EIR reflects the ECLs in determining the future cash flows expected to be received from the financial asset. This interest rate is determined based on the amortised cost and not the gross carrying amount of the financial asset and incorporates the impact of expected credit losses in the estimated future cash flows of the financial asset.

(c) Fees and commission income

The Group earns fee and commission income from a diverse range of services it provides to its customers. Fee income can be divided into the following two categories:

Fee income earned from services that are provided over a certain period of time

Fees earned for the provision of services over a period of time are accrued over that period. These fees include commission income and service fees.

Loan commitment fees for loans that are likely to be drawn down and other credit related fees are deferred (together with any incremental costs) and recognized in profit or loss over the period of the loan. When it is unlikely that a loan will be drawn down, the loan commitment fees are recognized over the commitment period on a straight-line basis.

Fee income from providing transaction services

Fees arising from negotiating or participating in the negotiation of a transaction for a third party, are recognized on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognized after fulfilling the corresponding criteria.

Fees and commission expense which relates to borrowing arrangement costs are recognized as an expense in the period in which they are incurred.

(d) Dividend income

Dividends are recognized in profit or loss in 'other income' when the entity's right to receive payment is established. The dividend collected are included in the statement of cashflows as dividend received.

(e) Translation of foreign currencies

The consolidated financial statements are presented in Tanzania shillings. For each entity in the Group, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded at the spot rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the spot rate of exchange at the reporting date. All differences arising from non-trading activities are taken to other operating income in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition. Non-monetary items measured at fair value in a foreign currency are translated using the spot exchange rates at the date when the fair value was determined.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Tanzanian shillings at the rate of exchange prevailing at the reporting date and their statements of profit or loss and other comprehensive income are translated at annual average exchange rates. The exchange differences arising on translation for consolidation purposes are recognized in other comprehensive income. On disposal of a foreign entity, the deferred cumulative amount recognized in equity relating to that particular foreign operation is recognized in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operations and translated at the closing rate.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Financial assets

All financial assets are initially recognized on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace.

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value and, except in the case of financial assets and financial liabilities recorded at FVPL, transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at the transaction price. When the fair value of financial instruments at initial recognition differs from the transaction price, the Group accounts for the Day 1 profit or loss.

In accordance with IFRS 9, the Group has classified its financial assets in the following measurement categories:

- * Fair value through profit or loss (FVTPL);
- * Fair value through other comprehensive income (FVTOCI); and
- * Amortized cost.

The classification requirements for debt and equity instruments are explained below:

Debt instruments

Debt instruments are those instruments that meet the definition of financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables purchased from clients in factoring arrangements without recourse.

The classification and subsequent measurement of financial assets depends on:

- (i) The Group's business model for managing the asset; and
- (ii) The cash flow characteristics of the asset.

Based on these factors, the Group classifies its financial assets into one of the following three measurement categories.

- * Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments 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 (FVTPL): 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 profit or loss within 'Other income' 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 is 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. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in 'Other income'.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces mismatch that would otherwise arise. The election to present the changes in fair value in OCI was made because the investments are expected to be held for the long term for strategic purposes.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Financial assets (Continued)

Debt instruments (Continued)

Classification criteria

Business model assessment: the business model reflects how the Group manages the assets in order 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), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Group in determining the business model for a Group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVTPL.

SPPI: 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 i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Group reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

The Group subsequently measures equity instruments at fair value through profit or loss, except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income when these investments are not held for trading. These are strategic investments and the group considers this classification to be more relevant. When the Group elect to designate equity instruments through OCI, fair value gains and losses are recognized in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

Investment in subsidiaries

The bank accounts for its investments in subsidiaries at cost less any impairment allowance as the bank has control over its the subsidiaries. Additional details on the subsidiaries and basis for consolidation are included in note 3(a).

De-recognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when the rights to receive cash flows from the financial asset have expired. The Group also derecognizes the financial asset if it has both transferred the financial asset 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, but assumes a contractual obligation to pay those cash flows to one or more entities, when all the following conditions have been met:



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Financial assets (Continued)

De-recognition of financial assets (Contiued)

- * 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 has to remit any cash flow 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 asset.

The Group considers control to be transferred if, and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that 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 asset, the asset continues to be recognized only to the extent of the Group's continuing involvement, in which case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on the 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 the pay.

Modification of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. The Group renegotiates loans to customers in financial difficulty to maximize collection and minimize the risk of default.

It considers the following factors among others in assessing whether or not the new terms are substantially different to the original terms

- * 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 substantially new terms are introduced, such as a profit share/equity- based return that substantially affects the risk profile of the loan.
- * Significant extension of the loan term when the borrower is not in financial difficulty.
- * Significant changes in the interest rate.
- * Change in the currency the loan is denominated in.
- * Insertion of collateral, other security or credit enhancements that significantly affects the credit risk associated with the loan.

If the terms are substantially different, the Group derecognizes the original financial asset and recognizes a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Group also assesses whether the new financial asset recognized is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. A loan will remain at its original stage until it meets the criteria of cure as described in Note 3(l).

The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition. The Group monitors the subsequent performance of modified assets until they are completely and ultimately derecognized. The Group may determine that the credit risk has significantly improved after modification, so that the assets are moved from Stage 3 or Stage 2 (Lifetime ECL) to Stage 1 (12-month ECL). This is only the case for assets which have performed in accordance with the new terms. Differences in the carrying amount are recognized in profit or loss as a gain or loss on derecognition.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Financial assets (Continued)

Modification of financial assets (Continued)

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognizes a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

(g) Financial liabilities

Financial liabilities are initially recognized at fair value plus transaction costs, except for financial liabilities recorded at fair value through profit or loss. Subsequent to initial recognition all financial liabilities are measured at amortized cost.

Financial liabilities measured at amortized cost are deposits due to banks and customers, term borrowings and senior loans and subordinated debts and other liabilities.

De-recognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or 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 amount of the original financial liability and the consideration paid is recognized in profit or loss.

(h) Classes of financial assets and liabilities

The Group classifies financial instruments into classes that reflect the nature of information and take into account the characteristics of those financial instruments as indicated below:

(h) Classes of financial assets and liabilities

Category (as defined by IFRS 9)		Class (as determined by the Group)		Sub-class
Financial assets	Amortized cost	Loans and advances to banks		
		Loans and advances to customers	Personal loans	
			Over drafts	
			Commercial	
			Others	
		Other assets excluding prepayments		
	Investment in debt securities	Government securities	Treasury bills	
			Treasury bonds	
		Private bonds	Private bonds	
			Subordinated	
	Fair value through profit or loss (FVTPL)	Government securities		Treasury bonds
	Fair value through other comprehensive income (FVOCI)	Equity investments designated at FVOCI	Equity investments - listed	
			Equity investments – not listed	
Financial liabilities	Financial liabilities at amortized cost	Government securities		Treasury bonds
		Deposits to banks		
		Term borrowings		
		Subordinated debt and senior loans		
		Other liabilities		
	Customer deposits	Current and demand deposits		
		Savings accounts		
		Fixed deposit accounts		
	Fair value through profit or loss (FVTPL)	Derivative financial liabilities		



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Impairment of financial assets

Overview of the ECL principles

The Group records the allowance for expected credit losses on loans and other debt financial assets not held at FVPL, together with loan commitments and financial guarantee contracts (financial instruments subject to ECL). Equity instruments are not subject to impairment under IFRS 9.

ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit losses or LTECL) 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). The Group's policies for determining if there is significant increase in credit risks are set out in Note 6.1.3.

The 12-month ECL allowance is a portion of LTECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECL and 12-month ECL are calculated on individual or collective basis depending on the nature of underlying portfolio of financial instrument.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has significantly increased since initial recognition, by considering the change in the risk of default occurring over the remaining life of the instrument.

Based on the above process, the Group classifies its financial instruments subject to ECL into Stage1, Stage 2, Stage 3 and POCI, as described below:

Stage 1:	When loans are first recognized, the Group recognizes an allowance based on the 12 months 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 LTECLs. Stage 2 loans also include those facilities which have improved from Stage 3.
Stage 3:	Loans considered credit impaired. The Group records an allowance for the LTECLs.
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 recognized based on the credit adjusted EIR. ECLs are only recognized or released to the extent that there is subsequent change in the expected credit losses.

Calculation of ECLs

The Group calculates ECLs based on probability – weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive. The mechanics of the ECL calculations are outlined below:

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Impairment of financial assets (Continued)

Calculation of ECLs (Continued)

PD:	The Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognized and is still in the portfolio. The probability at a point in time that a counterparty will default, calibrated over up to 12 months from the reporting date (Stage 1) or over the lifetime of the product (Stage 2) and incorporating the impact of forward-looking economic assumptions that have an effect on 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. Assessing reasonableness of the management out-of-model adjustments applied to the IFRS 9 models by challenging the qualitative and quantitative assumptions applied.
EAD:	Exposure at default (EAD) is the total value which the Group is exposed to when a financial asset is in default. EAD takes into account 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, amortization 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 month or 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 current drawn balance and adding a "cred conversion factor" which allows for the expected drawdown of remaining limit by the time of default. These assumptions vary by product type and current limit utilization band, based on an analysis of the Group's recent default data.
LGD:	The Loss Given Default (LGD) is an estimate of loss arising in the case where a default occurs at a given time. The loss that is expected to arise on default which represents 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 which 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. * For unsecured products, LGD's are typically set at product level due to the limited differentiation in recoveries achieved across different borrowers. These LGD's are influenced by collection strategies, including contracted debt sales and price.

Forward-looking economic information is also included in determining the 12-month and lifetime PD, EAD and LGD. These assumptions vary by product type. The inputs and models used may not always capture all the characteristics of the markets at the reporting date, therefore qualitative adjustments may be made as temporary adjustments when such differences are significantly material. Refer to Note 6.1.3 for the explanation about forward-looking information and its inclusion in ECL calculations.

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 ECL is determined 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 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. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Impairment of financial assets (Continued)

Calculation of ECLs (continued)

For stage three loans the Bank applies a realisation period of 3 years for both retail and wholesale loans. LGD estimates are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor. For secured loans a haircut ranging from 25% to 60% is applied on the collateral values prior to discounting.

The mechanics of ECL methods are summarized as follows:

Stage 1	The 12m ECL is calculated as a proportion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12m 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 and multiplied by the expected LGD and discounted by an approximation to the original EIR.
Stage 2	When a loan has shown a significant increase in credit risk since origination, the Group records allowance for the LTECLs. The expected cash shortfalls are discounted by the original EIR. 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.
Stage 3	For loans considered credit –impaired, the Group recognizes the LTECL for these loans. The PD is set at 100%.
POCI	Are assets that are credit impaired on initial recognition. The Group recognizes the cumulative changes in lifetime ECL since initial recognition, based on a probability-weighted amount, discounted by the credit –adjusted EIR.
Loan commitments and letters of credit	When estimating LTECLs for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life. For credit cards and revolving facilities that include both a loan and an undrawn commitment, ECLs are calculated and presented together with the loan. For loan commitments and letters of credit, the ECL is recognized within provisions.
Financial guarantee contracts	The Group's liability under each guarantee is measured at the higher of the amount initially recognized less cumulative amortization recognized in profit or loss, and the ECL provision. For this purpose, the Group estimates ECLs based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. The shortfalls are discounted by the risk-adjusted interest rate relevant to the exposure. The ECLs are recognized within provisions.

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 amount.

Purchased or originated credit impaired financial assets (POCI)

For POCI financial assets, the Group only recognizes the cumulative changes in LTECL since initial recognition in the loss allowance.

Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at fair value at FVOCI do not reduce the carrying amount of these financial assets in the consolidated and separate statements of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortized cost is recognized in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognized in OCI is recycled to the profit or loss upon derecognition of the assets.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Impairment of financial assets (Continued)

Credit cards and other revolving facilities

The Group offers retail overdrafts and credit cards facilities in which the Group has the right to cancel and / or reduce the facilities with one day's notice. The Group does not limit its exposures to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Group's expectations of the customer's behavior, its likelihood of default and the Group's future risk mitigation procedures, which could include reducing or cancelling the facilities.

Definition of default

IFRS 9 does not define default but requires the definition to be consistent with the definition used for internal credit risk management purposes. However, IFRS 9 contains a rebuttable presumption that default does not occur later than when a financial asset is 90 days past due.

Under IFRS 9, the Group will consider 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:

- * Significant financial difficulty of the borrower or issuer;
- * A breach of contract such as a default or past due event;
- * The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- * The disappearance of an active market for a security because of financial difficulties; or
- * The purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event but 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. Where the Group is unable to obtain qualitative information without undue cost or effort, the Group considers that default does not occur later than when a financial asset is 90 days past due.

Financial assets write off

Financial assets are written off either partially or in their entirety only when the Group does not reasonably expect to recover the asset. If the amount to be written off is greater than the accumulated loss allowance, the difference is recognised as an additional impairment loss in profit or loss, which increases the ECL allowance account and ECL is derecognised and the gross carrying amount of the asset is reduced. Any subsequent recoveries are credited to profit or loss.

The Group may write off financial assets in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include: (i) ceasing enforcement activity; and (ii) 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 or there is no reasonable expectation of completing the recovery process because of litigation proceedings by the borrowers. The assessment is done per specific borrower.

Cure of non-performing financial assets including restructured 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 considers criteria for upgrade of credit accommodations 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, when there is an improvement in the ability of the borrower to consistently fulfil its contractual cash flow obligations for not less than four instalments .



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Impairment of financial assets (Continued)

Cure of non-performing financial assets including restructured loans (Continued)

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. The Group has not used the low credit risk exemption for any financial instruments in the current year.

On the other hand, credit exposures may migrate from Stage 2 to Stage 1 when there is a significant improvement of the credit exposure. In determining whether an exposure should shift backward from Stage 2 to Stage 1, the Group shall consider the following:

- * All outstanding payments on the credit facility are made on time and there are no payments in arrears.
 - * There is improvement of the quantitative and qualitative factors that caused significant increase of the credit risk.
- Upgrade from Stage 2 to Stage 1 shall be subject to a monitoring period of 90 days for conventional loans to confirm if the risk of default has decreased sufficiently before upgrading such exposure.

For credit exposures that have cured, that is, shifted from Stage 2 to Stage 1, interest income is calculated on carrying amount of the asset at the beginning of the period before allowance for ECLs using the effective interest rate. The carrying amount of the exposure shall be the amortised cost at the end of the period less the allowance for ECL computed.

For credit exposures that have shifted from Stage 3 to Stage 2, objective evidence of impairment still exists and accordingly interest income is computed on the carrying amount of the asset at the beginning of the period after allowance for ECLs using the effective interest rate. The carrying amount of the exposure shall be the amortised cost at the end of the period less the allowance for ECL computed.

(j) Property and equipment

Property and equipment is stated at cost excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the depreciation period or method, as appropriate, and treated as changes in accounting estimates.

Depreciation is calculated on the straight-line basis to write down their cost to their residual values over their estimated useful lives, as follows:

Asset	Applicable annual rate
Buildings	4% - 5%
Leasehold premises	11% - 15%
Motor vehicles	20% - 25%
Office equipment	15% - 20%
Computer hardware	25% - 33%
Furniture and fittings	15% - 20%

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate.

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Property and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in other income in profit or loss in the year the asset is derecognized.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) Intangible assets

The Group's intangible assets include the value of computer software licenses. An intangible asset is recognized only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the Group. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized over their useful economic lives. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and they are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in operating expenses in profit or loss.

Amortization is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives at the rate of 25% per annum.

(l) Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result 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.

(m) Income tax

Income tax expense is the aggregate of the charge to profit or loss in respect of current income tax and deferred income tax. Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the applicable tax laws in the jurisdictions where the Group operates.

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized 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

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- * •Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition 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 deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

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. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

(m) Income tax (Continued)

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.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(n) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with maturities of three months or less, including: cash and balances with central banks that are not part of the statutory minimum reserves as defined in Note 17, Government Securities with original maturities of 90 days or less and loans and advances to banks.

(o) Employee benefits

Retirement contribution fund obligations

The Bank and all its employees contribute to the National Social Security Fund (NSSF), which is a defined contribution scheme. A defined contribution plan is a scheme under which the Bank pays fixed contributions into a bank entity (NSSF). The Bank has no legal or constructive obligation to pay further contributions if the Fund does not have sufficient assets to pay the employees post-employment benefits. Employees contribute 10% and the Bank also contributes 10% of the employees' basic salaries to the scheme.

In Comoro, the bank and all its employees are required to contribute to the Provident Fund (Caisse De Retraite) in Comores S.A, which is a defined contribution scheme. Employees contribute 3% of the basic salary of the employees and the bank contributes 5% to the scheme.

In Uganda, the bank and all its employees are required to contribute to the National Social Security Fund, which is a defined contribution scheme. Employees contribute 5% and the bank 10% of the employee's salary.

The Group's contributions to the defined contribution schemes are charged to profit or loss in the year to which they relate.

Other entitlements

The estimated monetary liability for the employee accrued annual leave entitlement at the reporting date is recognized as an expense accrual.

(p) Share capital

Ordinary shares are classified as 'share capital' in equity.

(q) Dividends on distribution

Dividend distribution to the Bank's shareholders is recognized as a liability in the Group's financial statements in the period in which the dividends are approved by the Bank's shareholders.

Dividends for the year that are approved after the reporting date are disclosed as an event after the reporting date.

(r) Accounting for leases

The Bank assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group/Bank as a lessee

The Bank applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Bank recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(r) Accounting for leases (Continued)

Right-of-use assets

The Bank 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 depreciated on a straight-line basis over the lease term. The right-of-use assets are presented within Note 25 and are subject to impairment in line with the Group's policy as described in Note 3 (t).

Lease liabilities

At the commencement date of the lease, the Bank recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Bank and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Bank as a lessor

Leases in which the Bank does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as 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.

(s) Comparatives

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information. Whenever necessary the comparative information has been represented to correspond to current year classification or representation.

(t) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are 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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased.

(t) Impairment of non-financial assets (Continued)

If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount or exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss.

Impairment of non-financial assets is disclosed in Notes 24 and 27.

(u) Business combinations and goodwill

Business combinations are accounted for using the acquisition method of accounting. This involves recognising identifiable assets (including previously unrecognized intangible assets) and liabilities (including contingent liabilities but excluding future restructuring) of the acquired business at fair value. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognized as goodwill. If the cost of acquisition is less than the fair values of the identifiable net assets acquired, the discount on acquisition is recognized directly in profit or loss in the year of acquisition.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually, or more frequently, if events or changes in circumstances indicate that the carrying amount may be impaired. For impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Bank's cash –generating units (CGUs) or group of CGUs, which are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit to which the goodwill is allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes and is not larger than an operating segment in accordance with IFRS 8 Operating Segments.

Where goodwill has been allocated to a CGU (or group of CGUs) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed of in these circumstances is measured based on the relative fair values of the disposed operation and the portion of the CGU retained.

When subsidiaries are sold, the difference between the selling price and the net assets plus associated cumulative translation differences, cash flow hedge and fair value reserves and goodwill is recognized in profit or loss.



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(v) Non-current assets held for sale

Non-current assets and disposal group's classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition, management has committed to the sale, and the sale is expected to have been completed within one year from the date of classification.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

Represents a bank major line of business or geographical area of operations; or Is part of a single coordinated plan to dispose of a bank major line of business; or geographical area of operations; or Is a subsidiary acquired exclusively with a view to resale
In the consolidated and separate statements of profit or loss and other comprehensive income for the reporting period, and the comparable period in the previous year, income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after taxes, even when the Bank retains a non-controlling interest in the subsidiary after the sale. The resulting profit or loss (after taxes) is reported separately in the consolidated and separate statements of profit or loss and other comprehensive income. Property and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

(w) Collateral valuation

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, real estates, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded in the consolidated and separate statements of financial position. However, the fair value of collateral affects the calculations of ECL. It is generally assessed, at a minimum, at inception and re-assessed on a regular basis. To the extent possible, the Group uses active market data for valuing financing assets held as collateral. Other financial assets which do not have a readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued based on external independent professional valuers.

(w) Collateral valuation (Continued)

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 the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying amount of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held-for-sale at the lower of their repossessed value or carrying amount of the original secured asset or fair value less cost to sell for non-financial assets.

In its normal course of business, the Group does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customer. Therefore, as a result, the residential properties under legal repossession process are not recorded in the consolidated and separate statements of financial position except for property which the bank repurchases in auctions due to lack of active market and maintain them as assets held for sale.

(x) Fair value measurement

For financial instruments traded in active markets, the determination of fair value of financial assets and financial liabilities is based on market prices or dealer price quotations. 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 these 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 or material increase in the bid-offer spread or there are few recent transactions.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs (for example, yield curve, FX rates, volatilities and counterparty spreads) existing at the reporting date.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

In cases when the fair value of unlisted equity instruments is determined using valuation techniques, the Group's policy is to carry the instruments at FVOCI. The valuation of unlisted equity instruments is done using valuation methods that are appropriate in the circumstances including the market valuation method or discounted cash flows method.

At each reporting date, management analyses the movements in the values of the assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

Valuation techniques used by the management to determine fair value as much as possible maximizes observable inputs and minimize the use of unobservable inputs.

(y) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the parent 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.

(z) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's Management Team, which is the chief operating decision maker. Details of the Group's segments are provided under Note 5.

(aa) Financial guarantees, letters of credit and undrawn loan commitments

The Group issues financial guarantees, letters of credit and loan commitments.

Financial guarantees are initially recognized in the consolidated and separate financial statements within provisions at fair value, being the premium received. Subsequent to initial recognition, the Group's liability under each guarantee is measured at the higher of the amount initially recognized less cumulative amortization recognized in profit or loss, and under IFRS 9 – an ECL provision. The premium received is recognized in profit or loss on a straight-line basis over the life of the guarantee.

Undrawn loan commitments and letters of credit are commitments under which, over the duration of the commitment, the Group is required to provide a loan with a pre-specified term to the customer.

The nominal contractual value of financial guarantees, letters of credit and undrawn loan commitments, where the loan agreed to be provided is on the market terms, are not recorded in the consolidated and separate statements of financial position.

If a guarantee is called, a provision is raised if the expected payment amount exceeds the not yet amortised amount of the initial premium payment obtained.

4. USE OF JUDGEMENTS AND ESTIMATES

The preparation of consolidated and separate financial statements in conformity with IFRS® Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next period. All estimates and assumptions required are in conformity with IFRS® Accounting Standards and are the best estimates undertaken in accordance with the relevant standard.

a) Fair value of financial instruments

The fair value of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. In these cases, the fair values are estimated from observable data in respect of similar financial instruments or using models. Where market observable inputs are not available, they are estimated based on appropriate assumptions. Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed by management. Changes in valuation assumptions could affect the reported fair value of the financial instruments. The impact on change in assumptions on the fair value and the carrying amount of the financial instruments is disclosed under Note 2



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

4. USE OF JUDGEMENTS AND ESTIMATES (CONTINUED)

b) Determination of ECL allowances under IFRS 9

The measurement of impairment losses under IFRS 9 across all categories of financial assets requires judgement and estimations. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The ECL calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. The elements of the ECL models that are considered accounting judgements and estimates are indicated below. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

Incorporation of forward-looking information

The evolving economic environment is a key determinant of the ability of a Group's clients to meet their obligations as they fall due. It is a fundamental principle of IFRS 9 that the provisions held against potential future credit risk losses should depend not just on the health of the economy today but should also take account of changes to the economic environment in the future. To capture the effect of changes to the economic environment in the future, the computation of probability of default (PD), loss given default (LGD) and so expected credit loss incorporates forward-looking information; assumptions on the path of economic variables and asset prices that are likely to have an effect on the repayment ability of the Group's clients. Such variables include inflation rate, GDP growth rate, interest rates, lending rate, mortality rate and unemployment rate. Details on assumptions used are provided under Note 6.1.3.4.

Cure rate

Cure rate is a percentage of credit exposure accounts which were in default category, but as at assessment date have moved to a better category. Cure rate shall be factored in at the LGD level when assessing recovery rate. The rate reduces the percentage of LGD and is computed at the overall credit portfolio level. Consideration of movement of accounts is done annually. Qualitative criteria applied when checking whether the account has cured or not are those in line with Bank of Tanzania guideline on IFRS 9 implementation. Defaulted accounts which have been assessed to have cured shall exclude accounts which have been restructured or which have been charged off during the period.

Sensitivity analysis of key estimates and assumptions

The most significant assumptions affecting the ECL allowance are as follows;

- Market value of collaterals, given its impact on Loss Given Default (LGD)
- Realization period of re-possessed collaterals, given its impact on present value of the collaterals.
- Probabilities of default (PDs) - change in macros impacting PDs
- Changes in cure rate for unsecured portfolio

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

4. USE OF JUDGEMENTS AND ESTIMATES (CONTINUED)

Critical accounting estimates and assumptions (Continued)

Sensitivity analysis of key estimates and assumptions (Continued).

Set out below are changes to the ECL as at 2025 that would result from reasonably possible changes in these parameters from actual assumptions used:

Bank				Group			
2025		2024		2025		2024	
Change in market Value of Collaterals		Change in market Value of Collaterals		Change in market Value of Collaterals		Change in market Value of Collaterals	
Increase by 2%	Decrease by 2%	Increase by 2%	Decrease by 2%	Increase by 2%	Decrease by 2%	Increase by 2%	Decrease by 2%
TZS 'M	TZS 'M	TZS 'M	TZS 'M	TZS 'M	TZS 'M	TZS 'M	TZS 'M
(496)	496	(394)	394	(630)	630	(528)	528
Change in Realisation		Change in Realisation		Change in Realisation		Change in Realisation	
Increase by 1 year	Decrease by 1 year	Increase by 1 year	Decrease by 1 year	Increase by 1 year	Decrease by 1 year	Increase by 1 year	Decrease by 1 year
TZS 'M	TZS 'M	TZS 'M	TZS 'M	TZS 'M	TZS 'M	TZS 'M	TZS 'M
8,270	(8,270)	6,562	(6,562)	10,508	(10,508)	8,800	(8,800)
Change in Probability of Default (PDs)		Change in Probability of Default (PDs)		Change in Probability of Default (PDs)		Change in Probability of Default (PDs)	
Increase by 0.5%	Decrease by 0.5%	Increase by 0.5%	Decrease by 0.5%	Increase by 0.5%	Decrease by 0.5%	Increase by 0.5%	Decrease by 0.5%
TZS 'M	TZS 'M	TZS 'M	TZS 'M	TZS 'M	TZS 'M	TZS 'M	TZS 'M
124	(124)	98	(98)	158	(158)	132	(132)
Change in Cure Rates		Change in Cure Rates		Change in Cure Rates		Change in Cure Rates	
Increase by 2%	Decrease by 2%	Increase by 2%	Decrease by 2%	Increase by 2%	Decrease by 2%	Increase by 2%	Decrease by 2%
TZS 'M	TZS 'M	TZS 'M	TZS 'M	TZS 'M	TZS 'M	TZS 'M	TZS 'M
(2,396)	2,396	1,287	(1,287)	(1,958)	1,958	1,725	(1,725)



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

4. USE OF JUDGEMENTS AND ESTIMATES (CONTINUED)

Critical accounting estimates and assumptions (Continued)

Critical judgements in applying the Group's and the Bank's accounting policies.

a) Business model assessment

The business model reflects how the Group manages its assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the asset or to collect both 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), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Group in determining the business model for a Group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

Refer to Notes 16, 17, 18, 19 and 21 for the carrying amounts of financial assets.

b) Significant increase of credit risk

Significant increase in credit risk is assessed by comparing the risk of default of an exposure at the reporting date to the risk of default at origination (after taking into account the passage of time). Whether a change in the risk of default is significant or not is assessed using quantitative factors, that is, financial assets that are 30 or more days past due and not credit-impaired will always be considered to have experienced a significant increase in credit risk. Financial assets that are 30 or less days past due are considered to have low credit risk. The Group has determined that the quantitative factors reasonably reflect SICR and that, considering the nature of the Group's clients, consideration of qualitative factors would involve undue cost or effort. Refer to Notes 6.1 and 18 for further disclosures.

c) Establishing groups of assets with similar credit risk characteristics

When ECLs are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics. The Group monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change, there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that group of assets.

In performing this grouping, there must be sufficient information for the group to be statistically credible. Where sufficient information is not available internally, the Bank has considered benchmarking internal/external supplementary data to use for modelling purposes. The characteristics and any supplementary data used to determine groupings are outlined below:

- * Product type (e.g. Overdraft, Term loans, Letter of credit etc.)
- * Repayment type (e.g. Repayment/Interest only)
- * Credit risk grading
- * Industry
- * Collateral type – whether secured or unsecured

Re-segmentation of portfolios and movement between portfolios is more common when there is a significant increase in credit risk (or when that significant increase reverses) and so assets move from 12-month to lifetime ECLs, or vice versa, but it can also occur within portfolios that continue to be measured on the same basis of 12-month or lifetime ECLs but the amount of ECL changes because the credit risk of the portfolios differs.

Refer to Notes 6.1 and 19 for further disclosures including the carrying amounts of loans and advances.

d) Impairment of non-financial assets

Impairment exists when the carrying amount of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

4. USE OF JUDGEMENTS AND ESTIMATES (CONTINUED)

Critical judgements in applying the Group's and the Bank's accounting policies (Continued)

d) Impairment of non-financial assets (Continued)

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash generating unit and choose a suitable discount rate in order to calculate the present value of the cash flows. Where the discounted cash flows method is not appropriate, other valuations techniques, like the market valuation approach, are used. Such valuation approaches involve benchmarking of observable market information with the valued cash generating unit's financial position and results, and applying premiums or discounts as appropriate.

The Group performed the annual impairment assessment at year-end. The Group considers the relationship between value in use and carrying amount of the asset, among other factors, when reviewing for indicators of impairment. Refer to Notes 3(t), 24 (PPE), 25 (ROU assets), 26 (Investment in subsidiaries) and 27 (Intangibles) for the accounting policy on impairment of non-financial assets and details on the impairment assessment and carrying amounts of non-financial assets subject to impairment.

e) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise from a wide variety of issues, depending on the conditions prevailing in the respective domicile of the Group companies.

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of the deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

For disclosures and details on tax and tax contingencies, refer to Notes 14 and 36 to the consolidated and separate financial statements.

f) Useful lives of property and equipment, and intangible assets

The Group reviews the estimated useful lives of property and equipment, and intangible assets at the end of each annual reporting period. Factors considered while reviewing the useful lives and residual value of items of property and equipment include:

- * The expected usage of the asset by the Group, which is assessed by reference to the asset's expected capacity;
 - * The expected physical wear and tear, which depends on operational factors, the repair and maintenance program of the Group, and the care and maintenance of the asset while idle;
 - * Technical or commercial obsolescence arising from changes in technology;
 - * Group's assets replacement cycle; and
 - * Legal or similar limits on the use of the asset, such as the expiry dates of related leases.
- Refer to Notes 3(j), 3 (k), 24 and 27 for further details.

g) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group "controls" an entity if it is exposed to, or has rights to, variable returns, from involvement with an entity and has ability to affect those returns through its power over the entity. The Group reassess whether it has control if there are changes to one or more element of the controls.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases:



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

5. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the Head of the Group's Management Team (the Chief Executive Officer), who is responsible for allocating resources to the reportable segments and assessing their performance. All operating segments used by the Group meet the definition of a reportable segment under IFRS 8. The agreed allocation basis were not changed during the year.

The Group has the following business segments based on products and services offered:

Name of business segme	Services and products offered
Corporate Banking	Bespoke banking for large corporates and institutions with complex banking requirements.
Retail Banking	Focus on individuals, SMEs, and MSMEs characterized by relatively low individual exposure values.
Commercial Banking	Serves mid-sized enterprises falling above Retail's but below Corporate's thresholds.
Global markets	Provides foreign exchange, money market, and investment solutions.

No revenue from transactions with a single external customer or counterparty amounted to 10 % or more of the Group's and Bank's total revenue in 2025 or 2024.

The non-current assets are included as part of non-allocable assets.

The majority of the Group's segments' revenues are from interest and the Chief Executive Officer relies primarily on net interest revenue to assess the performance of the segment and make decisions about resources to be allocated to the segment. As such, for segment reporting, the Group reports segment interest revenue net of interest expense.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

5. SEGMENT REPORTING (CONTINUED)

Year ended 31 December 2025						
Group	Corporate	Commercial	Retail	Treasury	Unallocated	Total
Segmental profit or loss						
Net interest income	131,306	4,818	57,767	25,116	-	219,007
Credit impairment charges	(10,993)	(334)	(1,388)	(1,154)	-	(13,869)
Fee, commission and other income	54,732	4,136	18,622	44,874	-	122,364
Staff costs	(30,191)	(2,333)	(47,316)	(18,726)	-	(98,566)
Depreciation and amortization	(8,565)	(603)	(13,336)	(5,278)	-	(27,782)
Other expenses	(27,195)	(1,988)	(38,173)	(15,799)	-	(83,155)
Operating profit	109,094	3,696	(23,824)	29,033	-	117,999
Income tax expense	(34,129)	(1,204)	4,101	(11,847)	-	(43,079)
Net (loss)/profit for the year	74,967	2,492	(19,723)	17,186	-	74,920
Segment assets and liabilities						
Loans and advances to banks	-	-	-	651,009	-	651,009
Loans and advances to customers	1,771,713	55,199	311,982	-	-	2,138,894
Government securities	-	-	-	536,008	-	536,008
Corporate bond	-	-	-	85,543	-	85,543
Equity investments	-	-	-	2,920	-	2,920
Unallocated assets	-	-	-	-	555,354	555,354
Total assets	1,771,713	55,199	311,982	1,275,480	555,354	3,969,728
Deposits due to banks	-	-	-	145,739	-	145,739
Deposits due to customers	1,138,409	17,915	2,039,821	-	-	3,196,145
Long term borrowings	-	-	-	30,549	-	30,549
Unallocated liabilities	-	-	-	-	126,263	126,263
Total liabilities	1,138,409	17,915	2,039,821	176,288	126,263	3,498,696



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

5. SEGMENT REPORTING (CONTINUED)

Year ended 31 December 2024						
Group	Corporate	Commercial	Retail	Treasury	Unallocated	Total
Segmental profit or loss						
Net interest income	116,545		49,458	21,503	-	187,506
Credit impairment charges	(6,331)		(776)	(645)	-	(7,752)
Fee, commission and other income	67,841		21,461	51,714	-	141,016
Staff costs	(27,908)		(40,600)	(16,068)	-	(84,576)
Depreciation and amortization	(7,787)		(11,327)	(4,483)	-	(23,597)
Other expenses	(25,126)		(32,867)	(13,603)	-	(71,596)
Operating profit	117,234		(14,651)	38,418	-	141,001
Income tax expense	(40,066)		4,650	(13,434)	-	(48,850)
Net (loss)/profit for the year	77,168		(10,001)	24,984	-	92,151
Segment assets and liabilities						
Loans and advances to banks	-		-	409,278	-	409,278
Loans and advances to customers	1,537,760		262,603	-	-	1,800,363
Government securities	-		-	451,628	-	451,628
Corporate bond	-		-	10,524	-	10,524
Equity investments	-		-	2,977	-	2,977
Unallocated assets	-		-	-	453,297	453,297
Total assets	1,537,760		262,603	874,407	453,297	3,128,067
Deposits due to banks	-		-	135,920	-	135,920
Deposits due to customers	873,238		1,540,441	-	-	2,413,679
Long term borrowings	-		-	31,476	-	31,476
Unallocated liabilities	-		-	-	133,952	133,952
Total liabilities	873,238		1,540,441	167,396	133,952	2,715,027

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

5. SEGMENT REPORTING (CONTINUED)

Year ended 31 December 2025						
Bank	Corporate	Commercial	Retail	Treasury	Unallocated	Total
Segmental profit or loss						
Net interest income	55,135	4,818	57,814	671	-	118,438
Credit impairment charges	(6,682)	(334)	(600)	(600)	-	(8,216)
Fee, commission and other income	44,394	4,136	22,073	31,071	-	101,674
Staff costs	(16,594)	(2,333)	(27,531)	(10,898)	-	(57,356)
Depreciation and amortization	(4,292)	(603)	(7,120)	(2,818)	-	(14,833)
Other expenses	(14,143)	(1,988)	(23,464)	(9,288)	-	(48,883)
Operating profit	57,818	3,696	21,172	8,138	-	90,824
Income tax expense	(18,835)	(1,204)	(6,897)	(2,651)	-	(29,587)
Net (loss)/profit for the year	38,983	2,492	14,275	5,487	-	61,237
Segment assets and liabilities						
Loans and advances to banks	-	-	-	436,382	-	436,382
Loans and advances to customers	1,098,701	55,199	203,093	-	-	1,356,994
Government securities	-	-	-	377,191	-	377,191
Corporate bond	-	-	-	3,570	-	3,570
Equity investments	-	-	-	2,920	-	2,920
Unallocated assets	-	-	-	456,836	-	456,836
Total assets	1,098,701	55,199	203,093	1,276,899	-	2,633,892
Deposits due to banks	-	-	-	190,380	-	190,380
Deposits due to customers	807,789	17,915	1,151,463	1,844	-	1,979,011
Long term borrowings	-	-	-	30,549	-	30,549
Unallocated liabilities	-	-	-	85,339	-	85,339
Total liabilities	807,789	17,915	1,151,463	308,112	-	2,285,279



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

5. SEGMENT REPORTING (CONTINUED)

Year ended 31 December 2024						
Bank	Corporate	Commercial	Retail	Treasury	Unallocated	Total
Segmental profit or loss						
Net interest income	43,637	-	49,897	13,543	-	107,077
Credit impairment charges	(1,567)	-	(1,054)	(1,349)	-	(3,970)
Fee, commission and other income	40,851	-	20,035	42,856	13,047	116,789
Staff costs	(17,341)	-	(25,224)	(9,985)	-	(52,550)
Depreciation and amortization	(4,360)	-	(6,343)	(2,511)	-	(13,214)
Other expenses	(14,719)	-	(21,219)	(8,397)	-	(44,335)
Operating profit	46,501	-	16,092	34,157	13,047	109,797
Income tax expense	(15,300))	-	(5,577)	(11,643)	(3,197)	(35,717)
Net (loss)/profit for the year	31,201	-	10,515	22,514	9,850	74,080
Segment assets and liabilities						
Loans and advances to banks	-	-	-	220,516	-	220,516
Loans and advances to customers	1,035,445	-	169,349	-	-	1,204,794
Government securities	-	-	-	358,961	-	358,961
Corporate bond	-	-	-	3,047	-	3,047
Equity investments	-	-	-	2,977	-	2,977
Unallocated assets	-	-	-	-	335,205	335,205
Total assets	1,035,445	-	169,349	585,501	335,205	2,125,500
Deposits due to banks	-	-	-	235,075	-	235,075
Deposits due to customers	522,525	-	948,483	-	-	1,471,008
Long term borrowings	-	-	-	31,476	-	31,476
Unallocated liabilities	-	-	-	-	86,672	86,672
Total liabilities	522,525	-	948,483	266,551	86,672	1,824,231

5. SEGMENT REPORTING (CONTINUED)

Geographical information

2025	Tanzania	Comoro	Djibouti	Uganda	Core* Securities	Elimination adjustment	Total
Interest and similar income	196,673	27,710	47,675	42,348	-	(7,387)	307,019
Interest expense and similar charges	(78,235)	(1,255)	(9,531)	(6,375)	-	7,384	(88,012)
Net interest income	118,438	26,455	38,144	35,973	-	(3)	219,007
Expected credit loss	(8,216)	(256)	(1,575)	(3,821)	-	(1)	(13,869)
Net interest income after loan impairment charge	110,222	26,199	36,569	32,152	-	(4)	205,138
Fees and commission income	28,959	15,607	9,521	5,784	-	-	59,871
Other external operating income	73,041	6,902	3,013	5,618	-	(25,754)	62,820
Total external operating income	102,000	22,509	12,534	11,402	-	(25,754)	122,691
Non- current assets	1,402,543	44,142	806,349	29,136	-	(87,439)	2,194,731

*Core securities was the subsidiary which was geographically located in Tanzania however it was presented separately since its core business was not banking.

 NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

 NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

5. SEGMENT REPORTING (CONTINUED)

Geographical information (continued)

2025	Tanzania	Comoro	Djibouti	Uganda	Core* Securities	Elimination adjustment	Total
Interest and similar income	166,848	19,766	43,828	32,041	-	(11,254)	251,229
Interest expense and similar charges	(59,771)	(793)	(6,184)	(8,085)	(99)	11,209	(63,723)
Net interest income	107,077	18,973	37,644	23,956	(99)	(45)	187,506
Expected credit loss	(3,970)	62	(1,299)	(3,291)	-	746	(7,752)
Net interest income after loan impairment charge	103,107	19,035	36,345	20,665	(99)	701	179,754
Fees and commission income	29,449	12,526	6,978	4,363	-	-	53,316
Other external operating income	87,660	6,297	2,897	3,983	813	(13,628)	88,022
Total external operating income	117,109	18,823	9,875	8,346	813	(13,628)	141,338
Non- current assets	1,158,079	-	151,313	-	-	(175,103)	1,134,289

*Core securities was the subsidiary which was geographically located in Tanzania however it was presented separately since its core business was not banking.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the business, and the operational risks are an inevitable consequence of being in business. The Group's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on the Group's financial performance.

The Group's risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practices.

The Board (the "Board") has overall responsibility for the establishment and oversight of the Group's risk management framework. As part of its governance structure, the Board has embedded a comprehensive risk management framework for identifying, measuring, controlling (setting risk mitigations) and monitoring of the Group's risks. The policies are integrated in the overall management information systems of the Group and supplemented by a management reporting structure. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and liquidity risk. In addition, internal audit is responsible for independent review of risk management and the control environment.

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, 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 most important risks are credit risk, liquidity risk and market risk. The notes below provide detailed information on each of these risks and the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

6.1 Credit risk

The Group and the Bank take on exposure to credit risk, which is the risk that a counterparty will cause a financial loss to the Group and the Bank by failing to discharge an obligation. Credit risk is one of the most important risks for the Group's and the Bank's business. Management therefore carefully manages its exposure to credit risk. Credit exposures arise principally from lending activities that lead to loans and advances, investment activities that bring debt securities and other bills in the Group's and Bank's assets portfolio. There is also credit risk in the off-balance sheet financial instruments, such as loan commitments, letters of credit and guarantees. Credit risk management and control is centralized under the credit risk management team which reports to the Board regularly.

6.1.1 Credit risk measurement

In measuring credit risk of loans and advances to customers and to banks at a counterparty level, the Group reflects three components: (i) the PD by the client or counterparty on its contractual obligations; (ii) current exposures to the counterparty and its likely future development, from which the Group derives the EAD; and (iii) the likely recovery ratio on the defaulted obligations (LGD). EAD is based on the amounts the Group expects to be owed at the time of default. These credit risk measurements, which reflect expected loss are embedded in the credit risk management process and are in line with IFRS 9.

The Group uses reasonable and supportable forward-looking information that is available without undue cost or effort in its assessment of significant increase of credit risk as well as in its measurement of ECL. External and internal information is used to generate a 'base case' scenario of future forecast of relevant economic variables along with a representative range of other possible forecast scenarios. The external information used includes economic data and forecasts published by governmental bodies and monetary authorities.

The Group applies probabilities to the forecast scenarios identified. The base case scenario is the single most-likely outcome and consists of information used by the Group for strategic planning and budgeting. The Group also formulates two less likely scenarios, one upside and one downside scenario. External information considered includes economic data and macro-economic forecasts such as interest rates, unemployment rates and GDP forecasts. The key drivers of credit risks and credit losses for each portfolio of financial instruments are identified and documented and using a statistical analysis of historical data to estimate relationships between macro-economic variables and credit risk and credit losses.



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

The Group assesses the probability of default of individual counterparties using internal rating tools tailored to the various categories of counterparty in line with the Bank of Tanzania (BOT) guidelines. Customers are segmented into five rating classes. The quantitative group's rating scale, which is shown below, reflects the range of default probabilities defined for each rating class. This means that, in principle, exposures migrate between classes as the assessment of their probability of default changes. Additionally, the qualitative assessment based on management judgement resulting from specific business performance of the customer is also applied as detailed in note 6.1.3.6

This is because in some instances, management of the bank may be aware of additional unique qualitative factors affecting a facility that imply that the risk of the facility is higher or lower than that determined by the staging criteria below.

Group's rating	Description of the grade	Number of days outstanding	Equivalent IFRS 9 grading
1	Current	0 - 30	Stage 1
2	Especially mentioned	31 - 90	Stage 2
3	Sub-standard	91 - 180	Stage 3
4	Doubtful	181 - 360	Stage 3
5	Loss	>360	Stage 3

Exposure at default is based on the amounts the Group expects to be owed at the time of default. For example, for a loan this is the face value. For a commitment, the Group includes any amount already drawn plus the further amount that may have been drawn by the time of default, should it occur.

6.1.2 Risk limit control and mitigation policies

The Group manages limits and controls concentrations of credit risk whenever they are identified, in particular, to individual counterparties and groups, and to industries. The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review, when considered necessary.

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 regular 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.

Collateral

The Group employs 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 implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

- * Mortgages over residential properties;
- * Charges over business assets such as property, inventory and accounts receivable; and
- * Charges over financial instruments such as debt securities and equities.

Longer-term finance and lending to corporate entities are generally secured. Collateral held as security for financial assets other than loans and advances is determined by the nature of the instrument. Debt securities, treasury and other eligible bills are generally unsecured.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1 Credit risk (continued)

6.1.2 Risk limit control and mitigation policies (continued)

The outstanding balances and collaterals held by the Group and Bank as at 31 December 2025 and 31 December 2024 against credit non-performing loans and advances to customers were as indicated below:

(Amounts in TZS M)				
	Gross exposure	Impairment allowance	Carrying amount	Market Value of Collateral
Group				
At 31 December 2025				
Loans to individuals:				
- Personal loans	4,046	613	3,432	57,077
- Commercial loans	786	100	686	10,663
Loans to corporate entities:				
- Corporate customers	37,226	23,534	13,693	229,583
- SMEs	1,592	382	1,210	15,321
Total	43,650	24,629	19,021	312,644

At 31 December 2024

Loans to individuals:				
- Personal loans	11,160	1,088	10,072	57,169
- Commercial loans	4,875	119	4,756	16,184
Loans to corporate entities:				
- Corporate customers	80,575	16,335	64,240	186,993
- SMEs	4,701	245	4,456	89,022
Total	101,311	17,787	83,524	349,368

Bank

At 31 December 2025

Loans to individuals:				
- Personal loans	2,754	164	2,590	6,744
- Commercial loans	-	-	-	-
Loans to corporate entities:				
- Corporate customers	30,228	18,300	11,928	42,590
- SMEs	707	198	509	4,087
Total	33,689	18,662	15,027	53,421

At 31 December 2024

Loans to individuals:				
- Personal loans	4,796	553	4,243	6,836
- Commercial loans	1,000	-	1,000	5,521
Loans to corporate entities:				
- Corporate customers	46,085	13,619	32,466	-
- SMEs	338	26	312	77,788
Total	52,219	14,198	38,021	90,145

The Bank's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Bank since the prior period.

Below table shows financial instruments for which an entity has not recognized a loss allowance because of the collateral.



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1 Credit risk (continued)

6.1.2 Risk limit control and mitigation policies (continued)

	(Amounts in TZS M)				
	Stage 1	Stage 2	Stage 3	Total	Market Value of Col-lateral
Group					
At 31 December 2025					
Loans to individuals:					
- Personal loans	96,025	2,638	11,873	110,536	1,017,649
- Commercial loans	32,710	2,954	14	35,678	219,135
Loans to corporate entities:					
- Corporate customers	818,021	124,178	29,446	971,645	4,063,857
- SMEs	23,375	517	194	24,086	81,964
Total	970,131	130,287	41,527	1,141,945	5,382,605

At 31 December 2024

Loans to individuals:					
- Personal loans	117,502	9,472	12,471	139,445	1,070,965
- Commercial loans	14,908	4,290	1,014	20,212	365,214
Loans to corporate entities:					
- Corporate customers	482,377	116,596	49,259	648,232	2,954,812
- SMEs	17,552	2,667	274	20,493	167,915
Total	632,339	133,025	63,018	828,382	4,558,906

Bank

At 31 December 2025

Loans to individuals:					
- Personal loans	50,402	864	1,918	53,184	151,265
- Commercial loans	32,700	2,954	-	35,654	218,331
Loans to corporate entities:					
- Corporate customers	778,240	117,177	1,217	896,634	3,430,076
- SMEs	23,375	517	194	24,086	81,964
Total	884,717	121,512	3,329	1,009,558	3,881,636

At 31 December 2024

Loans to individuals:					
- Personal loans	71,879	7,698	2,516	82,093	204,581
- Commercial loans	14,898	4,290	1,000	20,188	364,410
Loans to corporate entities:					
- Corporate customers	442,596	109,595	21,030	573,221	2,321,031
- SMEs	17,552	2,667	274	20,493	167,915
Total	546,925	124,250	24,820	695,995	3,057,937

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1 Credit risk (continued)

6.1.2 Risk limit control and mitigation policies (continued)

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 authorizing a third party to draw drafts on a bank within the Group up to a stipulated amount under specific terms and conditions – are collateralized 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 authorizations 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 is potentially exposed to loss in an amount 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 monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments. Details of outstanding credit-related commitments are in Notes 36.

Lending limits (for derivatives and loan book)

The Group maintains strict control limits on net derivative positions (i.e., difference between purchases and sales contracts), by both amount and term. At any one time, the amount subject to credit risk is limited to the current fair value of instruments that are favorable to the Group (i.e., assets where their fair value is positive), which in relation to derivatives is only a small fraction of the contract, or notional values used to express the volume of instruments outstanding. This credit risk exposure is managed as part of the overall lending limits with customers, together with potential exposures from market movements. Collateral or other security is not usually obtained for credit risk exposures on these instruments, except where the Group requires margin deposits from counterparties. Settlement risk arises in any situation where a payment in cash, securities or equities is made in the expectation of a corresponding receipt in cash, securities or equities. Daily settlement limits are established for each counterparty to cover the aggregate of all settlement risk arising from the Group's market transactions on any single day.

6.1.3 Expected credit loss measurement

The Group applies IFRS 9 standard which outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarized below: The key input into the measurement of ECL are the terms structure of the following variables.

- * Probability of default (PD);
- * Loss given default (LGD); and
- * Exposure at default (EAD)

A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has credit risk continuously monitored by the Group.

If a significant increase in credit risk ('SICR') since recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit impaired. If the financial asset is credit-impaired, the financial instrument is then moved to 'Stage 3'. Financial instrument in Stage 1 have their ECL measured at an amount equal to the portion of a lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 and 3 have their ECL measured based on expected credit losses on a life time basis.

A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information. Purchased or originated credit-impaired financial assets are those financial assets that are credit impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

The following sections describe how the Group defines when a significant increase in credit risk has occurred; how the Group defines credit-impaired and default; inputs and assumptions and estimation techniques used in measuring the ECL; and how the Group incorporates forward looking information in the ECL models.

6.1.3.1 Significant increase in credit risk (SICR)

The Group considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative or qualitative criteria or back stops have been met:



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1 Credit risk (continued)

6.1.3 Expected credit loss measurement (Continued)

6.1.3.1 Significant increase in credit risk (SICR) (Continued)

Qualitative criteria

For retail portfolios, if the borrower meets one or more of the following criteria:

- * In short-term forbearance;
- * Direct debit cancellation;
- * Extension to the terms granted; or
- * Previous arrears within the last 12 months.

For corporate and treasury portfolios, if the borrower is on the Watch-list and / or the instrument meets one or more of the following criteria:

- * Significant increase in credit spread;
- * 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 (secured facilities only) which is expected to increase risk of default; or
- * Early signs of cash flows / liquidity problems such as delay in servicing of trade creditors / loans.

The assessment of SICR incorporates forward-looking information. This is performed on a quarterly basis at a portfolio level for all Retail financial instruments. In relation to wholesale and treasury financial instruments, where a watch-list is used to monitor credit risk, this assessment is performed at the counterparty level on a periodic basis. The criteria used to identify SICR are monitored and reviewed periodically for appropriateness by the credit team.

Backstops

A backstop is applied and the financial instrument considered to have experienced a significant increase in credit risk if the borrower is more than 30 days past due on contractual payments.

The Group has not used the low credit risk exemption for any financial instruments during the year. The Group applied back stops in assessing SICR during the year as applying other quantitative factors or qualitative factors was found to involve undue cost or effort.

6.1.3.2 Definition of default and credit-impaired assets

The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria

The borrower is more than 90 days past due on its contractual payments.

The borrower meets unlikelihood 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;
- * The borrower is 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; or
- * Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

The Group applied the quantitative criteria during the year as this was deemed to be more prudent. The criteria have been applied to all financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the PD, EAD and LGD throughout the Group's expected loss computations.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1 Credit risk (continued)

6.1.3 Expected credit loss measurement (Continued)

6.1.3.2 Definition of default and credit - impaired assets (Continued)

Reposessed collateral

During the year, the Bank did not obtain assets by taking possession of collateral held as security. Repossessed properties are usually sold as soon as practicable, with the proceeds used to reduce the outstanding indebtedness.
Modification of loans

During the year, the Group and Bank loans and advances to customers with gross amounts of TZS 61,324 million and TZS 22,079 million respectively (2024: TZS 57,336 and 12,584 million) were modified as part of the Bank's restructuring activities.

6.1.3.3 Measuring ECL

ECL is measured on either a 12 –month (12M) or Lifetime basis depending on whether a SICR has occurred since initial recognition or whether an asset is considered to be credit –impaired. Expected credit losses are the discounted product of the PD, EAD and LGD as detailed in Note 3(l). Forward - looking economic information is also included in determining both 12-month and lifetime PD, EAD and LGD. The table below table shows PD distribution with estimates computed at sector level:

Description of Risk	Stage allocation	Past due days	Probability of Default*
High risk	Stage 3	>= 90 days	100%
Moderate risk	Stage 2	>30 days up to 90 days	15.0%-94.24%
Low risk	Stage 1	0-30 days	0%- 58.90%

*PD estimated at sector level

Internally the Bank assesses the customer credit risk rating using the LILOC model which is performed on individual basis. The internal grading has been disclosed under note.



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1 Credit risk (continued)

6.1.3 Expected credit loss measurement (Continued)

6.1.1.2 Forward-looking information incorporated in the ECL models

The assessment of SICR and the calculation of ECL both incorporate forward looking information. The Group has performed historical analysis and has identified the key economic variables impacting credit risk and expected credit losses for each portfolio. These economic variables and associated impact on PD, EAD, and LGD vary by financial instrument. The Group has utilized analysis of historical default rates in the absence of internal rating model or behavior score.

In determining the drivers for credit risk, the Group considered Real GDP (% Change), Exports of Goods & NF Services (% Change), CPI, USD Rate, interest rate, money supply (% Change), International Reserves (Bil. USD), Fixed Investment, Merchandise Exports, and Government Consumption, of which the USD rate was determined to be the key driver for credit risk by significantly impacting the PD.

Table (a)shows the impact of the USD rate in estimation of the allowances for credit losses on loans. The table shows the weighted average rate considering all scenario, namely, the base line, worst case and best-case scenario, the average values of the factors over the next 12 months and over the remaining forecast period.

Table (a) Forecasted Exchange rates.

Year	USD Rate
2025	2,383.75
2026	3,030.30
2027	3,321.43
2028	3,653.53

Table (b) Macro factors Scenario weightings

Scenario Weightings	2025	2024
Base Line	61.27%	86.11%
Worst Case	26.47%	8.33%
Best Case	12.25%	5.56%

6.1.3.5 Grouping of instruments for losses measured on a collective basis

For expected credit loss provisions modeled on a collective basis, a grouping of exposure is performed on the basis of shared risk characteristics, such that risk exposures within the group are homogeneous. Refer to Note 4 for further disclosures on the grouping of exposures.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1 Credit risk (continued)

6.1.3 Expected credit loss measurement (Continued)

6.1.3.6 Stage allocation

The Group, in accordance with IFRS 9, has adopted the three stage classifications when determining changes in impairments and estimation of ECL as detailed in Note 3(L). Currently, the Group stages credit exposures using backstops and additionally the Group use qualitative characteristics in assessing credit impairment of the loan and advances to customers.

The quantitative approaches essentially same as backstops are explained in note 6.1.1

The Group consider qualitative criteria as summarized here under.

- * Short-term forbearance or restructuring.
- * Adverse changes of external data from credit references agencies
- * 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.
- * When account is performing but classified as substandard as per BoT guidelines mainly due to being in a related group and where business nature of each member of the group is not interdependent
- * 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.

6.1.3.7 Judgmental adjustments

Where appropriate, the Group adjusts the ECL estimate outside the Bank's regular modelling process to reflect management judgements and qualitative information about performance of the exposures. Management overlays may only be applied to the model outputs if consistent with the objective of identifying a significant increase in credit risk.

The Group has internal governance frameworks and controls in place to assess the appropriateness of all judgmental adjustments. The aim of the Group is to incorporate these adjustments into the ECL models, where possible, as part of the periodic recalibration and model assessment procedures.

The adjustments include overlays which are made outside the detailed ECL calculation and reporting process.

Total judgmental adjustments as at 31 December 2025 is Nil (2024: NIL) for the corporate portfolio which was recorded following the increased credit risk to the related single name exposures as notified by the identified early warning signs.



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1 Credit risk (continued)

6.1.4 Expected credit losses on loans and advances to customers by class

The table below shows the profile of the loans and advances to customers analysed according to the internal grading system.

Expected Credit Loss	Group				Bank			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12 - Month	Lifetime	Lifetime		12 - Month	Lifetime	Lifetime	
	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'
As at 31 December 2025								
Current	1,857,021	270,601	-	2,127,622	1,202,454	145,659	-	1,348,113
Substandard	-	-	4,112	4,112	-	-	3,018	3,018
Doubtful	-	-	29,820	29,820	-	-	27,131	27,131
Loss	-	-	9,719	9,719	-	-	3,540	3,540
Gross carrying amount	1,857,021	270,601	43,651	2,171,273	1,202,454	145,659	33,689	1,381,802
Less Expected credit loss	2,802	4,948	24,629	32,379	1,413	4,733	18,663	24,809
Net loans and advances to customers	1,854,219	265,653	19,022	2,138,894	1,201,041	140,926	15,026	1,356,993
As at 31 December 2024								
Current	1,474,340	249,899	-	1,724,239	1,018,633	153,627	-	1,172,260
Substandard	-	-	54,628	54,628	-	-	30,114	30,114
Doubtful	-	-	24,558	24,558	-	-	20,137	20,137
Loss	-	-	22,125	22,125	-	-	1,968	1,968
Gross carrying amount	1,474,340	249,899	101,311	1,825,550	1,018,633	153,627	52,219	1,224,479
Less Expected credit loss	6,212	1,188	17,787	25,187	4,557	932	14,196	19,685
Net loans and advances to customers	1,468,128	248,711	83,524	1,800,363	1,014,076	152,695	38,023	1,204,794

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1 Credit risk (continued)

6.1.4 Expected credit losses on loans and advances to customers by class (Corporate Customers)

The table below shows the profile of the loans and advances to customers analysed according to the internal grading system.

Expected Credit Loss	Group				Bank			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12 - Month	Lifetime	Lifetime		12 - Month	Lifetime	Lifetime	
	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'
As at 31 December 2025								
Current	1,492,606	252,067	-	1,744,673	969,997	138,671	-	1,108,669
Substandard	-	-	2,138	2,138	-	-	1,221	1,221
Doubtful	-	-	26,449	26,449	-	-	25,537	25,537
Loss	-	-	7,285	7,285	-	-	3,471	3,471
Gross carrying amount	1,492,606	252,067	35,872	1,780,545	969,997	138,671	30,229	1,138,897
Less Expected credit loss	1,715	4,641	23,518	29,874	905	4,537	18,286	23,727
Net loans and advances to customers	1,490,891	247,426	12,354	1,750,670	969,092	134,134	11,942	1,115,169
As at 31 December 2024								
Current	1,188,861	221,720	-	1,410,581	826,362	134,345	-	960,707
Substandard	-	-	48,985	48,985	-	-	28,435	28,435
Doubtful	-	-	18,774	18,774	-	-	17,273	17,273
Loss	-	-	12,820	12,820	-	-	377	377
Gross carrying amount	1,188,861	221,720	80,579	1,491,160	826,362	134,345	46,085	1,006,792
Less Expected credit loss	4,795	662	16,335	21,792	3,830	539	13,617	17,986



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1 Credit risk (continued)

6.1.4 Expected credit losses on loans and advances to customers by class (Commercial loans)

The table below shows the profile of the loans and advances to customers analysed according to the internal grading system.

Expected Credit Loss	Group				Bank			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12 - Month	Lifetime	Lifetime		12 - Month	Lifetime	Lifetime	
	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'
As at 31 December 2025								
Current	75,016	8,615	-	83,631	37,457	2,990	-	40,447
Substandard	-	-	54	54	-	-	-	-
Doubtful	-	-	1,254	1,254	-	-	-	-
Loss	-	-	1,186	1,186	-	-	-	-
Gross carrying amount	75,016	8,615	2,494	86,125	37,457	2,990	-	40,447
Less Expected credit loss	163	34	100	297	58	-	-	58
Net loans and advances to customers	74,853	8,581	2,394	85,828	37,399	2,990	-	40,389
As at 31 December 2024								
Current	58,108	9,718	-	67,826	32,436	5,384	-	37,820
Substandard	-	-	2,203	2,203	-	-	1,000	1,000
Doubtful	-	-	2,063	2,063	-	-	-	-
Loss	-	-	608	608	-	-	-	-
Gross carrying amount	58,108	9,718	4,874	72,700	32,436	5,384	1,000	38,820
Less Expected credit loss	446	119	119	684	322	77	-	399
Net loans and advances to customers	57,662	9,599	4,755	72,016	32,114	5,307	1,000	38,421

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1 Credit risk (continued)

6.1.4 Expected credit losses on loans and advances to customers by class (SMEs)

The table below shows the profile of the loans and advances to customers analysed according to the internal grading system.

Expected Credit Loss	Group				Bank			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12 - Month	Lifetime	Lifetime		12 - Month	Lifetime	Lifetime	
	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'
As at 31 December 2025								
Current	48,253	4,019	-	52,272	34,696	1,802	-	36,498
Substandard	-	-	279	279	-	-	194	194
Doubtful	-	-	523	523	-	-	513	513
Loss	-	-	485	485	-	-	-	-
Gross carrying amount	48,253	4,019	1,287	53,559	34,696	1,802	707	37,206
Less Expected credit loss	114	145	382	641	100	135	198	433
Net loans and advances to customers	48,139	3,874	905	52,918	34,596	1,667	509	36,772
As at 31 December 2024								
Current	39,029	5,070	-	44,099	32,264	3,362	-	35,626
Substandard	-	-	1,974	1,974	-	-	50	50
Doubtful	-	-	126	126	-	-	78	78
Loss	-	-	2,601	2,601	-	-	210	210
Gross carrying amount	39,029	5,070	4,701	48,800	32,264	3,362	338	35,964
Less Expected credit loss	51	19	245	315	34	8	26	68
Net loans and advances to customers	38,978	5,051	4,456	48,485	32,230	3,354	312	35,896

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1 Credit risk (continued)

6.1.4 Expected credit losses on loans and advances to customers by class (Personal loans)

The table below shows the profile of the loans and advances to customers analysed according to the internal grading system.

Expected Credit Loss	Group				Bank			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12 - Month	Lifetime	Lifetime		12 - Month	Lifetime	Lifetime	
	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'
As at 31 December 2025								
Current	241,146	5,901	-	247,047	160,302	2,196	-	162,498
Substandard	-	-	1,641	1,641	-	-	1,604	1,604
Doubtful	-	-	1,593	1,593	-	-	1,081	1,081
Loss	-	-	763	763	-	-	69	69
Gross carrying amount	241,146	5,901	3,997	251,044	160,302	2,196	2,754	165,252
Less Expected credit loss	810	128	629	1,567	350	61	179	590
Net loans and advances to customers	240,336	5,773	3,368	249,477	159,952	2,135	2,575	164,662
As at 31 December 2024								
Current	188,342	13,391	-	201,733	127,571	10,536	-	138,107
Substandard	-	-	1,466	1,466	-	-	629	629
Doubtful	-	-	3,595	3,595	-	-	2,786	2,786
Loss	-	-	6,096	6,096	-	-	1,381	1,381
Gross carrying amount	188,342	13,391	11,157	212,890	127,571	10,536	4,796	142,903
Less Expected credit loss	920	388	1,088	2,396	371	308	553	1,232
Net loans and advances to customers	187,422	13,003	10,069	210,494	127,200	10,228	4,243	141,671

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1 Credit risk (continued)

6.1.4 Expected credit losses on loans and advances to customers by class (continued)

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans and advances to customers was as follows:

Gross carrying amount 2025	Group			Total	Bank			
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
At 1 January	1,474,340	249,899	101,311	1,825,550	1,018,633	153,627	52,219	1,224,479
Changes in the gross carrying amount								
- Transfer to stage 1	86,435	(65,428)	(21,008)	-	82,689	(64,039)	(18,650)	-
- Transfer to stage 2	(75,322)	73,612	1,710	-	(73,996)	72,194	1,802	-
- Transfer to stage 3	(2,667)	(1,408)	4,075	-	(2,161)	257	1,904	-
New financial assets originated or purchased	652,632	81,318	18,756	752,706	421,906	17,255	18,833	457,994
Purchased or originated impaired financial assets	-	-	-	-	-	-	-	-
Financial assets that have been derecognised	(253,475)	(59,539)	(59,396)	(372,410)	(240,078)	(33,112)	(20,852)	(294,042)
Write-offs	-	-	(1,326)	(1,326)	-	-	(1,326)	(1,326)
Foreign exchange movement	(24,923)	(7,853)	(471)	(33,246)	(4,539)	(523)	(241)	(5,303)
At 31 December	1,857,020	270,601	43,651	2,171,273	1,202,454	145,659	33,689	1,381,802
Expected credit loss								
At 1 January	6,229	1,662	17,296	25,187	4,557	932	14,196	19,685
Change in the loss allowance								
- Transfer to stage 1	886	(149)	(737)	-	145	(145)	-	-
- Transfer to stage 2	(4,783)	3,979	805	-	(4,763)	3,949	814	-
- Transfer to stage 3	(102)	(40)	142	-	(95)	5	90	-
- Write-off	-	-	(1,326)	(1,326)	-	-	(1,326)	(1,326)
New financial assets originated or purchased	4,186	1,251	11,078	16,515	4,929	463	5,527	10,919
Purchased or originated impaired financial assets	-	-	-	-	-	-	-	-
Financial assets that have been derecognised	(3,599)	(1,675)	(2,472)	(7,745)	(3,345)	(389)	(482)	(4,216)
Foreign exchange movement	(15)	(81)	(156)	(252)	(15)	(81)	(156)	(252)
Unwinding of discount	-	-	-	-	-	-	-	-
At 31 December	2,802	4,946	24,630	32,378	1,413	4,734	18,663	24,810

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1 Credit risk (continued)

6.1.4 Expected credit losses on loans and advances to customers by class (continued)

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans and advances to customers was as follows:

Gross carrying amount 2024	Group			Bank				
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
At 1 January	1,302,186	190,111	66,119	1,558,416	792,173	161,534	56,903	1,010,610
Changes in the gross carrying amount								
- Transfer to stage 1	40,931	(40,570)	(361)	-	31,352	(30,991)	(361)	-
- Transfer to stage 2	(51,966)	52,313	(347)	-	(41,745)	42,092	(347)	-
- Transfer to stage 3	(26,125)	(33,300)	59,425	-	(1,063)	(29,780)	30,843	-
New financial assets originated or purchased	775,488	148,115	22,269	945,872	587,322	66,208	14,880	668,410
Purchased or originated impaired financial assets	-	-	2,308	2,308	-	-	401	401
Financial assets that have been derecognised	(544,783)	(65,381)	(26,795)	(636,959)	(342,772)	(54,197)	(32,955)	(429,924)
Write-offs	(37)	(1)	(20,838)	(20,876)	(37)	(1)	(16,455)	(16,493)
Foreign exchange movement	(21,354)	(1,388)	(469)	(23,211)	(6,597)	(1,238)	(690)	(8,525)
At 31 December	1,474,340	249,899	101,311	1,825,550	1,018,633	153,627	52,219	1,224,479
Expected credit loss								
At 1 January	8,174	14,803	17,391	40,368	6,193	13,886	14,998	35,077
Change in the loss allowance								
- Transfer to stage 1	404	(361)	(43)	-	373	(330)	(43)	-
- Transfer to stage 2	(694)	694	-	-	(687)	687	-	-
- Transfer to stage 3	(115)	(7,562)	7,677	-	-	(7,453)	7,453	-
- Write-off	-	-	(20,876)	(20,876)	-	-	(16,493)	(16,493)
New financial assets originated or purchased	3,829	650	7,725	12,204	2,073	340	6,212	8,625
Purchased or originated impaired financial assets	-	-	506	506	-	-	270	270
Financial assets that have been derecognized	(6,065)	(7,333)	3,285	(10,113)	(3,904)	(6,902)	707	(10,099)
Foreign exchange movement	(112)	(85)	(166)	(363)	(53)	(85)	(186)	(324)
Unwinding of discount	808	856	1,797	3,461	562	789	1,278	2,629
At 31 December	6,229	1,662	17,296	25,187	4,557	932	14,196	19,685

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1 Credit risk (continued)

6.1.4 Expected credit losses on loans and advances to customers by class - Corporate customers

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans and advances to customers was as follows:

	Group				Bank			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount 2025								
At 1 January	1,188,859	221,718	80,580	1,491,157	826,361	134,345	46,089	1,006,795
Changes in the gross carrying amount								
- Transfer to stage 1	75,597	(56,704)	(18,893)	-	73,704	(56,704)	(17,000)	-
- Transfer to stage 2	(82,337)	79,956	2,381	-	(81,237)	78,774	2,463	-
- Transfer to stage 3	(3,786)	708	3,078	-	(3,358)	1,197	2,161	-
New financial assets originated or purchased	519,907	61,099	12,200	593,205	334,785	12,161	16,501	363,447
Purchased or originated impaired financial assets	-	-	-	-	-	-	-	-
Financial assets that have been derecognised	(184,881)	(47,535)	(43,071)	(275,487)	(175,720)	(30,579)	(19,745)	(226,044)
Write-offs	-	-	-	-	-	-	-	-
Foreign exchange movement	(20,752)	(7,176)	(403)	(28,331)	(4,539)	(523)	(241)	(5,303)
At 31 December	1,492,606	252,066	35,872	1,780,544	969,996	138,671	30,228	1,138,895
Expected credit loss								
At 1 January	4,813	1,136	15,845	21,794	3,829	539	13,619	17,987
Change in the loss allowance								
- Transfer to stage 1	837	(141)	(696)	-	142	(142)	-	-
- Transfer to stage 2	(5,025)	3,992	1,033	-	(5,022)	3,987	1,035	-
- Transfer to stage 3	(198)	100	99	-	(195)	100	95	-
- Write-off	-	-	(1,326)	(1,326)	-	-	(1,326)	(1,326)
New financial assets originated or purchased	4,088	583	10,439	15,110	4,729	338	5,185	10,252
Purchased or originated impaired financial assets	-	-	-	-	-	-	-	-
Financial assets that have been derecognised	(2,784)	(948)	(1,719)	(5,451)	(2,563)	(204)	(166)	(2,933)
Foreign exchange movement	(15)	(81)	(156)	(252)	(15)	(81)	(156)	(252)
Unwinding of discount	-	-	-	-	-	-	-	-
At 31 December	1,716	4,641	23,519	29,876	905	4,537	18,286	23,727



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1 Credit risk (continued)

6.1.4 Expected credit losses on loans and advances to customers by class - Corporate customers (continued)

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans and advances to customers was as follows:

	Group			Bank				
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount 2024								
At 1 January	1,009,224	142,112	66,238	1,217,574	602,966	128,334	48,201	779,501
Changes in the gross carrying amount								
- Transfer to stage 1	33,569	(33,569)	-	-	25,860	(25,860)	-	-
- Transfer to stage 2	(44,811)	44,811	-	-	(36,324)	36,324	-	-
- Transfer to stage 3	(21,209)	(30,487)	51,696	-	-	(29,454)	29,454	-
New financial assets originated or purchased	586,217	133,682	17,105	737,004	455,570	55,610	13,393	524,573
Purchased or originated impaired financial assets	-	-	853	853	-	-	-	-
Financial assets that have been derecognised	(354,170)	(33,676)	(35,046)	(422,892)	(216,030)	(29,700)	(28,600)	(274,330)
Write-offs	-	-	(19,749)	(19,749)	-	-	(15,731)	(15,731)
Foreign exchange movement	(19,961)	(1,155)	(517)	(21,633)	(5,681)	(909)	(628)	(7,218)
At 31 December	1,188,859	221,718	80,580	1,491,157	826,361	134,345	46,089	1,006,795
Expected credit loss								
At 1 January	5,904	8,680	15,410	29,994	4,918	7,919	13,346	26,183
Change in the loss allowance								
- Transfer to stage 1	321	(321)	-	-	292	(292)	-	-
- Transfer to stage 2	(599)	599	-	-	(598)	598	-	-
- Transfer to stage 3	57	(7,488)	7,431	-	-	(7,452)	7,452	-
- Write-off	-	-	(19,749)	(19,749)	-	-	(15,731)	(15,731)
New financial assets originated or purchased	2,543	118	7,312	9,973	1,666	28	6,164	7,858
Purchased or originated impaired financial assets	-	-	115	115	-	-	-	-
Financial assets that have been derecognised	(3,948)	(785)	3,963	(770)	(2,874)	(559)	1,496	(1,937)
Foreign exchange movement	(83)	(11)	(159)	(253)	(47)	(8)	(175)	(230)
Unwinding of discount	618	344	1,522	2,484	472	305	1,067	1,844
At 31 December	4,813	1,136	15,845	21,794	3,829	539	13,619	17,987

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1 Credit risk (continued)

6.1.4 Expected credit losses on loans and advances to customers by class - Commercial loans

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans and advances to customers was as follows:

Gross carrying amount 2025	Group			Total	Bank			
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	Total
At 1 January	58,109	9,718	4,875	72,702	32,436	5,384	1,000	38,820
Changes in the gross carrying amount								
- Transfer to stage 1	2,158	(1,181)	(977)	-	1,440	(914)	(526)	-
- Transfer to stage 2	1,935	(1,925)	(10)	0	2,077	(2,077)	-	-
- Transfer to stage 3	(71)	(117)	188	-	-	-	-	-
New financial assets originated or purchased	23,714	8,128	1,994	33,836	9,036	2,007	-	11,043
Purchased or originated impaired financial assets	-	-	-	-	-	-	-	-
Financial assets that have been derecognised	(9,681)	(5,679)	(3,558)	(18,918)	(7,532)	(1,409)	(474)	(9,415)
Write-offs	-	-	-	-	-	-	-	-
Foreign exchange movement	(1,148)	(330)	(18)	(1,496)	-	-	-	-
At 31 December	75,016	8,614	2,494	86,125	37,457	2,991	-	40,448
Expected credit loss								
At 1 January	447	119	120	686	323	77	-	400
Change in the loss allowance								
- Transfer to stage 1	44	(4)	(40)	-	-	-	-	-
- Transfer to stage 2	(6)	13	(7)	-	-	-	-	-
- Transfer to stage 3	(2)	(11)	13	-	-	-	-	-
- Write-off	-	-	-	-	-	-	-	-
New financial assets originated or purchased	-	364	73	437	24	-	-	24
Purchased or originated impaired financial assets	-	-	-	-	-	-	-	-
Financial assets that have been derecognised	(320)	(447)	(59)	(826)	(290)	(77)	-	(367)
Foreign exchange movement	-	-	-	-	-	-	-	-
Unwinding of discount	-	-	-	-	-	-	-	-
At 31 December	163	34	100	297	57	-	-	57

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1 Credit risk (continued)

6.1.4 Expected credit losses on loans and advances to customers by class - Commercial loans (continued)

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans and advances to customers was as follows:

Gross carrying amount 2024	Group			Total	Bank			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
At 1 January	172,845	37,515	5,705	216,065	112,619	28,729	4,479	145,827
Changes in the gross carrying amount								
- Transfer to stage 1	4,666	(4,666)	-	-	2,830	(2,830)	-	-
- Transfer to stage 2	(3,014)	3,014	-	-	(1,920)	1,920	-	-
- Transfer to stage 3	(3,520)	(248)	3,768	-	-	-	-	-
New financial assets originated or purchased	10,001	2,752	1,054	13,807	10,001	1,553	-	11,554
Purchased or originated impaired financial assets	-	-	-	-	-	-	-	-
Financial assets that have been derecognised	(122,766)	(28,433)	(5,284)	(156,483)	(90,368)	(23,664)	(3,111)	(117,143)
Write-offs	(37)	(1)	(323)	(361)	(37)	(1)	(323)	(361)
Foreign exchange movement	(66)	(215)	(45)	(326)	(689)	(323)	(45)	(1,057)
At 31 December	58,109	9,718	4,875	72,702	32,436	5,384	1,000	38,820
Expected credit loss								
At 1 January	1,436	6,061	568	8,065	1,077	5,926	553	7,556
Change in the loss allowance								
- Transfer to stage 1	2	(2)	-	-	-	-	-	-
- Transfer to stage 2	(85)	85	-	-	(85)	85	-	-
- Transfer to stage 3	(38)	(70)	108	-	-	-	-	-
- Write-off	-	-	(361)	(361)	-	-	(361)	(361)
New financial assets originated or purchased	100	72	4	176	100	2	1	103
Purchased or originated impaired financial assets	-	-	-	-	-	-	-	-
Financial assets that have been derecognised	(1,089)	(6,456)	(262)	(7,807)	(832)	(6,337)	(256)	(7,425)
Foreign exchange movement	1	(74)	(5)	(78)	(5)	(77)	(5)	(87)
Unwinding of discount	120	503	68	691	68	478	68	614
At 31 December	447	119	120	686	323	77	-	400

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6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1 Credit risk (continued)

6.1.4 Expected credit losses on loans and advances to customers by class - SMEs

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans and advances to customers was as follows:

Gross carrying amount 2025	Group			Total	Bank			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
At 1 January	39,030	5,071	4,701	48,802	32,265	3,362	338	35,965
Changes in the gross carrying amount								
- Transfer to stage 1	725	(725)	-	-	724	(724)	-	-
- Transfer to stage 2	2,248	(1,736)	(512)	-	2,304	(1,792)	(512)	-
- Transfer to stage 3	195	(1,253)	1,058	-	195	(195)	-	-
New financial assets originated or purchased	17,301	3,621	2,252	23,174	9,733	1,713	1,047	12,493
Purchased or originated impaired financial assets	-	-	-	-	-	-	-	-
Financial assets that have been derecognised	(10,943)	(829)	(6,191)	(17,963)	(10,525)	(562)	(166)	(11,253)
Write-offs	-	-	-	-	-	-	-	-
Foreign exchange movement	(303)	(130)	(20)	(453)	-	-	-	-
At 31 December	48,253	4,019	1,288	53,560	34,696	1,802	707	37,205
Expected credit loss								
At 1 January	51	19	244	314	34	8	26	68
Change in the loss allowance								
- Transfer to stage 1	1	(1)	-	-	1	(1)	-	-
- Transfer to stage 2	205	(7)	(198)	-	211	(13)	(198)	-
- Transfer to stage 3	0	(34)	34	-	0	(0)	-	-
- Write-off	-	-	-	-	-	-	-	-
New financial assets originated or purchased	50	219	567	836	45	142	371	559
Purchased or originated impaired financial assets	-	-	-	-	-	-	-	-
Financial assets that have been derecognised	(194)	(51)	(264)	(509)	(192)	(1)	(1)	(193)
Foreign exchange movement	-	-	-	-	-	-	-	-
Unwinding of discount	-	-	-	-	-	-	-	-
At 31 December	113	145	383	641	99	135	198	434

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1 Credit risk (continued)

6.1.4 Expected credit losses on loans and advances to customers by class - SMEs (continued)

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans and advances to customers was as follows:

Gross carrying amount 2024	Group			Total	Bank			
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	Total
At 1 January	34,944	8,673	434	44,051	25,409	1,845	295	27,549
Changes in the gross carrying amount								
- Transfer to stage 1	1,228	(1,178)	(50)	-	1,226	(1,176)	(50)	-
- Transfer to stage 2	(1,318)	1,318	-	-	(917)	917	-	-
- Transfer to stage 3	(66)	(2,238)	2,304	-	(66)	-	66	-
New financial assets originated or purchased	25,422	2,050	2,054	29,526	21,438	2,031	62	23,531
Purchased or originated impaired financial assets	-	-	-	-	-	-	-	-
Financial assets that have been derecognised	(20,950)	(3,536)	(39)	(24,525)	(14,643)	(249)	(35)	(14,927)
Write-offs	-	-	-	-	-	-	-	-
Foreign exchange movement	(230)	(18)	(2)	(250)	(182)	(6)	-	(188)
At 31 December	39,030	5,071	4,701	48,802	32,265	3,362	338	35,965
Expected credit loss								
At 1 January	149	46	150	345	122	28	38	188
Change in the loss allowance								
- Transfer to stage 1	26	(26)	-	-	26	(26)	-	-
- Transfer to stage 2	(2)	2	-	-	(2)	2	-	-
- Transfer to stage 3	-	(2)	2	-	-	-	-	-
- Write-off	-	-	-	-	-	-	-	-
New financial assets originated or purchased	19	81	105	205	13	5	1	19
Purchased or originated impaired financial assets	-	-	-	-	-	-	-	-
Financial assets that have been derecognized	(155)	(89)	(38)	(282)	(138)	(5)	(21)	(164)
Foreign exchange movement	(1)	-	(1)	(2)	(1)	-	-	(1)
Unwinding of discount	15	7	26	48	14	4	8	26
At 31 December	51	19	244	314	34	8	26	68

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1 Credit risk (continued)

6.1.4 Expected credit losses on loans and advances to customers by class - Personal loans

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans and advances to customers was as follows:

Gross carrying amount 2025	Group			Total	Bank			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
At 1 January	188,342	13,392	11,155	212,889	127,571	10,536	4,792	142,899
Changes in the gross carrying amount								
- Transfer to stage 1	7,955	(6,818)	(1,137)	-	6,821	(5,696)	(1,125)	-
- Transfer to stage 2	2,832	(2,683)	(149)	-	2,859	(2,710)	(149)	-
- Transfer to stage 3	994	(745)	(249)	-	1,002	(745)	(257)	-
New financial assets originated or purchased	91,711	8,470	2,310	102,491	68,351	1,373	1,286	71,010
Purchased or originated impaired financial assets	-	-	-	-	-	-	-	-
Financial assets that have been derecognised	(47,970)	(5,497)	(6,577)	(60,044)	(46,301)	(562)	(467)	(47,330)
Write-offs	-	-	(1,326)	(1,326)	-	-	(1,326)	(1,326)
Foreign exchange movement	(2,718)	(217)	(30)	(2,965)	-	-	-	-
At 31 December	241,146	5,901	3,996	251,045	160,302	2,196	2,754	165,253
Expected credit loss								
At 1 January	918	388	1,087	2,393	371	308	551	1,230
Change in the loss allowance								
- Transfer to stage 1	4	(3)	(1)	-	3	(3)	(0)	-
- Transfer to stage 2	42	(19)	(23)	-	48	(25)	(23)	-
- Transfer to stage 3	99	(95)	(4)	-	100	(95)	(5)	-
- Write-off	-	-	-	-	-	-	-	-
New financial assets originated or purchased	48	86	-	134	131	(18)	(29)	84
Purchased or originated impaired financial assets	-	-	-	-	-	-	-	-
Financial assets that have been derecognized	(301)	(229)	(430)	(960)	(301)	(107)	(316)	(724)
Foreign exchange movement	-	-	-	-	-	-	-	-
Unwinding of discount	-	-	-	-	-	-	-	-
At 31 December	810	128	629	1,567	352	60	178	590



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1 Credit risk (continued)

6.1.4 Expected credit losses on loans and advances to customers by class - Personal loans (continued)

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans and advances to customers was as follows:

	Group			Total	Bank			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Gross carrying amount 2024								
At 1 January	70,934	2,692	8,573	82,199	51,179	2,626	3,928	57,733
Changes in the gross carrying amount								
- Transfer to stage 1	1,468	(1,157)	(311)	-	1,436	(1,125)	(311)	-
- Transfer to stage 2	(2,823)	3,170	(347)	-	(2,584)	2,931	(347)	-
- Transfer to stage 3	(1,330)	(327)	1,657	-	(997)	(326)	1,323	-
New financial assets originated or purchased	153,848	9,631	2,056	165,535	100,313	7,014	1,425	108,752
Purchased or originated impaired financial assets	-	-	1,455	1,455	-	-	401	401
Financial assets that have been derecognised	(32,658)	(617)	(1,257)	(34,532)	(21,731)	(584)	(1,209)	(23,524)
Write-offs	-	-	(766)	(766)	-	-	(401)	(401)
Foreign exchange movement	(1,097)	-	95	(1,002)	(45)	-	(17)	(62)
At 31 December	188,342	13,392	11,155	212,889	127,571	10,536	4,792	142,899
Expected credit loss								
At 1 January	685	16	1,263	1,964	76	13	1,061	1,150
Change in the loss allowance								
- Transfer to stage 1	55	(12)	(43)	-	55	(12)	(43)	-
- Transfer to stage 2	(8)	8	-	-	(2)	2	-	-
- Transfer to stage 3	(134)	(2)	136	-	-	(1)	1	-
- Write-off	-	-	(766)	(766)	-	-	(401)	(401)
New financial assets originated or purchased	1,167	379	304	1,850	294	305	46	645
Purchased or originated impaired financial assets	-	-	391	391	-	-	270	270
Financial assets that have been derecognised	(873)	(3)	(378)	(1,254)	(60)	(1)	(512)	(573)
Foreign exchange movement	(29)	-	(1)	(30)	-	-	(6)	(6)
Unwinding of discount	55	2	181	238	8	2	135	145
At 31 December	918	388	1,087	2,393	371	308	551	1,230

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1 Credit risk (continued)

6.1.5 Maximum exposure to credit risk before collateral held or other credit enhancements

	Group				Bank			
	2025		2024		2025		2024	
	TZS 'M'	%	TZS 'M'	%	TZS 'M'	%	TZS 'M'	%
On balance sheet exposures								
Balances with central banks	312,425	8.36%	250,926	8.51%	201,574	8.45%	120,596	6.26%
Loans and advances to banks	651,009	17.42%	409,278	13.87%	436,382	18.30%	220,516	11.44%
Loans and advances to customers								
Loans to individuals:								
- Personal loans	249,477	6.68%	210,495	7.14%	164,663	6.91%	141,671	7.35%
- Commercial loans	85,828	2.30%	72,018	2.44%	40,389	1.69%	38,421	1.99%
Loans to corporate entities:								
- Corporate customers	1,750,670	46.84%	1,469,365	49.81%	1,115,169	46.77%	988,806	51.30%
- SMEs	52,919	1.42%	48,485	1.64%	36,772	1.54%	35,896	1.86%
Government securities: At amortized cost	263,936	7.06%	219,772	7.45%	105,119	4.41%	127,105	6.59%
Government securities: FVTPL	17,326	0.46%	15,974	0.54%	17,326	0.73%	15,974	0.83%
Government securities: FVTOCI	254,746	6.82%	215,882	7.32%	254,746	10.68%	215,882	11.20%
Corporate Bonds: Amortized cost	85,543	2.29%	10,524	0.36%	3,570	0.15%	3,047	0.16%
Other assets (excluding prepayments)	13,339	0.35%	27,380	0.92%	8,674	0.37%	19,636	1.02%
	3,737,218	100%	2,950,099	100%	2,384,384	100%	1,927,550	100%
On balance sheet exposures								
Undrawn commitments	130,961		204,701		109,472		70,171	
Acceptances and letters of credits	279,502		96,000		116,827		77,687	
Guarantees and indemnities	265,591		233,046		187,386		181,091	
Gross carrying amount	676,054		533,747		413,685		328,949	
Loss allowance	(155)		(61)		(155)		(61)	
Net carrying amount	675,899		533,686		413,530		328,888	



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1 Credit risk (continued)

6.1.6 Concentration of risks of financial assets with credit risk exposure

The Group monitors concentrations of credit risk by industry sectors and by geographic location.

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 the Group's portfolio.

(a) Industry sectors

The following table includes an analysis of the Group's maximum credit risk exposure at the carrying amounts of the financial assets, as categorised by industry sectors as of 31 December 2025 (All balances are in TZS' Million):

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6.FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1 Credit risk (continued)

6.1.6 Concentration of risks of financial assets with credit risk exposure (Continued)

(a) Industry sectors (Continued)

Group	Financial institutions	Manufacturing	Trading and commercial	Transport and communication	Agriculture	Individuals	Others	Total
On-balance sheet exposures	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'
Balances with Central Banks	312,425	-	-	-	-	-	-	312,425
Loans and advances to banks	651,009	-	-	-	-	-	-	651,009
Government securities: Amortized cost	263,936	-	-	-	-	-	-	263,936
Government securities: FVTPL	17,326	-	-	-	-	-	-	17,326
Government securities: FVTOCI	254,746	-	-	-	-	-	-	254,746
Corporate Bonds: Amortized cost	85,543	-	-	-	-	-	-	85,543
Loans and advances to customers:								
Loans to individuals: - Personal loans	-	-	223	-	-	248,111	1,143	249,477
- Commercial loans	-	4,670	46,080	12,969	1,088	-	21,021	85,828
Loans to corporate entities: - Corporate customer	17,016	202,224	596,526	83,261	92,413	13,201	746,029	1,750,670
- SMEs	152	359	8,153	5,889	592	-	37,774	52,919
Other assets less prepayments	-	-	10,640	-	-	-	2,699	13,339
At 31 December 2025	1,602,153	207,253	661,622	102,119	94,093	261,312	808,666	3,737,218
Group	Financial institutions	Manufacturing	Trading and commercial	Transport and communication	Agriculture	Individuals	Others	Total
On-balance sheet exposures	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'
Guarantees and acceptances	-	12,497	166,904	15,693	-	-	313,094	508,188
Loan commitments and other credit related obliga	4,987	23,626	41,219	13,056	2,570	18,454	63,799	167,711
At 31 December 2025	4,987	36,12	208,123	28,749	2,570	18,454	376,893	675,899

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1 Credit risk (continued)

6.1.6 Concentration of risks of financial assets with credit risk exposure

(a) Industry sectors (Continued)

The following table includes an analysis of the Group's maximum credit risk exposure at the carrying amounts of the financial assets, as categorised by industry sectors as of 31 December 2024 (All balances are in TZS 'Million):

Group	Financial institutions	Manufacturing	Trading and commercial	Transport and communication	Agriculture	Individuals	Others	Total
On-balance sheet exposures	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'
Balances with Central Banks	250,926	-	-	-	-	-	-	250,926
Loans and advances to banks	409,278	-	-	-	-	-	-	409,278
Government securities: Amortized cost	219,772	-	-	-	-	-	-	219,772
Government securities: FVTPL	15,974	-	-	-	-	-	-	15,974
Government securities: FVTOCI	215,882	-	-	-	-	-	-	215,882
Corporate Bonds: Amortized cost	10,524	-	-	-	-	-	-	10,524
Loans and advances to customers:								
Loans to individuals: - Personal loans	-	2,744	5,825	3,517	-	170,560	27,849	210,495
- Commercial loans	-	2,403	36,638	6,452	765	165	25,595	72,018
Loans to corporate entities: - Corporate customer	2,860	142,930	421,708	90,110	72,183	17,334	722,240	1,469,365
- SMEs	64	1,359	4,725	3,228	886	2,187	36,036	48,485
Other assets less prepayments	-	-	24,636	-	-	-	2,744	27,380
At 31 December 2025	1,125,280	149,436	493,532	103,307	73,834	190,246	814,464	2,950,099
On-balance sheet exposures								
Guarantees and acceptances	1,303	12,038	76,630	634	-	-	278,703	369,308
Loan commitments and other credit related obliga	253	7,448	25,780	7,944	2,965	8,728	42,882	96,000
At 31 December 2025	1,556	19,486	102,410	8,578	2,965	8,728	321,585	465,308



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1 Credit risk (continued)

6.1.6 Concentration of risks of financial assets with credit risk exposure

(a) Industry sectors (Continued)

The following table includes an analysis of the Bank's maximum credit risk exposure at the carrying amounts of the financial assets, as categorised by industry sectors as of 31 December 2025 (All balances are in TZS' Million)

Group	Financial institutions	Manufacturing	Trading and commercial	Transport and communication	Agriculture	Individuals	Others	Total
	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'
On-balance sheet exposures								
Balances with Central Banks	250,926	-	-	-	-	-	-	250,926
Loans and advances to banks	409,278	-	-	-	-	-	-	409,278
Government securities: Amortized cost	219,772	-	-	-	-	-	-	219,772
Government securities: FVTPL	15,974	-	-	-	-	-	-	15,974
Government securities: FVTOCI	215,882	-	-	-	-	-	-	215,882
Corporate Bonds: Amortized cost	10,524	-	-	-	-	-	-	10,524
Loans and advances to customers:								
Loans to individuals: - Personal loans	-	2,744	5,825	3,517	-	170,560	27,849	210,495
- Commercial loans	-	2,403	36,638	6,452	765	165	25,595	72,018
Loans to corporate entities: - Corporate customer	2,860	142,930	421,708	90,110	72,183	17,334	722,240	1,469,365
- SMEs	64	1,359	4,725	3,228	886	2,187	36,036	48,485
Other assets less prepayments	-	-	24,636	-	-	-	2,744	27,380
At 31 December 2024	1,125,280	149,436	493,532	103,307	73,834	190,246	814,464	2,950,099
Off -balance sheet exposures								
Guarantees and acceptances	1,303	12,038	76,630	634	-	-	278,703	369,308
Loan commitments and other credit related obligations	253	7,448	25,780	7,944	2,965	8,728	42,882	96,000
At 31 December 2024	1,556	19,486	102,410	8,578	2,965	8,728	321,585	465,308



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1 Credit risk (continued)

6.1.6 Concentration of risks of financial assets with credit risk exposure

(a) Industry sectors (Continued)

The following table includes an analysis of the Bank's maximum credit risk exposure at the carrying amounts of the financial assets, as categorised by industry sectors as of 31 December 2025 (All balances are in TZS' Million)

Bank	Financial institutions	Manufacturing	Trading and commercial	Transport and communication	Agriculture	Individuals	Others	Total
	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'
On-balance sheet exposures								
Balances with Central Banks	201,574	-	-	-	-	-	-	201,574
Loans and advances to banks	436,382	-	-	-	-	-	-	436,382
Government securities: Amortized cost	105,119	-	-	-	-	-	-	105,119
Government securities: FVTPL	17,326	-	-	-	-	-	-	17,326
Government securities: FVTOCI	254,746	-	-	-	-	-	-	254,746
Corporate Bonds: Amortized cost	3,570	-	-	-	-	-	-	3,570
Loans and advances to customers:								
Loans to individuals: - Personal loans	-	-	-	-	-	164,663	-	164,663
- Commercial loans	-	3,789	3,001	12,496	1,088	-	20,015	40,389
Loans to corporate entities: - Corporate customer	17,016	169,038	214,488	82,220	88,883	-	543,525	1,115,170
- SMEs	152	359	8,769	5,889	592	-	21,010	36,771
Other assets less prepayments	-	-	6,999	-	-	-	1,675	8,674
At 31 December 2025	1,035,885	173,186	233,257	100,605	90,563	164,663	586,225	2,384,384
Off -balance sheet exposures								
Guarantees and acceptances	-	11,306	58,218	15,268	-	-	219,295	304,087
Loan commitments and other credit related obligations	4,987	20,960	13,290	13,055	2,570	1,523	53,056	109,441
At 31 December 2025	4,987	32,266	71,508	28,323	2,570	1,523	272,351	413,528

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1 Credit risk (continued)

6.1.6 Concentration of risks of financial assets with credit risk exposure

(a) Industry sectors (Continued)

The following table includes an analysis of the Bank's maximum credit risk exposure at the carrying amounts of the financial assets, as categorised by industry sectors as of 31 December 2024 (All balances are in TZS' Million)

Bank	Financial institutions	Manufacturing	Trading and commercial	Transport and communication	Agriculture	Individuals	Others	Total
	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'
On-balance sheet exposures								
Balances with Central Banks	120,596	-	-	-	-	-	-	120,596
Loans and advances to banks	220,516	-	-	-	-	-	-	220,516
Government securities: Amortized cost	127,105	-	-	-	-	-	-	127,105
Government securities: FVTPL	15,974	-	-	-	-	-	-	15,974
Government securities: FVTOCI	215,882	-	-	-	-	-	-	215,882
Corporate Bonds: Amortized cost	3,047	-	-	-	-	-	-	3,047
Loans and advances to customers:								
Loans to individuals: - Personal loans	-	2,744	5,654	3,517	-	102,785	26,971	141,671
- Commercial loans	-	1,726	4,809	6,089	765	165	24,867	38,421
Loans to corporate entities: - Corporate customer	2,860	117,442	136,667	89,311	69,472	7,195	565,859	988,806
- SMEs	64	1,359	4,647	3,228	886	2,187	23,525	35,896
Other assets less prepayments	-	-	17,910	-	-	-	1,726	19,636
At 31 December 2024	706,044	123,271	169,687	102,145	71,123	112,332	642,948	1,927,550
Off -balance sheet exposures								
Guarantees and acceptances	1,303	11,510	28,452	446	-	-	237,124	278,835
Loan commitments and other credit related obligations	253	6,266	13,400	7,944	2,965	1,223	38,120	70,171
At 31 December 2024	1,556	17,776	41,852	8,390	2,965	1,223	275,244	349,006



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1 Credit risk (continued)

6.1.6 Concentration of risks of financial assets with credit risk exposure

(b) Geographical sectors

	(Amounts are in TZS' M')				
Group	Tanzania	Europe	America	Other African countries	Others
Credit risk exposures relating to on-balance sheet assets are as follows:					
Balances with Central Banks	312,425	-	-	-	-
Loans and advances to banks	435,965	2,000	13,652	199,345	47
Government securities – At amortized cost	105,119	-	-	158,817	-
Government securities: FVTPL	17,326	-	-	-	-
Government securities: FVTOCI	254,746	-	-	-	-
Corporate Bonds: Amortized cost	85,543	-	-	-	-
Loans and advances to customers:					
Loans to individuals:					
- Personal loans	164,663	-	-	84,814	-
- Commercial loans	40,389	-	-	45,439	-
Loans to corporate entities:					
- Corporate customers	1,115,169	-	-	635,501	-
- SMEs	36,772	-	-	16,147	-
Other assets less prepayments	8,674	-	-	4,665	-
At 31 December 2025	2,576,791	2,000	13,652	1,144,728	47

Credit risk exposures relating to off-balance sheet items are as follows:

Guarantees and acceptances	304,088	-	-	204,100	-
Loan commitments and other credit related obligations	109,443	-	-	58,268	-
At 31 December 2025	413,531	-	-	262,368	-

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1 Credit risk (continued)

6.1.6 Concentration of risks of financial assets with credit risk exposure

(b) Geographical sectors (Continued)

	(Amounts are in TZS' M')					
Group	Tanzania	Europe	America	Other African countries	Others	Total
Credit risk exposures relating to on-balance sheet assets are as follows:						
Balances with Central Banks	250,926	-	-	-	-	250,926
Loans and advances to banks	29,526	18,568	182,793	176,770	1,621	409,278
Government securities – At amortized cost	127,105	-	-	92,667	-	219,772
Government securities: FVTPL	15,974	-	-	-	-	15,974
Government securities: FVTOCI	215,882	-	-	-	-	215,882
Corporate Bonds: Amortized cost	2,977	-	-	-	-	2,977
Loans and advances to customers:						
Loans to individuals:						
- Personal loans	141,671	-	-	68,824	-	210,495
- Commercial loans	38,421	-	-	33,597	-	72,018
Loans to corporate entities:						
- Corporate customers	988,806	-	-	480,559	-	1,469,365
- SMEs	35,896	-	-	12,589	-	48,485
Other assets less prepayments	19,636	-	-	7,744	-	27,380
At 31 December 2024	1,866,820	18,568	182,793	872,750	1,621	2,942,552

Credit risk exposures relating to off-balance sheet items are as follows:

Guarantees and acceptances	278,835	-	-	90,473	-	369,308
Loan commitments and other credit related obligations	70,171	-	-	25,829	-	96,000
At 31 December 2024	349,006	-	-	116,302	-	465,308



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1 Credit risk (continued)

6.1.6 Concentration of risks of financial assets with credit risk exposure

(b) Geographical sectors (Continued)

	(Amounts are in TZS' M')					
Bank	Tanzania	Europe	America	Other African countries	Others	Total
Credit risk exposures relating to on-balance sheet assets are as follows:						
Balances with Central Banks	201,574	-	-	-	-	201,574
Loans and advances to banks	435,965	-	-	417	-	436,382
Government securities – At amortized cost	105,119	-	-	-	-	105,119
Government securities: FVTPL	17,326	-	-	-	-	17,326
Government securities: FVTOCI	254,746	-	-	-	-	254,746
Corporate Bonds: Amortized cost	3,570	-	-	-	-	3,570
Loans and advances to customers:						
Loans to individuals:						
- Personal loans	164,663	-	-	-	-	164,663
- Commercial loans	40,389	-	-	-	-	40,389
Loans to corporate entities:						
- Corporate customers	1,115,169	-	-	-	-	1,115,169
- SMEs	36,772	-	-	-	-	36,772
Other assets less prepayments	8,674	-	-	-	-	8,674
At 31 December 2025	2,383,967	-	-	417	-	2,384,384

Credit risk exposures relating to off-balance sheet items are as follows:

Guarantees and acceptances	304,088	-	-	-	-	304,088
Loan commitments and other credit related obligations	109,443	-	-	-	-	109,443
At 31 December 2025	413,531	-	-	-	-	413,530

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1 Credit risk (continued)

6.1.6 Concentration of risks of financial assets with credit risk exposure

(b) Geographical sectors (Continued)

	(Amounts are in TZS' M')					
Bank	Tanzania	Europe	America	Other African countries	Others	Total
Credit risk exposures relating to on-balance sheet assets are as follows:						
Balances with Central Banks	120,596	-	-	-	-	120,596
Loans and advances to banks	29,526	16,388	167,410	5,584	1,608	220,516
Government securities – At amortized cost	127,105	-	-	-	-	127,105
Government securities: FVTPL	15,974	-	-	-	-	15,974
Government securities: FVTOCI	215,882	-	-	-	-	215,882
Corporate Bonds: Amortized cost	3,047	-	-	-	-	3,047
Loans and advances to customers:						
Loans to individuals:						
- Personal loans	141,671	-	-	-	-	141,671
- Commercial loans	38,421	-	-	-	-	38,421
Loans to corporate entities:						
- Corporate customers	988,806	-	-	-	-	988,806
- SMEs	35,896	-	-	-	-	35,896
Other assets less prepayments	19,636				-	19,636
At 31 December 2024	1,736,560	16,388	167,410	5,584	1,608	1,927,550

Credit risk exposures relating to off-balance sheet items are as follows:

Guarantees and acceptances	278,835	-	-	-	-	278,835
Loan commitments and other credit related obligations	70,171	-	-	-	-	70,171
At 31 December 2024	349,006	-	-	-	-	349,006



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.2 Market risk

The Group and Bank have an exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions on 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, credit spreads, foreign exchange rates and equity prices.

The market risk arising from trading and non-trading activities are concentrated in the Group's and Bank's treasury department and monitored regularly. Regular reports are submitted to the Group's and Bank's Assets and Liability Committees (ALCO) and heads of departments. Assessment is done of whether market risk exposures are within the limits set. Market risk sensitivity analysis is also done as indicated under foreign exchange, price and interest rate risk below.

6.2.1 Foreign exchange risk

The Group and Bank take on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. ALCO sets limits on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily. With all other variables held constant, an increase/(decrease) in the USD:TZS foreign exchange rate by 10% on all US Dollar denominated assets and liabilities which is the main foreign currency exposure to the Group would have resulted in higher/(lower) profit before tax by TZS 26,087 million as at 31 December 2024 (2023: TZS 3,952 million). The equity would be impacted by TZS 18,261 million as at 31 December 2024 (2023: TZS 2,765 million).

The tables below summarise the Group's and Bank's exposure to foreign currency exchange risk at 31 December 2025. Included in the table are the Group's and Bank's financial instruments at carrying amounts, TZS by currency.

Concentrations of currency risk - on - and off-balance sheet financial instruments.

	All amounts expressed in TZS'M'					
Group	USD	EURO	GBP	UGX	Others	Total
At 31 December 2025						
Cash and balances with Central Bank	36,831	257	58	63,826	36,192	137,164
Loans and advances to banks	390,504	63,949	4,337	18,373	68,497	545,660
Loans and Advances to Customers	1,047,723	14	-	79,080	285,086	1,411,903
Other Assets	36,995	292	(11)	3,588	(34,412)	6,452
Total Assets	1,512,053	64,512	4,384	164,867	355,363	2,101,179
Deposits due to customers	1,373,836	44,872	3,229	152,020	438,432	2,012,389
Deposits due to banks	109,044	1,557	-	(83)	27,880	138,398
Subordinated debts and senior loans	21,985	-	-	-	-	21,985
Other Liabilities	30,185	(657)	20	5,614	9,725	44,887
Total Liabilities	1,535,050	45,772	3,249	157,551	476,037	2,217,659
Net Balance sheet position	(22,997)	18,740	1,135	7,316	(120,674)	(116,480)
Off Balance sheet net notional position	283,871	3,200	22	-	62,729	349,822
Net exchange rate gap including Off balance sheet items	260,874	21,940	1,157	7,316	(57,945)	233,342

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.2 Market risk (Continued)

6.2.1 Foreign exchange risk (Continued)

Concentrations of currency risk - on - and off-balance sheet financial instruments.

	All amounts expressed in TZS'M'					
Group	USD	EURO	GBP	UGX	Others	Total
At 31 December 2024						
Cash and balances with Central Bank	(51,919)	1,424	111	34,856	167,616	152,088
Loans and advances to banks	315,813	38,664	4,396	45,806	3,758	408,437
Loans and Advances to Customers	985,137	107	-	49,154	215,776	1,250,174
Other Assets	33,785	(238)	3	3,825	(21,407)	15,968
Total Assets	1,282,816	39,957	4,510	133,641	365,743	1,826,667
Deposits due to customers	1,138,272	39,294	4,552	121,742	329,966	1,633,826
Deposits due to banks	54,559	291	-	-	14,022	68,872
Subordinated debts and senior loans	22,907	-	-	-	-	22,907
Other Liabilities	18,902	137	18	8,203	10,414	37,674
Total Liabilities	1,234,640	39,722	4,570	129,945	354,402	1,763,279
Net Balance sheet position	48,176	235	(60)	3,696	11,341	63,388
Off Balance sheet net notional position	283,871	3,200	22	-	62,729	349,822
Net exchange rate gap including Off balance sheet items	332,047	3,435	(38)	3,696	74,070	413,210



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.2 Market risk (Continued)

6.2.1 Foreign exchange risk (Continued)

Concentrations of currency risk - on - and off-balance sheet financial instruments.

	All amounts expressed in TZS'M'					
Bank	USD	EURO	GBP	UGX	Others	Total
At 31 December 2025						
Cash and balances with Central Bank	25,135	-	-	330	848	26,313
Loans and advances to banks	290,412	35,590	3,181	83	1,771	331,037
Loans and Advances to Customers	630,008	1	-	-	-	630,009
Other Assets	1,838	(35)	(14)	-	-	1,789
Total Assets	947,393	35,556	3,167	413	2,619	989,148
Deposits due to customers	766,117	26,866	2,020	-	251	795,254
Deposits due to banks	180,002	3,036	-	-	-	183,038
Subordinated debts and senior loans	21,985	-	-	-	-	21,985
Other Liabilities	18,382	107	19	-	346	18,854
Total Liabilities	986,486	30,009	2,039	-	597	1,019,131
Net Balance sheet position	(39,093)	5,547	1,128	413	2,022	(29,983)
Off Balance sheet net notional position	188,374	-	-	-	-	188,374
Net exchange rate gap including Off balance sheet items	149,281	5,547	1,128	413	2,022	158,391

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.2 Market risk (Continued)

6.2.1 Foreign exchange risk (Continued)

Concentrations of currency risk - on - and off-balance sheet financial instruments.

	All amounts expressed in TZS'M'					
Bank	USD	EURO	GBP	UGX	Others	Total
At 31 December 2024						
Cash and balances with Central Bank	21,635	-	-	2	120	21,757
Loans and advances to banks	192,167	22,210	2,740	19	2,538	219,674
Loans and Advances to Customers	669,550	107	-	-	-	669,657
Other Assets	8,521	-	-	-	(294)	8,227
Total Assets	891,873	22,317	2,740	21	2,364	919,315
Deposits due to customers	664,773	23,151	2,677	-	553	691,154
Deposits due to banks	167,729	299	-	-	-	168,028
Subordinated debts and senior loans	22,907	-	-	-	-	22,907
Other Liabilities	19,505	850	18	-	76	20,449
Total Liabilities	874,914	24,300	2,695	-	629	902,538
Net Balance sheet position	16,959	(1,983)	45	21	1,735	16,777
Off Balance sheet net notional position	230,913	2,586	22	-	-	233,521
Net exchange rate gap including Off balance sheet items	247,872	603	67	21	1,735	250,298

6.2.2 Price risk on equities securities

The Group and Bank are exposed to equity securities price risk because of its investment in listed shares classified on the statement of financial position as FVOCI. The Group also has investments in government securities that are measured at fair value. The price exposure associated with these government securities is not significant to the financial statements given the amounts involved and the fact that the variability in market prices for the government securities is not significant.

The following table demonstrates the sensitivity to a reasonably possible change in equity prices (all other variables held constant) of the Group's profit before tax and equity:

		Amounts in Million TZ	
Market risk exposure	Increase/ (decrease) in basis points	Profit/(loss) sensitivity	Equity sensitivity
Equity prices - As at 31 December 2025	500/ (500)	0/(0)	0/(0)
Equity prices - As at 31 December 2024	500/ (500)	0/(0)	0/(0)



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.2 Market risk (Continued)

6.2.3 Interest rate risk

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 value of a financial instrument will fluctuate because of changes in market interest rates. 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 as a result of such changes but may decrease in the event that unexpected movements arise. The Group's and Bank's Asset and Liability Committee (ALCO) sets limits on the level of mismatch of interest rate repricing that may be undertaken, which is monitored daily by the Group and Bank.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables held constant) of the Group's profit before tax and equity:

Amounts in Million TZ	Increase/ (decrease) in basis points	Profit/(loss) sensitivity	Equity sensitivity
Market interest rates - As at 31 December 2025	100/ (100)	2,264/(2,264)	1,585/(1,585)
Market interest rates - As at 31 December 2024	100/ (100)	11,040/(11,040)	7,728/(7,728)

The table below summarises the Group's and Bank's exposure to interest rate risk. It includes the Group's and Bank's financial instruments carrying amounts at the earlier of contractual repricing or maturity dates. The Group and Bank do not bear any interest rate risk on off-balance sheet items.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.2 Market risk (Continued)

6.2.3 Interest rate risk (Continued)

Group	(Amounts are in TZS Million)					
	Up to 1 month	1-3 months	3-12 month	1-5 years	Over 5 years	Total
At 31 December 2025						
Cash and balances with Central banks	-	-	-	-	-	399,373
Government securities at amortized cost	5,653	3,411	9,992	60,505	184,375	263,936
Government securities: FVTPL	472	-	12	4,875	11,967	17,326
Government securities: FVOCI	6,676	-	-	6,184	241,886	254,746
Loans and advances to banks	316,214	200,736	134,059	-	-	651,009
Loans and advances to customers	404,356	83,049	298,256	610,102	742,643	2,138,894
Investment securities -FVOCI	-	-	-	-	-	2,920
Investments securities at FVTPL	-	-	-	-	-	-
Corporate Bonds: Amortized cost	-	-	2,723	79,732	3,088	85,543
Other assets less prepayments	-	-	-	-	-	13,339
Total financial assets	733,371	287,196	445,042	761,397	1,183,959	3,827,086
Deposits due to banks	68,530	48,177	23,305	5,727	-	145,739
Deposits due to customers	1,852,273	245,894	610,235	259,522	-	3,196,145
Other liabilities	-	-	11,657	28,686	-	119,178
Subordinated debts and senior loans	-	-	15,195	6,794	-	21,989
Term borrowing	-	-	8,560	-	-	8,560
Total financial liabilities	1,920,803	294,071	668,952	300,729	-	3,491,611
Total interest repricing gap	(1,187,432)	(6,875)	(223,909)	460,668	1,183,959	335,475



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.2 Market risk (Continued)

6.2.3 Interest rate risk (Continued)

Group	(Amounts are in TZS Million)					
	Up to 1 month	1-3 months	3-12 month	1-5 years	Over 5 years	Total
At 31 December 2024						
Cash and balances with Central banks	-	-	-	-	-	250,926
Government securities at amortized cost	-	21,315	13,814	31,671	152,972	219,772
Government securities: FVTPL	-	-	3,157	914	11,903	15,974
Government securities: FVOCI	-	-	2,804	22,594	190,484	215,882
Loans and advances to banks	119,382	-	-	-	-	409,278
Loans and advances to customers	288,693	127,263	321,682	597,237	465,488	1,800,363
Investment securities -FVOCI	-	-	-	-	-	2,977
Investments securities at FVTPL	-	-	-	-	-	-
Corporate Bonds: Amortized cost	212	-	-	5,491	4,821	10,524
Other assets less prepayments	-	-	-	-	-	27,253
Total financial assets	408,287	148,578	341,457	657,907	825,668	2,952,949
Deposits due to banks	61,036	-	-	-	-	135,920
Deposits due to customers	403,031	168,591	374,367	234,378	5,059	2,413,679
Other liabilities	-	-	-	-	-	83,096
Subordinated debts and senior loans	-	-	-	22,907	-	22,907
Term borrowing	-	-	-	8,569	-	8,569
Total financial liabilities	464,067	168,591	374,367	265,854	5,059	2,664,171
Total interest repricing gap	(55,780)	(20,013)	(32,910)	392,053	820,609	288,778

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.2 Market risk (Continued)

6.2.3 Interest rate risk (Continued)

Bank	(Amounts are in TZS Million)					
	Up to 1 month	1-3 months	3-12 month	1-5 years	Over 5 years	Total
At 31 December 2025						
Cash and balances with Central banks	-	-	-	-	-	245,381
Government securities at amortized cost	5,653	3,411	2,948	21,943	71,164	105,119
Government securities: FVTPL	472	-	16,854	-	-	17,326
Government securities: FVOCI	6,676	-	-	5,623	242,447	254,746
Loans and advances to banks	192,449	143,641	100,292	-	-	436,382
Loans and advances to customers	74,501	13,450	376,512	238,109	654,421	1,356,993
Investment securities -FVOCI	-	-	-	-	-	2,920
Investments securities at FVTPL	-	-	-	-	-	-
Corporate Bonds: Amortized cost	-	-	-	1,373	2,197	3,570
Other assets less prepayments	-	-	-	-	-	8,674
Total financial assets	279,751	160,502	496,606	267,048	970,229	2,431,111
Deposits due to banks	134,317	23,838	25,029	7,196	-	190,380
Deposits due to customers	1,324,290	111,960	425,833	116,9289	-	1,979,011
Other liabilities	-	-	7,321	13,995	-	80,643
Subordinated debts and senior loans	-	-	15,195	6,794	-	21,989
Term borrowing	-	-	8,560	-	-	8,560
Total financial liabilities	1,458,607	135,798	481,938	144,913	-	2,280,583
Total interest repricing gap	(1,178,856)	24,704	14,668	122,135	970,229	150,528



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.2 Market risk (Continued)

6.2.3 Interest rate risk (Continued)

Bank	(Amounts are in TZS Million)					
	Up to 1 month	1-3 months	3-12 month	1-5 years	Over 5 years	Total
At 31 December 2024						
Cash and balances with Central banks	-	-	-	-	-	120,596
Government securities at amortized cost	-	21,315	5,000	31,671	69,119	127,105
Government securities: FVTPL	-	-	3,157	914	11,903	15,974
Government securities: FVOCI	-	-	2,804	22,594	190,484	215,882
Loans and advances to banks	20,562	1,245	-	-	-	220,516
Loans and advances to customers	218,608	73,147	147,215	367,727	398,097	1,204,794
Investment securities -FVOCI	-	-	-	-	-	2,977
Investments securities at FVTPL	-	-	-	-	-	-
Corporate Bonds: Amortized cost	-	-	-	-	3,047	3,047
Other assets less prepayments	-	-	-	-	-	19,509
Total financial assets	239,170	95,707	158,176	422,906	672,650	1,930,400
Deposits due to banks	86,868	-	85,065	52,019	-	235,075
Deposits due to customers	307,487	124,175	304,853	111,481	856	1,471,008
Other liabilities	-	-	-	-	-	50,609
Subordinated debts and senior loans	-	-	-	22,907	-	22,907
Term borrowing	-	-	-	8,569	-	8,569
Total financial liabilities	394,355	124,175	389,918	194,976	856	1,788,168
Total interest repricing gap	(155,185)	(28,468)	(231,742)	227,930	671,794	142,232

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.4 Liquidity risk

Liquidity risk is the risk that the Group or Bank is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfil commitments to lend.

6.4.1 Liquidity risk management process

Day-to-day funding is 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. Other ways liquidity risk is managed include:

- * Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow; and
- * Monitoring statement of financial position 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.

6.4.2 Funding approach

Sources of liquidity are regularly reviewed by the Group's and Bank's Asset and Liability Committee to maintain a wide diversification by currency, geography, provider, product and term.

6.4.3 Non-derivative cash flows

The tables below present the cash flows payable by the Group and Bank under non-derivative financial liabilities by the remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows, as the Group and Bank manage the inherent liquidity risk based on expected undiscounted cash flows.&



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.4 Liquidity risk (Continued)

6.4.3 Non-derivative cash flows (Continued)

Group	(Amounts are in TZS Million)				
	Up to1 month	1 - 3 months	3-12 months	Over 1 year	Total
At 31 December 2025					
Financial liabilities					
Deposits due to customers	1,852,273	245,894	610,235	546,380	3,254,782
Deposits due to banks	68,530	48,177	25,029	5,727	147,463
Other liabilities*	69,470	17,813	1,781	-	89,064
Subordinated debt	-	-	16,229	6,944	23,173
Term borrowings	-	-	9,202	-	9,202
Lease Liabilities	-	-	11,657	28,686	40,343
Total financial liabilities (contractual maturity dates)	1,990,273	311,884	674,133	587,737	3,564,027
Total financial assets (expected maturity dates)	146,523	287,196	493,970	2,426,824	4,354,513
Net liquidity gap	843,750	24,688	180,163	(1,839,087)	(790,486)

At 31 December 2024

Financial liabilities					
Deposits due to customers	1,634,250	174,486	387,834	245,518	2,442,088
Deposits due to banks	135,957	-	5,585	395	141,937
Other liabilities*	10,049	1,177	1,873	(13,257)	(158)
Subordinated debt	-	-	-	22,907	22,907
Term borrowings	-	-	-	8,569	8,569
Lease Liabilities	674	2,433	8,550	28,686	40,343
Total financial liabilities (contractual maturity dates)	1,780,930	178,096	403,842	292,818	2,655,686
Total financial assets (expected maturity dates)	976,362	148,578	341,457	1,483,575	2,949,972
Net liquidity gap	804,568	29,518	62,385	(1,190,757)	(294,286)

* Unlike the other financial liabilities where contractual cashflows are undiscounted, other liabilities cashflows exclude interest payments.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.4 Liquidity risk (Continued)

6.4.3 Non-derivative cash flows (Continued)

Group	(Amounts are in TZS Million)				
	Up to1 month	1 - 3 months	3-12 months	Over 1 year	Total
At 31 December 2025					
Financial liabilities					
Deposits due to customers	1,324,290	111,960	425,833	177,370	2,039,453
Deposits due to banks	134,317	23,838	25,029	9,248	192,432
Other liabilities*	40,639	17,798	890	-	59,327
Subordinated debt	-	-	16,229	6,944	23,173
Term borrowings	-	-	9,202	-	9,202
Lease Liabilities	-	-	7,321	19,755	27,076
Total financial liabilities (contractual maturity dates)	1,499,246	153,596	484,503	213,316	2,350,661
Total financial assets (expected maturity dates)	767,467	184,152	330,750	2,345,740	3,628,109
Net liquidity gap	731,779	(30,556)	153,753	(2,132,424)	(1,277,448)

At 31 December 2024

Financial liabilities					
Deposits due to customers	932,628	130,070	322,205	120,762	1,505,665
Deposits due to banks	98,028	-	90,650	54,363	243,041
Other liabilities*	-	-	-	-	-
Subordinated debt	-	-	-	22,907	22,907
Term borrowings	-	-	-	8,569	8,569
Lease Liabilities	-	1,651	5,670	19,755	27,076
Total financial liabilities (contractual maturity dates)	1,030,656	131,721	418,525	226,356	1,807,258
Total financial assets (expected maturity dates)	577,984	95,707	158,176	1,095,556	1,927,423
Net liquidity gap	452,672	36,014	260,349	(869,200)	(120,165)

* Unlike the other financial liabilities where contractual cashflows are undiscounted, other liabilities cashflows exclude interest payments.

Assets available to meet the financial liabilities and to cover outstanding loan commitments include cash, balances with central banks, items in the course of collection and treasury and other eligible bills, loans and advances to 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 Group's expected cash flows on some financial assets and financial liabilities vary significantly from the contractual cash flows. The principal differences are as follows:

- + Demand deposits from customers are expected to remain stable or increase;
- + Unrecognised loan commitments are not all expected to be drawn down immediately; and
- + Retail mortgage loans and staff loans have an original contractual maturity of between 15 and 20 years but an average expected maturity of three years because customers and staff take advantage of early repayment options and top up the loans.

6.4.4 Off-balance sheet items

(i) Loan commitments

The timing of the contractual amounts of the Group's and Bank's off-balance sheet financial instruments that commit the Group and the

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.4 Liquidity risk (Continued)

6.4.3 Non-derivative cash flows (Continued)

The Group's expected cash flows on some financial assets and financial liabilities vary significantly from the contractual cash flows. The principal differences are as follows:

- + Demand deposits from customers are expected to remain stable or increase;
- + Unrecognised loan commitments are not all expected to be drawn down immediately; and
- + Retail mortgage loans and staff loans have an original contractual maturity of between 15 and 20 years but an average expected maturity of three years because customers and staff take advantage of early repayment options and top up the loans.

6.4.4 Off-balance sheet items

(i) Loan commitments

The timing of the contractual amounts of the Group's and Bank's off-balance sheet financial instruments that commit the Group and the Bank to extend credit to customers and other facilities (Note 36), are summarised in the table below.

(ii) Guarantees and other financial facilities

Financial guarantees are included below based on the earliest contractual maturity date.

(iii) Capital commitments

These relate to the acquisition of property and equipment.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.4 Liquidity risk (Continued)

6.4.3 Non-derivative cash flows (Continued)

Bank	(Amounts are in TZS Million)		
	Not later than 1 year	1-5 years	Total
Group			
At 31 December 2025			
Guarantees and indemnities	265,591	-	265,591
Letters of credit	279,502	-	279,502
Commitments to extend credit	130,961	-	130,961
Capital commitment	41,262	-	41,262
	717,316	-	717,316
At 31 December 2024			
Guarantees and indemnities	233,046	-	233,046
Letters of credit	96,000	-	96,000
Commitments to extend credit	72,298	132,403	204,701
Capital commitments	22,626	-	22,626
	423,970	132,403	556,373
Bank			
At 31 December 2025			
Guarantees and indemnities	187,386	-	187,386
Letters of credit	116,827	-	116,827
Commitments to extend credit	109,473	-	109,473
Capital commitment	10,683	-	10,683
	424,368	-	424,368
At 31 December 2024			
Guarantees and indemnities	181,091	-	181,091
Letters of credit	77,687	-	77,687
Commitments to extend credit	58,872	11,299	70,171
Capital commitments	12,748	-	12,748
	330,398	11,299	341,697



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.5 Fair value of financial assets and liabilities

(a) Valuation models

The Group measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.:

- * 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. 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;
- * Level 2 - The fair value of financial instruments that are not traded in an active market 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.

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; and

- * 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.

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.

(b) Financial instruments not measured at fair value

The fair value of financial assets and liabilities not measured at fair value approximate their carrying amounts for both the Group and Bank as explained below:

(i) Cash and balances with Bank of Tanzania

The carrying amount of cash and balances with Bank of Tanzania is a reasonable approximation of fair value.

(ii) Loans and advances to banks

Loans and advances to banks include inter-bank placements and items in the course of collection. The carrying amount of floating and fixed rate placements and overnight deposits is a reasonable approximation of their fair values due to short term nature of these instruments.

(iii) Loans and advances to customers

The estimated fair value of loans and advances represents the discounted amount of the estimated future cash inflows. Expected cash flows are discounted at current market rates, for facilities whose interest rates are not reflective of market conditions, to determine fair value.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.5 Fair value of financial assets and liabilities (Continued)

(a) Valuation models (Continued)

(iv) Government securities and investment securities -debt instruments at amortised cost

The fair value for these assets is based on market prices. Where this information is not available, fair value is estimated using quoted market prices for securities with similar credit, maturity and yield characteristics. The fair value of government securities held at amortized cost are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities, as traded in the secondary market through Dar es Salaam Stock Exchange (DSE).

(v) Deposits due to 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 and this is the carrying amount.
The carrying values of these financial liabilities approximate their fair values as their related interest rates approximate the industry rates (deposits due to customers) and/or they have short term maturities (deposits due to banks).

(vi) Borrowings

The interest rates charged on borrowings held by the Group and Bank are based on IBOR or other bases for determining market interest rates. The interest rates are in line with market rates for similar facilities hence, their carrying values approximate their fair values.
Due from banks include interbank placements and cheque and item for clearing. The carrying amount of floating rate placements and overnight deposits is a reasonable approximation of fair value due to their short-term nature.

(viii) 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.

(ix) 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.

(x) Other assets / liabilities

The carrying amount of other assets/liabilities is a reasonable approximation of their fair value due to their short term nature.



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.5 Fair value of financial assets and liabilities (Continued)

(x) Other assets / liabilities (Continued)

		Carrying amount		Fair value	
		2025	2024	2025	2024
	Hierarchy level	TZS Millions	TZS Millions	TZS Millions	TZS Millions

GROUP

Financial assets

Cash and balances with Bank of Tanzania *	N/A	312,425	250,926	312,425	250,926
Government securities at amortized cost (Treasury bonds)	Level 2	209,061	206,062	226,405	155,011
Government securities at amortised cost (Treasury bills) *	N/A	54,875	13,710	54,875	13,710
Bonds - Debt securities at amortised cost *	N/A	85,543	10,524	85,543	10,524
Loans and advances to banks *	N/A	651,009	409,278	651,009	409,278
Loans and advances to customers *	Level 2	2,138,894	1,785,454	1,794,521	1,794,521
Other assets (excluding non-financial assets)	N/A	13,339	27,380	13,339	27,380
		3,465,146	2,703,334	3,138,117	2,661,350

Financial liabilities

Deposits due to customers*	N/A	3,196,145	2,413,679	3,196,145	2,413,679
Deposits due to banks *	N/A	145,739	135,920	145,739	135,920
Subordinated debts and senior loans *	N/A	21,989	22,907	21,989	22,907
Term borrowing *	N/A	8,560	8,569	8,560	8,569
Other liabilities (Excluding non-financial other liabilities) *	N/A	79,079	68,826	79,079	68,826
		3,451,512	2,649,901	3,451,512	2,649,901

BANK

Financial assets

Cash and balances with Bank of Tanzania *	N/A	201,574	120,596	201,574	112,845
Government securities at amortized cost (Treasury bonds)	Level 2	105,119	122,208	122,463	71,157
Government securities at amortised cost (Treasury bills) *	N/A	-	4,897	-	25,917
Bonds - Debt securities at amortised cost *	N/A	3,570	3,047	3,570	2,749
Loans and advances to banks *	N/A	436,382	220,516	436,382	288,132
Loans and advances to customers *	Level 2	1,356,993	1,204,936	1,198,952	969,504
Other assets (excluding non-financial assets)	N/A	8,674	19,636	8,674	47,983
		2,112,312	1,695,836	1,971,615	1,518,287
Deposits due to banks *	N/A	190,380	235,075	190,380	235,075
Subordinated debts and senior loans *	N/A	21,989	22,907	21,989	22,907
Term borrowing *	N/A	8,560	8,569	8,560	8,569
Other liabilities (Excluding non-financial other liabilities) *	N/A	51,478	50,964	51,478	50,964
		2,251,418	1,788,523	2,251,418	1,788,523

The following table represents the Group's and Bank's financial assets that are measured at fair value During the year there were no transfers between the levels.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.5 Fair value of financial assets and liabilities (Continued)

(x) Other assets / liabilities (Continued)

	Amounts are in TZS'M'			
	Level 1	Level 2	Level 3	Total
Group				
At 31 December 2025				
Government securities: FVTPL	-	17,326	-	17,326
Government securities: FVOCI	-	254,746	-	254,746
Equity investments: FVOCI	-	-	2,920	2,920
Equity investments: FVTPL	-	-	-	-
Financial assets	-	272,072	2,920	274,992
Bank				
Government securities: FVTPL	-	17,326	-	17,326
Government securities: FVOCI	-	254,746	-	254,746
Equity investments: FVOCI	-	-	2,920	2,920
Financial assets	-	272,072	2,920	274,992

* The disclosed carrying values of these financial assets and financial liabilities approximate their fair values as their related interest rates approximate the industry rates and/or they have short-term maturities.

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.

The gains from the disclosed instruments are disclosed in note 21.

Financial instrument in level 2 and 3 measured at fair value

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:

Instrument	Valuation technique	Significant unobservable inputs	Range (Weighted Average)	Sensitivity of the inputs to fair value
Financial Assets at FVOCI	DCF method	Discount rate	2025: 14%-16% 2024: 14%-16%	Significant increase in discount rate would result in lower fair value.
		Discounted cashflow	Based on expected cash flows as per contractual terms.	A significant increase in expected net cashflow would result in higher fair value.
Financial Assets FVTPL	DCF method	Discount rate	2025: 14%-16% 2024: 14%-16%	Significant increase in discount rate would result in lower fair value.
		Discounted cashflow	Based on expected cash flows as per contractual terms.	A significant increase in expected net cashflow would result in higher fair value.

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 as stated above, hence no interrelationship of the inputs used in the fair value measurements.

As at 31 December 2025 the company had non-listed equity investment in TMRC classified as level 3.



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.5 Fair value of financial assets and liabilities (Continued)

(c) Financial instruments measured at fair value (Continued)

Financial instrument in level 2 and 3 measured at fair value (Continued)

Reconciliations

There were no significant changes in value of shares during the year.

Unobservable input

The share value are based on the official prices of shares as issued by TMRC to the public as prices of the shares of the Company. TMRC uses the consultants to provide values of the shares.

Effect of unobservable input in fair value measurement

The Group and bank relies on published changes in share values of TMRC hence that remains to be the key input affecting the value of shares. During the year there were no change in valuation techniques on all levels

6.6 Capital management

The Group's and Bank's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

- * To comply with the capital requirements set by the Bank of Tanzania (BoT);
- * To safeguard the Group's and 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 Group's and 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 Banks on a quarterly basis.

BoT requires each bank to:

(a) Section 5 of the Banking and Financial Institutions (Capital Adequacy) Regulations, 2014 requires that a bank shall maintain at all times a minimum core capital of not less than TZS 15 billion;

(b) Section 40 of the Banking and Financial Institutions (Licensing) Regulations, 2014 stipulates that a bank with core capital of not less than 150 billion may be authorised by Bank of Tanzania to establish a branch or a subsidiary abroad;

(c) Maintain a ratio of core capital to the risk-weighted assets plus risk-weighted off-balance sheet assets (the 'Basel ratio') plus market risks and operational risk charges at or above the required minimum of 12.5%.

(d) and maintain total capital of not less than 14.5% of the risk-weighted assets plus risk-weighted off-balance sheet items plus market risks and operational risk charges.

The Bank's regulatory capital as managed by its Treasury Department is divided into two tiers:-

Tier 1 capital: share capital, retained earnings and reserves created by appropriations of retained earnings. Intangible assets, deferred tax assets and prepaid expenses are deducted in arriving at Tier 1 capital; and

Tier 2 capital: qualifying subordinated loan capital and regulatory general provisions for loans and advances.

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, taking into account any eligible collateral or guarantees. A similar treatment is adopted for off-balance sheet exposure, with some adjustments to reflect the more contingent nature of the potential losses.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.6 Capital management (Continued)

The table below summarises the composition of regulatory capital and the ratios of the Bank for the years ended 31 December 2025 and 31 December 2024

	Group		Bank	
	2025	2024	2025	2024
	TZS'M'	TZS'M'	TZS'M'	TZS'M'

Tier 1 capital

Share capital	12,900	12,900	12,900	12,900
Retained earnings	337,862	252,714	286,259	222,179
Year to date profits	70,924	91,104	61,237	74,080
Common Equity Tier 1 (CET1) before Regulatory Adjustments	421,686	356,718	360,396	309,159
Regulatory adjustments applied to CET1:				
Prepaid expenses	(7,207)	(4,785)	(4,387)	(3,191)
Deferred tax asset	(30,340)	(26,968)	(26,014)	(24,550)
Available Common Equity Tier 1	384,139	324,965	329,995	281,418
Additional Tier 1 Capital	-	-	-	-
Available Tier 1 Capital	384,139	324,965	329,995	281,418

Tier 2 capital

Subordinated debt	21,989	22,907	21,989	22,907
Total qualifying Tier 2 capital*	21,989	22,907	21,989	22,907
Total regulatory capital	406,128	347,872	351,984	304,325

Risk-weighted assets and capital charges

On-balance sheet	1,498,802	1,366,076	1,231,735	1,131,143
Off-balance sheet	295,248	284,728	207,947	301,095
Market risk capital charge	35,384	29,409	27,401	19,385
Operational risk capital charge**	252,825	196,839	164,981	142,208
Total risk-weighted assets and capital charges	2,082,259	1,877,052	1,632,064	1,593,831

	Required Ratio (%)	Group's Ratio (%)		Bank's Ratio (%)	
		2025	2024	2025	2024
CET1 to total RWA	8.50%	18.45%	17.31%	20.22%	17.66%
Tier-1 capital to total RWA	12.50%	18.45%	17.31%	20.22%	17.66%
Tier 1 + Tier 2 capital	14.50%	19.50%	18.53%	21.57%	19.09%

There have been no changes in the Group's and Bank's capital management objectives and policies in the years ended 31 December 2025 and 2024.

*Maximum amount allowable is 2% of Total Risk Weighted Assets (TRWA) plus off-balance sheet exposure (OBSE).

**The operational risk capital charge has been computed using the Basic Indicator Approach (BIA) by taking 15% of 3 years average gross income (Net interest income limited at 3.5% earning assets) and applying a conversion factor of 8.33.



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

7. INTEREST AND SIMILAR INCOME

(a) INTEREST INCOME CALCULATED USING THE EFFECTIVE INTEREST METHOD

	Group		Bank	
	2025	2024	2025	2024
	TZS'M'	TZS'M'	TZS'M'	TZS'M'
Loans and advances to customers	224,399	179,743	144,730	118,653
Loans and advances to banks	11,914	11,338	4,239	2,646
Government securities at amortized cost	35,039	24,985	14,988	11,553
Corporate Bonds: Amortized cost	3,344	1,521	393	354
Government securities: FVOCI	29,960	27,036	29,960	27,036
	304,656	244,623	194,310	160,242

(b) OTHER INTEREST INCOME

Interest on LC Late repayment	2	37	2	37
Government securities: FVTPL	2,361	6,569	2,361	6,569
	307,019	251,229	196,673	166,848

8. DIRECT EXPENSES

(a) INTEREST EXPENSE AND SIMILAR CHARGES

Deposits due to customers	81,422	53,693	65,368	42,746
Deposits due to banks	2,114	5,628	9,250	13,291
Subordinated debts and senior loans	1,535	1,780	1,535	1,736
Long term borrowings	635	625	635	625
Lease liabilities (note 32(a))	2,306	1,997	1,447	1,373
	88,012	63,723	78,235	59,771

(b) EXPECTED CREDIT LOSSES

Balances with Central Banks (Note 17)	7	(304)	13	4
Loans and advances to banks (Note 18)	245	10	244	6
Loans and advances to customers (Note 19)	11,638	5,930	6,086	1,101
Government securities (Note 20)	99	87	36	70
Corporate bonds (Note 21(c))	-	-	-	746
Other assets (Note 22)	1,786	2,255	1,743	2,269
Off-balance sheet items (Note 36)	94	(226)	94	(226)
	13,869	7,752	8,216	3,970

9. NET FEE AND COMMISSION INCOME

(a) FEE AND COMMISSION INCOME

Commission on Letters of Credit and Guarantees*	8,202	8,249	3,159	5,504
Commission on telegraphic transfers and other international trade finance activities	18,402	16,052	5,975	5,177
Commission and fees from banking operations	29,066	24,729	16,014	14,991
Credit/debit card fees and commissions	4,039	3,956	3,811	3,777
Other fees and commissions	162	330	-	-
	59,871	53,316	28,959	29,449

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

9. NET FEE AND COMMISSION INCOME (CONTINUED)

(a) FEE AND COMMISSION INCOME (CONTINUED)

Revenue recognized at a point of time includes commission on telegraphic transfers and other International trade finance activities, commission and fees from banking operations, credit/debit card fees and commissions and other fees and commissions while only commission on letters of credit and guarantees is recognized over a period of time.

*Revenue recognized from contractual liabilities	407	987	395	983
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The unrecognized contractual liabilities shall be recognized in the next 12 months.

Contract balances

The following table provides information about receivables and contract liabilities from contracts with customers.

		Group		Bank	
		2025	2024	2025	2024
	Notes	TZS'M'	TZS'M'	TZS'M'	TZS'M'
Contract liabilities, which are included in other	33	9,985	6,195	7,849	5,174

liabilities – (Deferred commission)

The contract liabilities primarily relate to the non-refundable up-front fees received from customers on opening an asset management account. This is recognised as revenue over the period for which a customer is expected to continue receiving asset management services

Performance obligations and revenue recognition policies

Fee and commission income from contracts with customers is measured based on the consideration specified in a contract with a customer. The Bank recognises revenue when it transfers control over a service to a customer.

The Bank provides banking services to retail and corporate customers, including account management, provision of overdraft facilities, foreign currency transactions and servicing fees and banc assurance services. Fees for ongoing account management are charged to the customer's account on a monthly basis. The Bank sets the rates separately for retail and corporate banking customers on an annual basis.

b) FEE AND COMMISSION EXPENSE

	Group		Bank	
	2025	2024	2025	2024
	TZS'M'	TZS'M'	TZS'M'	TZS'M'
Borrowing arrangement fees	(81)	(5)	(81)	(5)
Commission and fees from banking operations	(245)	(317)	(245)	(315)
Total fee and commission expense	(326)	(322)	(326)	(320)
Net fees and commission income	59,545	52,994	28,633	29,129



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

10. OTHER INCOME

	Group		Bank	
	2025	2024	2025	2024
	TZS'M'	TZS'M'	TZS'M'	TZS'M'
Dividend income	33	73	25,121	12,583
Gain from sale of assets	38	68	9	66
Recovery of written off debts	17,732	31,418	15,305	28,765
Management fee recharges	-	-	387	446
Gain from acquisition of Canara	-	2,653	-	2,653
Amortization Gain from acquisition of UBL	-	-	-	-
Gain on lease modification	325	410	325	401
Other income	1,726	2,166	844	369
	19,854	36,788	41,991	45,283

11. OTHER EXPENSES

Loss from sale of assets	-	-	-	-
Travelling expenses	1,583	1,888	1,117	1,286
Repairs and maintenance	9,731	7,319	2,039	2,197
Advertising and business promotion	4,719	3,764	3,063	2,497
Directors' emoluments	1,624	1,651	897	831
Auditor's remuneration *	985	1,423	622	852
Legal and professional fees	5,494	4,931	2,905	3,010
Correspondent bank and SWIFT charges	4,665	4,756	1,456	1,517
Operating lease rentals	45	83	-	14
Occupancy costs	12,504	11,984	8,074	8,118
Credit/debit card expenses	14,053	10,602	10,729	8,607
Telephone and connectivity expenses	3,719	3,033	2,991	2,426
Deposit protection expenses	2,854	2,861	2,465	2,058
Data processing expenses	1,488	1,091	-	-
Printing, stationery and subscription expenses	3,280	2,356	1,966	1,435
Agency banking expenses	735	663	624	574
Cash in transit services and courier expenses	1,734	1,762	1,320	1,285
Software expenses	7,722	6,474	7,722	6,474
Other operating expenses **	6,220	4,955	893	1,154
	83,155	71,596	48,883	44,335

*Auditor's remuneration is comprised of:

Bank: TZS 512 Mio for statutory audit, TZS 74 Mio for regulatory related audit and TZS 35 Mio for other fees and expenses (2024: TZS 677 Mio, TZS 87 Mio, TZS 87 Mio respectively).

Group: TZS 762 Mio for statutory audit, TZS 112 Mio for regulatory related audit and TZS 110 Mio for other fees and expenses (2024: TZS 1,151 Mio, TZS 140 Mio, TZS 132 Mio respectively).

**Included in other operating expenses are office running expenses such as telephone, stationery, courier charges, data connectivity, security charges and fuel charges, among others.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

12. PERSONNEL EXPENSES

	Group		Bank	
	2025	2024	2025	2024
	TZS'M'	TZS'M'	TZS'M'	TZS'M'
Wages and salaries	67,721	58,273	36,502	33,783
Social security costs (defined contributions)	8,640	6,575	4,459	4,097
Other employment costs and benefits	22,205	19,728	16,395	14,670
	98,566	84,576	57,356	52,550

13. DEPRECIATION AND AMORTIZATION EXPENSES

Depreciation of right of use assets	10,418	9,266	5,901	5,286
Depreciation and amortisation	17,364	14,331	8,932	7,928
	27,782	23,597	14,833	13,214

14. INCOME TAX

(a) Income tax expense recognized in profit or loss

Current income tax charge - current year	(42,875)	(46,149)	(29,383)	(33,016)
Changes in estimates relating to prior years	-	(2,632)	-	(2,632)
	(42,875)	(48,781)	(29,383)	(35,648)
Deferred tax credit/charge - prior year (Note 14(c))	-	-	-	-
Deferred tax charge - current year (Note 14(c))	(204)	(69)	(204)	(69)
	(43,079)	(48,850)	(29,587)	(35,717)

(b) Current income tax (payable)/recoverable

At 1 January	(10,104)	(4,751)	(6,803)	(38)
Current income tax charge - current year	(42,875)	(46,149)	(29,383)	(33,016)
Current income tax charge - prior year	-	(2,632)	-	(2,632)
Tax paid during the year relating to current year	46,128	40,796	31,724	26,251
Tax paid during the year relating to previous year	-	2,632	-	2,632
Translation difference on foreign operations	-	-	-	-
At 31 December	(6,851)	(10,104)	(4,462)	(6,803)

(c) Deferred tax assets

At 1 January	26,968	20,896	24,550	18,535
Deferred tax (credit) – current year	(204)	(69)	(204)	(69)
Credit to OCI – current year	1,668	6,084	1,668	6,084
Translation difference on foreign operations	1,908	57	-	-
At 31 December	30,340	26,968	26,014	24,550



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

14. INCOME TAX (CONTINUED)

(d) Deferred tax assets movement

Group 2025	At 1 January	Credited/ (Charged) to P&L	Credited/ (Charged) to OCI	At 31 December
	TZS' Millions	TZS' Millions	TZS' Millions	TZS' Millions
Impact to Profit and loss				
Property and Equipment	(404)	1,671	-	1,267
Provisions	(3,069)	(1,684)	-	(4,753)
Canara Unrealised Gain	644	(227)	-	417
FNB Unrealised Gain	501	(501)	-	-
IFRS 16 - Right of Use Asset	(1,074)	(174)	-	(1,248)
Provision towards write-off*	(10,608)	1,119	-	(9,489)
Unrelieved tax losses**	(9,459)	-	-	(9,459)
Impact to reserve				
Equity investments: FVOCI	270	-	(17)	253
Government securities at FVOCI	(3,654)	-	(1,651)	(5,305)
Translation difference on foreign operations	(115)	-	(1,908)	(2,023)
	(26,968)	204	(3,576)	30,340

Bank 2025

Impact to Profit and loss				
Property, Plant and Equipment	(606)	1,671		1,065
Revaluation Loss on Available for Sale Property	-	-		-
Provisions	(10,023)	(1,684)		(11,707)
Canara Unrealised Gain	644	(227)		417
FNB Unrealised Gain	501	(501)		-
IFRS 16 - Right of Use Asset	(1,074)	(174)		(1,248)
Provision towards write-off	(10,608)	1,119		(9,489)
Impact to reserve				
Equity investments: FVOCI	270		(17)	253
Government securities at FVOCI	(3,654)		(1,651)	(5,305)
	(24,550)	204	(1,668)	(26,014)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

14. INCOME TAX (CONTINUED)

(d) Deferred tax assets movement (Continued)

Group 2025	At 1 January	Credited/ (Charged) to P&L	Credited/ (Charged) to OCI	At 31 December
	TZS' Millions	TZS' Millions	TZS' Millions	TZS' Millions
Impact to Profit and loss				
Property, Plant and Equipment	818	(1,222)	-	(404)
Provisions	(7,854)	4,785	-	(3,069)
Canara Unrealised Gain	-	644	-	644
FNB Unrealised Gain	1,408	(907)	-	501
IFRS 16 - Right of Use Asset	(1,045)	(29)	-	(1,074)
Provision towards write-off*	(7,406)	(3,202)	-	(10,608)
Unrelieved tax losses**	(9,459)	-	-	(9,459)
Impact to reserve				
Equity investments: FVOCI	240	-	30	270
Government securities at FVOCI	2,460	-	(6,114)	(3,654)
Translation difference on foreign operations	(58)	-	(57)	(115)
	(20,896)	69	(6,141)	(26,968)

Bank 2024

Impact to Profit and loss				
Property, Plant and Equipment	616	(1,222)	-	(606)
Provisions	(14,808)	4,785	-	(10,023)
Canara Unrealised Gain	-	644	-	644
FNB Unrealised Gain	1,408	(907)	-	501
IFRS 16 - Right of Use Asset	(1,045)	(29)	-	(1,074)
Provision towards write-off*	(7,406)	(3,202)	-	(10,608)
Impact to reserve				
Equity investments: FVOCI	240	-	30	270
Government securities at FVOCI	2,460	-	(6,114)	(3,654)
	(18,535)	69	(6,084)	(24,550)

* The amount was deferred due to a TRA audit and will be realized upon loan recoveries.

** Tanzanian income tax laws allows resident and non-resident companies with a permanent establishment in Tanzania can offset tax losses against taxable income and carry forward unused tax losses indefinitely.



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

14. INCOME TAX (CONTINUED)

(e) Reconciliation of Effective tax rate

	Group		Bank	
	2025	2024	2025	2024
	TZS'M'	TZS'M'	TZS'M'	TZS'M'
Profit before income tax	117,999	141,001	90,824	109,797
Tax calculated at the statutory income tax rates	(35,400)	(42,300)	(27,247)	(32,939)
Tax effect of:				
Non-taxable income**	11,531	11,577	11,531	11,577
Income from subsidiaries taxable at Company level	(11,270)	(9,170)	(11,270)	(9,170)
Expenses not deductible for tax purposes**	(2,601)	(2,553)	(2,601)	(2,553)
Current income tax charge - prior year	-	(2,632)	-	(2,632)
Deferred tax asset not recognized	(5,339)	(3,772)	-	-
Alternate minimum tax (AMT)*	-	-	-	-
Income tax expense	(43,079)	(48,850)	(29,587)	(35,717)

* Alternative minimum tax applies when the Group has made taxable losses for three consecutive periods

** Amendments have been made to the 2022 reconciling items in the tax reconciliation to conform with the current year presentation. The changes are movements in between the temporary differences and exclusion of temporary differences erroneously included in the reconciliation. There is no impact on the income tax expense previously reported.

15. EARNINGS PER SHARE

See accounting policy in Note 3(a).

A. Basic earnings per share

The calculation of basic EPS has been on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

i. Profit attributable to ordinary shareholders (basic)

Profit for the year attributable to equity holders of the parent	70,924	91,104
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ii. Weighted-Average number of ordinary shares (basic)

Issued ordinary shares as at 31 Dec	12,900	12,900
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B. Diluted earnings per share

The calculation of diluted EPS has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding after adjustment for the effect of all dilutive potential ordinary shares.

i. Profit attributable to holders of ordinary shares (diluted)

Profit attributable to holders of ordinary shares (diluted)	70,924	91,104
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ii. Weighted-average number of ordinary shares(diluted)

Weighted-average number of ordinary shares(diluted)	12,900	12,900
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There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorization of these financial statements.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

16. FINANCIAL INSTRUMENTS BY CATEGORY

Group

At 31 December 2025	At amortised cost	Financial as- sets at FVOCI	Equity investments at FVOCI	Financial as- sets at FVTPL	Total
Financial assets	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'
Cash and balances with Central Bank	312,425	-	-	-	312,425
Loans and advances to banks	651,009	-	-	-	651,009
Loans and advances to customers	2,138,894	-	-	-	2,138,894
Government securities	263,936	254,746	-	17,326	536,008
Corporate Bonds: Amortized cost	85,543	-	-	-	85,543
Equity investments	-	-	2,920	-	2,920
Other assets less prepayments	13,339	-	-	-	13,339
	3,465,146	254,746	2,920	17,326	3,740,138

At 31 December 2024					
Financial assets					
Cash and balances with Central Bank	250,926	-	-	-	250,926
Loans and advances to banks	409,278	-	-	-	409,278
Loans and advances to customers	1,785,454	-	-	-	1,785,454
Government securities	219,772	215,882	-	15,974	451,628
Corporate Bonds: Amortized cost	10,524	-	-	-	10,524
Equity investments	-	-	3,062	-	3,062
Other assets less prepayments	27,380	-	-	-	27,380
	2,703,334	215,882	3,062	15,974	2,938,252

Financial liabilities	2025	2024
At amortized cost	TZS'M'	TZS'M'
Deposits due to banks	145,739	135,920
Deposits due to customers	3,196,144	2,413,679
Term borrowings	8,560	8,569
Subordinated debts and senior loans	21,989	22,907
Lease liability	30,114	34,417
Other liabilities (excludes deferred commission)	79,079	68,826
	3,481,625	2,684,318



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

16. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

BANK

At 31 December 2025	At amortised cost	Financial as- sets at FVOCI	Equity investments at FVOCI	Financial as- sets at FVTPL	Total
Financial assets	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'
Cash and balances with Central Bank	201,574	-	-	-	201,574
Loans and advances to banks	436,382	-	-	-	436,382
Loans and advances to customers	1,356,993	-	-	-	1,356,993
Government securities	105,119	254,746	-	17,326	377,191
Corporate Bonds: Amortized cost	3,570	-	-	-	3,570
Equity investments	-	-	2,920	-	2,920
Other assets less prepayments	8,674	-	-	-	8,674
	2,112,312	254,746	2,920	17,326	2,387,304

At 31 December 2024					
Financial assets					
Cash and balances with Central Bank	120,596	-	-	-	120,596
Loans and advances to banks	220,516	-	-	-	220,516
Loans and advances to customers	1,204,936	-	-	-	1,204,936
Government securities	127,105	215,882	-	15,974	358,961
Corporate Bonds: Amortized cost	3,047	-	-	-	3,047
Equity investments	-	-	3,062	-	3,062
Other assets less prepayments	19,636	-	-	-	19,636
	1,695,836	215,882	3,062	15,974	1,930,754

Financial liabilities	2025	2024
At amortized cost	TZS'M'	TZS'M'
Deposits due to banks	190,380	235,075
Deposits due to customers	1,979,011	1,471,008
Term borrowings	8,560	8,569
Subordinated debts and senior loans	21,989	22,907
Lease liability	21,316	23,946
Other liabilities (excludes deferred commission)	51,478	50,964
	2,272,734	1,812,469

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

17. CASH AND BALANCES WITH CENTRAL BANKS

	Group		Bank	
	2025	2024	2025	2024
	TZS'M'	TZS'M'	TZS'M'	TZS'M'
Cash in hand	86,948	46,907	43,807	31,208
Clearing accounts	120,718	133,796	71,885	47,144
Statutory Minimum Reserves (SMR)	191,891	117,298	129,799	73,549
Gross amount	399,557	298,001	245,491	151,901
Expected credit loss	(184)	(168)	(110)	(97)
	399,373	297,833	245,381	151,804
Net carrying amount				
Movement in ECLs (all in Stage 1):				
At 1 January	168	472	97	93
Increase/(decrease) in ECL	16	(304)	13	4
Closing balance	184	168	110	97
Current	399,557	298,001	245,491	151,901

For the purposes of the statement of cash flows, cash and cash equivalents comprise balances with less than 90 days maturity from the date of acquisition, cash and balances with central banks, Government securities maturing within 90 days and loans and advances to banks.

Banks are required to maintain a Statutory Minimum Reserve (SMR) which is a prescribed minimum cash balance with the Central Banks that is not available to finance the bank's day-to-day activities. The amount is determined as 6% for public deposits and 40% for Government deposits for Bank of Tanzania, for Central Bank of Comores S.A, 25% of the average outstanding customer deposits over a cash reserve cycle period of two weeks and for Bank of Uganda, 20% of the average outstanding customer deposits over a cash reserve cycle period of two weeks. The Central Bank of Djibouti requires the share capital amount to be maintained with them in a bank account and not to be used for operational purposes.



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

18. LOANS AND ADVANCES TO BANKS

	Group		Bank	
	2025	2024	2025	2024
	TZS'M'	TZS'M'	TZS'M'	TZS'M'
Items in course of collection	67,551	2,329	567	1,034
Loans and advances to other banks	177,194	287,567	89,508	197,703
Placements with other banks	406,547	119,416	346,580	21,808
Gross amount	651,292	409,312	436,655	220,545
Expected credit loss	(283)	(34)	(273)	(29)
Net amount after expected credit loss	651,009	409,278	436,382	220,516
Movement in ECLs				
At 1 January	34	30	29	23
Impact to profit and loss during the year	249	4	244	6
Closing balance	283	34	273	29
Current	651,009	409,278	436,382	220,516

Loans and advances to banks comprise of short lending to regulated banks. The amounts are not secured. These loans carry average interest rates for each entity as follows: Tanzania 5.5% for local currency and 2.5% for foreign currency loans; Comoro 3.5% both local currency and foreign currency and Uganda 7.3% for local currency and foreign currency.

19. LOANS AND ADVANCES TO CUSTOMERS

	Group		Bank	
	2025	2024	2025	2024
	TZS'M'	TZS'M'	TZS'M'	TZS'M'
Overdrafts	449,695	473,131	235,678	273,837
Personal loans	224,935	139,583	61,066	59,853
Commercial loans	1,448,394	1,195,685	1,036,809	888,217
Others	48,249	2,798	48,249	2,798
Gross loans and advances	2,171,273	1,811,197	1,381,802	1,224,705
Expected credit loss	(32,379)	(25,743)	(24,809)	(19,769)
Net carrying amount	2,138,894	1,785,454	1,356,993	1,204,936
Current	785,661	737,638	464,462	438,970
Non-current	1,353,233	1,047,816	892,531	765,966
	2,138,894	1,785,454	1,356,993	1,204,936
The movement in ECLs:				
Provision for expected credit losses at 1 January	25,743	40,368	19,769	35,077
Impairment-Canara Acquisition	-	527	-	527
Loan loss provision released/charged	-	-	-	-
Amounts written of during the year	(5,002)	(21,082)	(1,046)	(16,936)
Expected credit loss charge for the year	11,638	5,930	6,086	1,101
At 31 December	32,379	25,743	24,809	19,769

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

20. GOVERNMENT SECURITIES

	Group		Bank	
	2025	2024	2025	2024
	TZS'M'	TZS'M'	TZS'M'	TZS'M'
Debt instruments at amortized cost				
Treasury Bills	54,875	13,710	-	4,897
Treasury Bonds	209,689	206,356	105,523	122,341
Gross	264,564	220,066	105,523	127,238
Expected credit loss	(628)	(294)	(404)	(133)
	263,936	219,772	105,119	127,105
At FVOCI				
Treasury Bonds	254,746	216,116	254,746	216,116
Expected credit loss	-	(234)	-	(234)
	254,746	215,882	254,746	215,882
At FVTPL				
Treasury Bonds	17,326	15,974	17,326	15,974
	536,008	451,628	377,191	358,961
Maturing within 90 days	16,213	21,315	16,213	3,411
Maturing after 90 days	520,423	430,841	361,382	355,917
Gross	536,636	452,156	377,595	359,328
Less: Provision for ECLs	(628)	(528)	(404)	(367)
Net carrying amount	536,008	451,628	377,191	358,961
At amortized costs	263,936	219,772	105,119	127,105
FVOCI	254,746	215,882	254,746	215,882
FVPTL	17,326	15,974	17,326	15,974
	536,008	451,628	377,191	358,961
Movement in provision for ECL				
All in Stage 1:				
At 1 January	528	443	367	298
Increase (decrease) in expected credit loss	100	85	37	69
As 31 December	628	528	404	367
The maturity analysis of treasury bills and bonds is as follows:				
Current	26,218	41,090	36,015	23,213
Non-current	509,790	410,538	341,176	335,748
	536,008	451,628	377,191	358,961



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

20. GOVERNMENT SECURITIES (CONTINUED)

Treasury bills and bonds are debt securities issued by the Government of the United Republic of Tanzania and the Government of Uganda. Treasury bills are short term in nature with maturities of up to one year while treasury bonds are long term with maturities of up to 25 years. The weighted average effective interest rate on government securities as at 31 December 2025 was 11.63% (2024: 12.13%).

The Bank is holding treasury bonds with a face value of TZS 127,896 million and treasury bills with a face value of TZS 2,000 million (2024: TZS 88,262 million treasury bonds and TZS nil treasury bills) which have been pledged as collateral by local banks and customers against short term borrowings and customer loans respectively. These are not recognized in the financial statements as assets of the Bank. As of 31 December 2025, the Bank had pledged treasury bonds with face value of TZS 141,937 million (2024: TZS 105,937 million) against short-term and long term borrowings.

21. INVESTMENT SECURITIES

(a) Equity investments - FVOCI

	Group		Bank	
	2025	2024	2025	2024
	TZS'M'	TZS'M'	TZS'M'	TZS'M'
Equity securities - listed shares				
Tanzania Oxygen Limited (TOL)	-	85	-	85
Equity securities - not listed				
Tanzania Mortgage Refinancing Company (TMRC)t	2,076	2,076	2,076	2,076
Gross Equity securities	2,076	2,161	2,076	2,161
Accumulated fair value change	844	901	844	901
Expected credit Loss	-	-	-	-
Net amount	2,920	3,062	2,920	3,062
Fair value changes:				
On 1 January	901	801	901	801
Fair value (loss)/gain during the year	(57)	100	(57)	100
As 31 December	844	901	844	901
Credit/(charge) to OCI				
Listed equity investments	(57)	100	(57)	100
Government securities - FVOCI	(5,504)	(20,382)	(5,504)	(20,382)
Deferred tax impact - current year	17	(30)	17	(30)
	(5,544)	(20,312)	(5,544)	(20,312)
Dividend: Equity instruments – FVOCI				
Dividend income	33	48	25,121	48
Movement in provision for ECL: All in Stage 1				
At 1 January	-	-	-	-
Increase (decrease) in expected credit loss	-	-	-	-
As 31 December	-	-	-	-

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

21. INVESTMENT SECURITIES (CONTINUED)

(b) Equity investments – FVTPL

	Group		Bank	
	2025	2024	2025	2024
	TZS'M'	TZS'M'	TZS'M'	TZS'M'
Equity securities – listed shares				
Listed shares - Tanzania Oxygen Limited (TOL)	-	-	-	-
Tanzania Cigarette Company	-	-	-	-
Tanzania Portland Cement Company	-	-	-	-
MCB	-	-	-	-
Others	-	-	-	-
	-	-	-	-
Equity securities - not listed				
HARADALI investment scheme	-	-	-	-
Gross Equity securities	-	-		
Accumulated fair value change	-	-	-	-
	-	-	-	-
Fair value changes:				
On 1 January	83	100	-	-
Fair value gain during the year	-	(17)	-	-
	83	83	-	-
Dividend: Equity instruments – FVTPL				
Dividend income	-	25	-	-

The investment securities are non-current.



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

21. INVESTMENT SECURITIES (CONTINUED)

(c) Corporate Bonds at amortised cost

	Group		Bank	
	2025	2024	2025	2024
	TZS'M'	TZS'M'	TZS'M'	TZS'M'
TMRC Bond	2,029	2,029	2,029	2,029
Tanga UWASA Green Bond	1,026	1,026	1,026	1,026
SAMIA Bond	524	-	524	-
Organisation for Economic Cooperation and Development (OCDE) bond	81,973	7,477	-	-
Gross	85,551	10,532	3,578	3,055
Expected Credit Loss	(8)	(8)	(8)	(8)
Net carrying amount	85,543	10,524	3,570	3,047
Movement in expected credit loss				
(All in Stage 1):-				
At 1 January	8	8	8	7
Change in expected credit loss	-	-	745	746
Write-Off	-	-	(745)	(745)
As 31 December	8	8	8	8
Current	-	-	-	-
Non-Current	85,543	10,524	3,570	3,047

The subordinated loan to Core Securities is denominated in Tanzanian Shilling, has a maturity of 11 years with grace period of 6years effective from 20 August 2018 and bears interest at the rate of 6 months T bill +4%. The loan is unsecured. Interest payment at every after 6months. However, in October 2024, the loan was written off following decision by the board to dispose off investment in the subsidiary.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

22. OTHER ASSETS

	Group		Bank	
	2025	2024	2025	2024
	TZS'M'	TZS'M'	TZS'M'	TZS'M'
Sundry debtors	18,449	33,684	14,893	27,081
Visa card receivables	1,009	698	449	425
Master Card receivables	3,115	2,184	3,115	2,184
Money Gram receivables	551	870	-	-
Faida card receivables	-	-	-	-
Gross	23,124	37,436	18,457	29,690
Expected credit loss	(9,785)	(10,056)	(9,783)	(10,054)
Carrying amount	13,339	27,380	8,674	19,636
Prepaid expenses	7,207	4,785	4,387	3,191
Net carrying amount	20,546	32,165	13,061	22,827

Movement in Expected credit loss

All in Stage 1

At 1 January	10,056	9,115	10,054	8,981
Change in expected credit loss during the year	1,043	2,255	925	2,269
Write-Off	(1,314)	(1,314)	(1,196)	(1,196)
As 31 December	9,785	10,056	9,783	10,054

Other assets include other resources owned by the Group and the Bank which are expected to be utilized to generate revenue and have maturity of less than 12 months. These resources carry no interest and are unsecured.



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

23. ASSETS HELD FOR SALE

The Group takes possession of property (land and building) pledged as security for loans due from customers on failure of the customers to repay the loan amounts in accordance with the agreed terms and conditions. Repossessed property held only for disposal to recover the outstanding loan amounts are presented as non-current assets held for sale at the lower of the outstanding loan amount (carrying amount) and fair value less costs to sell. The assets held for sale as at year-end were measured at fair value less costs to sell as follows:

	Group		Bank	
	2025	2024	2025	2024
	TZS'M'	TZS'M'	TZS'M'	TZS'M'
Cost				
At 1 January	536	760	-	-
Additions	303	-	-	-
Disposals	-	-	-	-
Write-off	-	-	-	-
Translation differences	(224)	(224)	-	-
At 31 December	615	536	-	-
Impairment				
At 1 January	(427)	(304)	-	-
Charge for the year	427	(123)	-	-
Write offs	-	-	-	-
Translation differences	-	-	-	-
At 31 December	-	(427)	-	-
Net carrying amount	615	109	-	-

The properties were acquired as a settlement of debt obligations of customers who defaulted on their obligations. The Group intends to sell the properties as soon as practicable when suitable buyers are identified. As at year-end, the Group determined the fair value less costs to sell and charged the decrease in carrying amount to profit or loss. This has been classified as level III in the fair value hierarchy. The assets held for sale and changes thereto during the year are presented under the retail operating segments.

The valuation is made based on cost approach and discounted cashflow method. The cost approach considers the current replacement cost while discounted cashflow considers the present value of the expected cash flow. The key assumptions considered in determining the carrying amount include.

	Tanzania
Period to sell	1 year
Discount rate	15.42%
Others	Property will be sold as bank apartment units

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

24. PROPERTY AND EQUIPMENT

Group	Buildings	Leasehold premises	Motor vehicles	Office equipment	Computer hardware	Furniture and fittings	Capital Work in Progress	Total
	TZS'M'	TZS'M'	TZS'M'	TZS'M'	TZS'M'	TZS'M'	TZS'M'	TZS'M'
Cost								
At 1 January 2025	15,742	35,103	4,887	42,771	15,245	10,565	2,610	126,923
Additions	-	3,870	1,338	3,335	2,527	1,100	10,568	22,738
Disposals	-	-	(199)	(6,083)	(1,831)	(2,400)	-	(10,513)
Transfers	-	377	-	630	-	-	(1,326)	(319)
Transfers to intangibles assets	-	-	-	-	-	-	-	-
Translation adjustments	347	364	112	507	281	27	6	1,644
At 31 December 2025	16,089	39,714	6,138	41,160	16,222	9,293	11,858	140,473
Depreciation								
At 1 January 2025	6,074	21,840	2,576	33,016	9,450	8,515	-	81,471
Charge for the year	361	2,749	1,132	3,758	2,410	791	-	11,201
Elimination on disposal	-	-	(174)	(6,031)	(1,831)	(2,298)	-	(10,334)
Reclassification	-	-	-	-	-	-	-	-
Translation adjustments	226	59	65	246	75	(20)	-	651
At 31 December 2025	6,661	24,648	3,599	30,989	10,104	6,988	-	82,989
Net carrying amount	9,428	15,066	2,539	10,171	6,118	2,304	11,858	57,484



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

24. PROPERTY AND EQUIPMENT (CONTINUED)

Group	Buildings	Leasehold premises	Motor vehicles	Office equipment	Computer hardware	Furniture and fittings	Capital Work in Progress	Total
	TZS'M'	TZS'M'	TZS'M'	TZS'M'	TZS'M'	TZS'M'	TZS'M'	TZS'M'
Cost								
At 1 January 2024	16,025	30,685	4,029	38,507	10,586	9,802	9,965	119,599
Additions	-	3,308	1,108	2,884	2,912	575	1,657	12,444
Disposals	-	-	(238)	(77)	(106)	(92)	(41)	(554)
Transfers	-	1,405	-	1,447	1,946	198	(4,996)	-
Transfers to intangibles assets	-	-	-	-	-	-	(3,900)	(3,900)
Translation adjustments	(283)	(295)	(12)	10	(93)	82	(75)	(666)
At 31 December 2024	15,742	35,103	4,887	42,771	15,245	10,565	2,610	126,923
Depreciation								
At 1 January 2024	6,112	20,185	2,387	28,528	8,750	8,296	-	74,258
Charge for the year	383	2,244	873	3,447	1,435	718	-	9,100
Elimination on disposal	(415)	(41)	(307)	(334)	(237)	(64)	-	(1,398)
Reclassification	(5)	(372)	(366)	1,481	(366)	(372)	-	-
Translation adjustments	(1)	(176)	(11)	(106)	(132)	(63)	-	(489)
At 31 December 2024	6,074	21,840	2,576	33,016	9,450	8,515	-	81,471
Net carrying amount	9,668	13,263	2,311	9,755	5,795	2,050	2,610	45,452

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

24. PROPERTY AND EQUIPMENT (CONTINUED)

Bank	Buildings	Leasehold premises	Motor vehicles	Office equipment	Computer hard-ware	Furniture and fittings	Capital Work in Progress	Total
	TZS'M'	TZS'M'	TZS'M'	TZS'M'	TZS'M'	TZS'M'	TZS'M'	TZS'M'
Cost								
At 1 January 2025	12,105	26,066	3,668	30,141	4,990	4,573	1,284	82,827
Additions	-	1,938	1,191	1,960	676	260	8,057	14,082
Disposals	-	-	(33)	(5,211)	(1,028)	(1,098)	-	(7,370)
Reclassification	-	377	-	630	-	-	(1,007)	-
Transfers	-	-	-	-	-	-	-	-
At 31 December 2025	12,105	28,381	4,826	27,520	4,638	3,735	8,334	89,539
Depreciation								
At 1 January 2025	4,502	17,901	1,737	23,715	4,111	3,600	-	55,566
Charge for the year	251	1,641	906	2,341	458	261	-	5,858
Elimination on disposal	-	-	(33)	(5,192)	(1,028)	(1,099)	-	(7,352)
At 31 December 2025	4,753	19,542	2,610	20,864	3,541	2,762	-	54,072
Net carrying amount	7,352	8,839	2,216	6,656	1,097	973	8,334	35,467



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

24. PROPERTY AND EQUIPMENT (CONTINUED)

Bank	Buildings	Leasehold premises	Motor vehicles	Office equipment	Computer hard-ware	Furniture and fittings	Capital Work in Progress	Total
	TZS'M'	TZS'M'	TZS'M'	TZS'M'	TZS'M'	TZS'M'	TZS'M'	TZS'M'
Cost								
At 1 January 2024	12,105	22,474	2,861	26,874	4,610	4,123	2,340	75,387
Additions	-	2,187	1,045	2,475	486	516	1,259	7,968
Disposals	-	-	(238)	(77)	(106)	(66)	(41)	(528)
Reclassification	-	1,405	-	869	-	-	(2,274)	-
Transfers	-	-	-	-	-	-	-	-
At 31 December 2024	12,105	26,066	3,668	30,141	4,990	4,573	1,284	82,827
Depreciation								
At 1 January 2024	4,244	16,559	1,294	21,708	3,708	3,434	-	50,947
Charge for the year	258	1,342	680	2,084	494	230	-	5,088
Elimination on disposal	-	-	(237)	(77)	(91)	(64)	-	(469)
At 31 December 2024	4,502	17,901	1,737	23,715	4,111	3,600	-	55,566
Net carrying amount	7,603	8,165	1,931	6,426	879	973	1,284	27,261

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 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 and equipment amount of TZS 41,262 million (2024: TZS 22,626 million). There were no property and equipment acquired during the year through business combinations. As at 31 December 2025, management has assessed impairment of property and equipment, there were no impairment recognized or reversed during the year.

*The capital work in progress relates to the ongoing projects of branch renovations, network equipment and ongoing security system projects.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

25. RIGHT OF USE OF ASSETS

	Group		Bank	
	2025	2024	2025	2024
	TZS'M'	TZS'M'	TZS'M'	TZS'M'
At 1 January	29,111	24,791	19,272	18,089
Additions	2,653	10,510	178	3,704
Disposals	(38)	(21)	(21)	(21)
Depreciation for the year	(10,418)	(9,266)	(5,901)	(5,286)
Modification	2,906	3,097	2,786	2,786
Translation difference	186	-	-	-
At 31 December	24,400	29,111	16,314	19,272

Please explain the modification – see comment in Note 32, Also why same amounts for 2025 and 2024 am for the bank the same?

26. INVESTMENTS IN SUBSIDIARIES

Investment in Exim Bank Comores S.A	2,728	2,728
Investment in Exim Bank Uganda Limited*	93,789	65,025
Investment in Exim Bank Djibouti S.A.	10,111	10,111
Investment in Core Securities Limited	-	-
Gross amount	106,628	77,864

Expected credit loss	-	-
	106,628	77,864

Movement in impairment:

At 1 January	-	629
Addition	-	136
Disposal of investment in Core Securities Limited	-	(765)
At 31 December	-	-

* In 2025, the bank deposited TZS 28.8 billion for shares in Exim Bank Uganda Limited, and following completion of the share registration in Uganda, the same was recognized as an investment in subsidiaries.

The Bank's shareholding in the subsidiaries as at 31 December 2025 and 2024 was as follows:

At 31 December	Country of incorporation	Interest held	
Exim Bank Comores S.A S.A	The Union of Comores S.A	100.00%	100.00%
Exim Bank Djibouti S.A.	Djibouti	100.00%	100.00%
Exim Bank Uganda Limited	Uganda	67.81%	60.76%
Core Securities Limited	Tanzania	0.00%	0.00%

- * The subsidiaries listed above have share capital consisting solely of ordinary shares.
- * During the year, there were no significant judgements and assumptions made in determining the Bank's interest in the subsidiaries.
- * 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.

The Group includes one subsidiaries, Exim Bank Uganda Limited, with material non-controlling interests.



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

26. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name	Proportion of ownership interest and voting rights held by the NCI	Total comprehensive loss allocated to NCI		Accumulated NCI share of total comprehensive loss	
Exim Bank Uganda Limited	32.19%	2,258	1,566	(18,353)	(20,611)

No dividends were paid to the NCIs during the years 2025 and 2024.

Subsidiaries with material non-controlling interests (NCI)

Significant restrictions

The Group does not have significant restrictions on its ability to access or use its assets and settle its liabilities other than those resulting from supervisory frameworks within which banking subsidiaries operate. The supervisory framework requires banking subsidiaries operate. The supervisory framework requires banking subsidiaries to keep certain levels of regulatory capital and liquid assets, limit their exposure to other parts of the Group and comply with other ratios. The carrying amounts of assets and liabilities of banking subsidiaries are TZS 1,335.8 billion and TZS 1,213.4 billion respectively (2024: TZS 987.9 billion and TZS 876.2 billion respectively).

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

26. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Subsidiaries with material non-controlling interests (NCI)

Subsidiaries with non-controlling interest

The post-acquisition summary financial information for Core Securities Limited and Exim Bank Uganda Limited before intragroup eliminations, is set out below.

	2025		2024	
	Core Securities Limited	Exim Bank Uganda Limited	Core Securities Limited	Exim Bank Uganda Limited
	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'
Non-current Assets	-	200,074	-	82,909
Current Assets	-	274,225	-	275,653
Non-current Liabilities	-	(16,056)	-	(195,134)
Current Liabilities	-	(320,550)	-	(60,564)
Equity attributable to owners of the parent	-	(97,317)	-	(61,669)
Non-controlling interest	-	(40,381)	-	(41,195)
Revenue	-	53,750	813	40,387
Interest Expense	-	(6,375)	(99)	(8,085)
Operating and other expense	-	(34,524)	(182)	(28,135)
Income Tax expense	-	(469)	-	(1,416)
Profit/(Loss) for the year	-	12,382	532	2,751
Other comprehensive loss	-	(5,393)	-	1,324
Total comprehensive Profit/ (loss) for the year	-	6,989	532	4,075
Profit/ (Loss) for the year attributable to owners of the parent	-	8,415	426	1,672
Profit/(Loss) for the year attributable to NCI	-	3,994	106	1,078
	-	12,409	532	2,750
Total comprehensive income for the year attributable to owner of the pare	-	4,758	426	2,477
Total comprehensive income for the year attributable to NCI	-	2,258	106	1,597
	-	7,016	532	4,074
Net cash flows (used in)/from operating activities	-	(14,517)	(239)	(65,495)
Net cash flows (used in)/from investing activities	-	(1,711)	21	(2,633)
Net cash flows (used in)/from financing activities	-	25,806	-	49,102
Net increase/(decrease) in cash or cash equivalents	-	9,578	(218)	(19,026)



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

27. INTANGIBLE ASSETS

	Group			Bank		
	Application Software	Work-in-Progress	Total	Application Software	Work-in-Progress	Total
	TZS'M'	TZS'M'	TZS'M'	Total	TZS'M'	TZS'M'
2025						
Cost						
At 1 January	36,384	4,789	41,173	12,173	4,789	16,962
Additions during the year	2,326	4,186	6,512	1,104	4,186	5,290
Transfers	1,842	(1,842)	-	1,842	(1,842)	-
Transfer from PPE	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-
Translation difference	609	-	609	-	-	-
At 31 December	41,161	7,133	48,294	15,119	7,133	22,252
Amortization						
At 1 January	19,387	-	19,387	5,208	-	5,208
Charge for the year	6,161	-	6,161	3,073	-	3,073
Write-offs	-	-	-	-	-	-
Translation difference	150	-	150	-	-	-
At 31 December	25,698	-	25,698	8,281	-	8,281
Net Carrying Value	15,463	7,133	22,596	6,838	7,133	13,971
2024						
Cost						
At 1 January	27,423	2,140	29,563	11,404	2,140	13,544
Additions during the year	5,377	2,672	8,049	746	2,672	3,418
Transfers	3,923	(3,923)	-	23	(23)	-
Transfer from PPE	-	3,900	3,900	-	-	-
Write-offs	(22)	-	(22)	-	-	-
Translation difference	(317)	-	(317)	-	-	-
At 31 December	36,384	4,789	41,173	12,173	4,789	16,962
Amortization						
At 1 January	14,689	-	14,689	2,368	-	2,368
Charge for the year	5,231	-	5,231	2,840	-	2,840
Write-offs	(22)	-	(22)	-	-	-
Translation difference	(511)	-	(511)	-	-	-
At 31 December	19,387	-	19,387	5,208	-	5,208
Net Carrying Value	16,997	4,789	21,786	6,965	4,789	11,754

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

27. INTANGIBLE ASSETS (CONTINUED)

As at 31 December 2025, included in intangible assets is the Core Banking system which is material with carrying amount of TZS 2,599 million (2024: TZS 3,457.98 million) with remaining amortization period of two (2) years. No intangible asset was pledged as security for liabilities as at 31 December 2025. There 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 or 2025. There were no intangible assets acquired during the year through business combinations. In 2024, write off related to intangible assets (software) that were decommissioned during the year and the full carrying value were write off. Based on management assessment there were no any other intangible assets, that was impaired as at year end. As at 31 December 2025, there were contractual commitments for the acquisition of intangible assets amount TZS 17,614 million (2024; TZS 7,841 million).

The software work in progress relates to costs towards Treasury Management System (Fusion Opics) upgrade, Database application (Oracle) enhancements, Workflow system (Sybrin) upgrade and other minor systems implementations and enhancements.

28. DEPOSITS DUE TO BANKS

	Group		Bank	
	2025	2024	2025	2024
	TZS'M'	TZS'M'	TZS'M'	TZS'M'
To be settled within 12 months	145,739	135,920	190,380	235,075

Deposits due to banks are classified as liabilities at amortised cost with fixed interest rates of short term maturities of not more than 12 months from. The Group and Bank have pledged Treasury Bond of TZS 61,000 million (2024: TZS 61,000 million) collateral for these deposits.

29. DEPOSIT DUE TO CUSTOMERS

	Group		Bank	
	2025	2024	2025	2024
	TZS'M'	TZS'M'	TZS'M'	TZS'M'
Current and demand deposits	1,638,640	1,212,589	811,354	605,056
Savings accounts	519,964	437,134	393,994	334,981
Fixed deposit accounts	1,037,541	763,956	773,663	530,971
	3,196,145	2,413,679	1,979,011	1,471,008

Current	2,708,403	945,989	1,862,082	736,515
Non-current	487,742	1,467,690	116,929	734,493

Deposits due to customers are classified as liabilities at amortised cost. The Group and Bank incur interest on those deposits at the prevailing market interest rates. The Group and Bank have pledged no collateral for these deposits.



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

30. TERM BORROWINGS

	Group		Bank	
	2025	2024	2025	2024
	TZS'M'	TZS'M'	TZS'M'	TZS'M'
Tanzania Mortgage Refinance Company Limited (TMRC)	8,560	8,569	8,560	8,569

The Bank acquired a loan of TZS 3,000 million on 28 August 2013 from TMRC to finance issuance of mortgage loans. The loan was initially for three years to 27 August 2016 but was extended to 28 May 2017 with interest payable on quarterly basis and the principal payable at maturity. TZS 2,000 million was repaid in 2017. On 27 May 2020 the outstanding TZS 1,000 million was renewed to a 5-year term loan, repayable at maturity date and interest repaid quarterly. On 30 June 2020 the Bank entered in to three years facility arrangement amounting to TZS 5,000 million to pre-finance mortgage loans. Following acquisition of selected assets and liabilities of First National Bank (T) Limited (FNB) in July 2022, the Bank acquired additional five years mortgage facility amounting to TZS 2,500 million to make a total of TZS 8,500 million by the year ended 31 December 2022. The principal amount is repayable at maturity and interest rate repaid quarterly. The interest rate applicable for all facilities is 7.5% per annum. The term borrowing is secured as disclosed under note 20 and by the funded mortgage loans and advances to customers amounting to 125% of the outstanding term borrowing balance.

At 1 January	8,569	8,568	8,569	8,568
Additions	-	-	-	-
Accrued interest	635	625	635	625
Interest payment	(644)	(624)	(644)	(624)
At 31 December	8,560	8,569	8,560	8,569

31. SUBORDINATED DEBTS AND SENIOR LOANS

USD 9.13 Million Subordinated Debt (d)	21,989	22,907	21,989	22,907
Total	21,989	22,907	21,989	22,907
Current	15,469	16,113	15,469	16,113
Non-current	6,520	6,794	6,520	6,794
Total	21,989	22,907	21,989	22,907

There were three subordinated loans with principal balances totaling USD 9.13 million. The effective interest rate was of 6.64% (2024: 6.64%). The loans will all be settled by a single bullet after grace period of five years. All the above loans are unsecured. The movement in the subordinated debts was as follows: -

At 1 January	22,907	33,228	22,907	33,228
Additions	-	-	-	-
Interest accrued during the year	1,535	1,780	1,535	1,736
Repayments - principal	-	(10,001)	-	(10,001)
Repayments - interest	(1,541)	(2,047)	(1,541)	(2,003)
Foreign exchange differences	(912)	(53)	(912)	(53)
At 31 December	21,989	22,907	21,989	22,907

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

32. LEASES

(a) Lease liability

	Group		Bank	
	2025	2024	2025	2024
	TZS'M'	TZS'M'	TZS'M'	TZS'M'
At January	34,417	30,508	23,946	22,874
Additions	2,653	10,510	178	3,704
Disposal	(38)	(21)	(21)	(21)
Modification	2,500	2,687	2,383	2,383
Interest expense on lease liability	2,306	1,997	1,447	1,373
Payment to lease liability (principal)	(9,445)	(8,891)	(5,000)	(4,978)
Payment to lease liability (interest)	(2,306)	(1,997)	(1,447)	(1,373)
Prepayment movement during the year	-	-	-	-
Foreign exchange gain/loss	(170)	(376)	(170)	(16)
Translation difference	197	-	-	-
	30,114	34,417	21,316	23,946

The Group leases number of ATMs, vehicles, branch and office premises. The leases typically run for a period of three to ten years, with and option to renew lease after that date. For some leases, payments are renegotiated every five years to reflect market rentals. The Group also leases premises for contractual expatriates. These leases are short term. The Group has elected not to recognize right of use assets and lease liabilities for these leases.

(b) Amounts charged to profit or loss

The following table shows the breakdown of the lease expense between amounts charged to operating profit and amounts charged to finance cost.

Depreciation on the right of use:	(10,418)	(9,266)	(5,901)	(5,286)
Foreign exchange gain/loss	(170)	(376)	(170)	(16)
Interest expense on lease liability	2,306	1,997	1,447	1,373
Expenses relating to short-term leases	45	83	-	14
Modification	406	410	403	403
Total charge to profit and loss	(7,831)	(7,152)	(4,221)	(3,512)

(c) Amounts charged to cashflow

The following table shows the total cash outflows for leases.

Interest expense on lease liability	2,306	1,997	1,447	1,373
Payment to lease liability (principal)	(9,445)	(8,891)	(5,000)	(4,978)
Payment to lease liability (interest)	(2,306)	(1,997)	(1,447)	(1,373)

(d) Undiscounted lease payments

Within 1 year	11,657	11,657	7,321	7,321
Between 1 and 5 years	28,686	28,686	19,755	19,755
	40,343	40,343	27,076	27,076



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

32. LEASES (CONTINUED)

(e) Extension options

The Group and Bank leases premises, buildings and motor vehicles. The lease agreements are normally renewable at the end of the lease period at market rate and there are no enforceable extension requirements.

33. OTHER LIABILITIES

	Group		Bank	
	2025	2024	2025	2024
	TZS'M'	TZS'M'	TZS'M'	TZS'M'
Bank drafts payable	1,420	1,891	734	974
Accrued expenses**	17,378	16,750	12,985	11,052
TANAPA cards	667	423	667	423
Master cards	2,865	2,366	2,842	2,462
Guarantee and Letters of Credit margins	27,574	32,885	13,756	13,087
Deferred commission	9,985	6,195	7,849	5,174
Other creditors*	29,175	14,511	20,494	22,966
	89,064	75,021	59,327	56,138

Other liabilities are non-interest bearing and are expected to be settled within no more than 12 months after the reporting date.

* Include indirect taxes payable, amounts payable on clearing accounts and other operational liabilities.

** Include expenses incurred in the normal course of business for which invoices had not been received by year end. Management determines the accrued amounts based on contractual terms, management estimates, historical settlement patterns, and information available at the reporting date.

34. SHARE CAPITAL

	2025	2024
	TZS'M'	TZS'M'
Authorised	20,000	20,000
20,000,000 ordinary shares of TZS 1,000 each		
Issued and fully paid.		
12,900,000 ordinary shares of TZS 1,000 each	12,900	12,900

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 meetings of the Bank. All ordinary shares rank equally with regard to the Bank's residual assets. Refer to note 21 of the director's report for the shareholding structure of the group and bank.

35. REGULATORY AND OTHER RESERVES

Fair value reserve (a)	(11,787)	(7,894)	(11,787)	(7,894)
Regulatory reserves (b)	6,466	9,204	-	-
General and legal reserve (c)	6,977	3,475	4	4
Currency translation reserve (d)	7,309	10,342	-	-
	8,965	15,127	(11,783)	(7,890)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

35. REGULATORY AND OTHER RESERVES (CONTINUED)

(a) The fair value reserve

It comprises the effect of changes in equity investments and government securities investments at FVOCI. The movement in the fair value reserve was as follows: -

	Group		Bank	
	2025	2024	2025	2024
	TZS'M'	TZS'M'	TZS'M'	TZS'M'
At 1 January	(7,894)	6,303	(7,894)	6,307
Fair value gain/(loss) for the year (note 21)	(3,893)	(14,197)	(3,893)	(14,201)
At 31 December	(11,787)	(7,894)	(11,787)	(7,894)

(b) The regulatory reserves (loan loss reserves)

This represents the amounts set aside to cover additional provisions for loans and other financial assets losses as required in order to comply with the Bank of Tanzania (BOT), Bank of Uganda (BOU) and Central Bank of Comoro prudential guidelines. The reserves are not available for distribution to the equity holders. The movement in regulatory reserves was as follows: -

At 1 January	9,204	4,114	-	-
Appropriation from/(to) retained earnings	(2,738)	5,090	-	-
At 31 December	6,466	9,204	-	-

This is broken down as follows:

Reserve for loans and advances - Specific	(1,305)	1,433	-	-
Reserve for other assets	7,771	7,771	-	-
	6,466	9,204	-	-

(c) The general and legal reserve

It comprises the following:

- * 1% general provision on loans classified as current was required by Bank of Tanzania (BOT) in 2018 but waived in 2019. Bank of Uganda (BOU) still requires 1% general provision. This is part of the Tier 2 capital as stipulated in the BOT and BOU prudential guidelines. This reserve is not available for distribution to the equity holders.
- * The legal reserve is comprising an appropriation of 10% of the Exim Bank Comores S.A. profit for the year as required by the Central Bank of Comoro regulations.

The movement in the general and legal provision reserve is as follows:-

At 1 January	3,475	4,848	4	4
Appropriation (to)/from retained earnings	3,502	(1,373)	-	-
At 31 December	6,977	3,475	4	4

(d) The currency translation reserve comprises the effect of translation of the financial statements of the foreign

subsidiaries on consolidation.

	Group	
	2025	2024
	TZS'M'	TZS'M'
At 1 January	10,342	14,573
Translation adjustments for the year	(3,033)	(4,231)
At 31 December	7,309	10,342



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

36. CONTINGENT LIABILITIES AND COMMITMENTS

(a) Litigation

In the ordinary course of business, the Group is a defendant in various litigations and claims. Although there can be no assurances, based on the information currently available and legal advice, the directors expect that it is possible that the outcome of actions with total exposure of TZS 305 million (2024: 312 million) could result into loss to the Group and Bank.

(b) Capital commitments:

On 31 December 2025, the Group and Bank had capital commitments of TZS 41,262 million (2024: TZS 22,626 million) and 10,683 million (2024: TZS 12,748 million) respectively, in respect of purchase of IT equipment and computers, office equipment, furniture and other capital items. The Group's and Bank's management is confident that future net revenues and funding will be sufficient to cover these commitments.

(c) Acceptances, letters of credit, guarantees and performance bonds:

In common with other banks, the Group and the Bank conducts business involving acceptances, letters of credit, guarantees, performance bonds and indemnities. Most of these facilities cover corresponding obligations of third parties. The nominal amounts for these off statement of financial position items is not reflected in the statement of financial position.

	Group		Bank	
	2025	2024	2025	2024
	TZS'M'	TZS'M'	TZS'M'	TZS'M'
Acceptances and letters of credit	279,502	96,000	116,827	77,687
Guarantees and performance bonds	265,591	233,046	187,386	181,091
Gross	545,093	329,046	304,213	258,778
Expected credit loss	(155)	(61)	(155)	(61)
Net carrying amount	544,938	328,985	304,058	258,717

Movement Expected credit loss:

At 1 January	61	287	61	287
Expected credit loss charge in the year	94	(226)	94	(226)
As 31 December	155	61	155	61

An acceptance is an undertaking by the Group or Bank to pay a bill of exchange drawn on a customer. The Group or Bank expects most acceptances to be presented, and reimbursement by the customer is normally immediate. Letters of credit commit the Group or Bank to make payments to third parties, on production of documents, which are subsequently reimbursed by customers. Guarantees are generally written by the Group or Bank to support performance by a customer to third parties. The Group or Bank will only be required to meet these obligations in the event of the customer's default.

(d) Loan commitments

Undrawn formal stand-by facilities, credit lines and other commitments to lend	167,711	96,000	109,443	70,171
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Commitments to lend are agreements to lend to a customer in future subject to certain conditions. Such commitments are normally made for a fixed period. The Group or Bank may withdraw from its contractual obligation for the undrawn portion of agreed overdraft limits by giving reasonable notice to the customer. The ECL for the undrawn portion has been included as part of ECL of loans and advances.

37. OTHER PROVISIONS

Other Expected credit loss on off Balance Sheet items	155	61	155	61
Other provisions	79	79	79	79
	234	140	234	140

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

38. ANALYSIS OF CASHFLOWS AS SHOWN IN THE STATEMENT OF CASH FLOWS

(a) RECONCILIATION OF MOVEMENTS OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

2025	Liabilities			Equity				Total
GROUP	Term borrowings	Subordinated debts and senior loans	Lease liability	Share Capital	Regulatory and other reserves	Retained earnings	Non-Controlling interest	
Balance as at 1 January 2025								
Changes from financing cash flow								
Proceeds from term borrowings								
	-	-	-	-	-	-	-	-
Proceeds from senior loans and subordinated debts								
	-	-	-	-	-	-	-	-
Payment of senior loans and subordinated debts - principal								
	-	-	-	-	-	-	-	-
Payment of lease liability								
	-	-	9,445	-	-	-	-	9,445
Total changes from financing cash flow								
	-	-	9,445	-	-	-	-	9,445
Changes in fair value								
	-	-	-	-	3,893	-	-	3,893
The effect of changes in foreign exchange rates								
	-	912	170	-	3,033	-	-	4,115
Other changes								
	-	-	(5,312)	-	2,738	(71,897)	-	(74,471)
Liability related								
Dividend payable								
	-	-	-	-	-	10,000	-	10,000
Repayment of term borrowings - interest								
	644	-	-	-	-	-	-	644
Payment of senior loans and subordinated debts - interest								
	-	1,541	-	-	-	-	-	1,541
Interest payment - lease								
	-	-	2,306	-	-	-	-	2,306
Interest expense on lease liability								
	-	-	(2,306)	-	-	-	-	(2,306)
Interest expense on borrowings								
	(635)	(1,535)	-	-	-	-	-	(2,170)
Total liability-related other changes								
	9	6	-	-	-	10,000	-	10,015
Total equity-related other changes								
						10,000	-	
Balance as at 31 December 2025								
	(8,560)	(21,989)	(30,114)	(12,900)	(6,836)	(395,715)	(21,193)	(507,307)



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

38. ANALYSIS OF CASHFLOWS AS SHOWN IN THE STATEMENT OF CASH FLOWS (CONTINUED)

(a) RECONCILIATION OF MOVEMENTS OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES (CONTINUED)

2025	Liabilities			Equity			
BANK	Term borrowings	Subordinated debts and senior loans	Lease liability	Share Capital	Regulatory and other reserves	Retained earnings	Total
Balance as at 1 January 2025	(8,569)	(22,907)	(23,946)	(12,900)	7,890	(296,259)	(356,691)
Changes from financing cash flow							
Proceeds from term borrowings	-	-	-	-	-	-	-
Proceeds from senior loans and subordinated debts	-	-	-	-	-	-	-
Payment of senior loans and subordinated debts - principal	-	-	-	-	-	-	-
Payment of lease liability	-	-	5,000	-	-	-	5,000
Total changes from financing cash flow	-	-	5,000	-	-	-	5,000
Changes in fair value	-	-	-	-	3,893	-	3,893
The effect of changes in foreign exchange rates	-	912	170	-	-	-	1,082
Other changes	-	-	(2,540)	-	-	(61,237)	(63,777)
Liability related							
Dividend payable	-	-	-	-	-	-	-
Repayment of term borrowings - interest	644	-	-	-	-	-	644
Payment of senior loans and subordinated debts - interest	-	1,541	-	-	-	-	1,541
Interest payment - lease	-	-	1,447	-	-	-	1,447
Interest expense on lease liability	-	-	(1,447)	-	-	-	(1,447)
Interest expense on borrowings	(635)	(1,535)	-	-	-	-	(2,170)
Total liability-related other changes	9	6	-	-	-	-	15
Total equity-related other changes							
Balance as at 31 December 2025	(8,560)	(21,989)	(21,316)	(12,900)	11,783	(357,496)	(410,478)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

38. ANALYSIS OF CASHFLOWS AS SHOWN IN THE STATEMENT OF CASH FLOWS (CONTINUED)

(a) RECONCILIATION OF MOVEMENTS OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES (CONTINUED)

2024 GROUP	Liabilities		Equity				Total
	Term borrowings	Subordinated debts and senior loans	Lease liability	Share Capital	Regulatory and other reserves	Retained earnings	Non-controlling interest
Balance as at 1 January 2024	(8,568)	(33,228)	(30,508)	(12,900)	(29,838)	(256,950)	(21,193)
Changes from financing cash flow							
Proceeds from term borrowings	-	-	-	-	-	-	-
Proceeds from senior loans and subordinated debts	-	-	-	-	-	-	-
Payment of senior loans and subordinated debts - principal	-	10,001	-	-	-	-	-
Payment of lease liability	-	-	8,891	-	-	-	-
Total changes from financing cash flow	-	10,001	8,891	-	-	-	-
Changes in fair value	-	-	-	-	14,197	-	-
The effect of changes in foreign exchange rates	-	53	376	-	4,231	-	-
Other changes	-	-	(13,176)	-	(5,090)	(86,868)	(105,134)
Liability related							
Dividend payable	-	-	-	-	-	-	-
Repayment of term borrowings - interest	624	-	-	-	-	-	-
Payment of senior loans and subordinated debts - interest	-	2,047	-	-	-	-	-
Interest payment - lease	-	-	1,997	-	-	-	-
Interest expense on lease liability	-	-	(1,997)	-	-	-	-
Interest expense on borrowings	(625)	(1,780)	-	-	-	-	-
Total liability-related other changes	(1)	267	-	-	-	-	-
Total equity-related other changes							
Balance as at 31 December 2024	(8,569)	(22,907)	(34,417)	(12,900)	(16,500)	(343,818)	(21,193)
							(460,304)



38. ANALYSIS OF CASHFLOWS AS SHOWN IN THE STATEMENT OF CASH FLOWS (CONTINUED)

(a) RECONCILIATION OF MOVEMENTS OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES (CONTINUED)

2024 BANK	Liabilities		Equity				Total
	Term borrowings	Subordinated debts and senior loans	Lease liability	Share Capital	Regulatory and other reserves	Retained earnings	
Balance as at 1 January 2024	(8,568)	(33,228)	(22,874)	(12,900)	(6,307)	(222,179)	(306,056)
Changes from financing cash flow							
Proceeds from term borrowings	-	-	-	-	-	-	-
Proceeds from senior loans and subordinated debts	-	-	-	-	-	-	-
Payment of senior loans and subordinated debts - principal	-	10,001	-	-	-	-	10,001
Payment of lease liability	-	-	4,978	-	-	-	4,978
Total changes from financing cash flow	-	10,001	4,978	-	-	-	14,979
Changes in fair value	-	-	-	-	14,197	-	14,197
The effect of changes in foreign exchange rates	-	53	16	-	-	-	69
Other changes	-	-	(6,066)	-	-	(74,080)	(80,146)
Liability related							
Dividend payable	-	-	-	-	-	-	-
Repayment of term borrowings - interest	624	-	-	-	-	-	624
Payment of senior loans and subordinated debts - interest	-	2,003	-	-	-	-	2,003
Interest payment - lease	-	-	1,373	-	-	-	1,373
Interest expense on lease liability	-	-	(1,373)	-	-	-	(1,373)
Interest expense on borrowings	(625)	(1,736)	-	-	-	-	(2,361)
Total liability-related other changes	(1)	267	-	-	-	-	266
Total equity-related other changes							
Balance as at 31 December 2024	(8,569)	(22,907)	(23,946)	(12,900)	(12,900)	(296,259)	(356,691)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

38. ANALYSIS OF CASHFLOWS AS SHOWN IN THE STATEMENT OF CASH FLOWS (CONTINUED)

(b) ANALYSIS OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE STATEMENT OF CASH FLOWS

	Group		Bank	
	2025	2024	2025	2024
	TZS'M'	TZS'M'	TZS'M'	TZS'M'
Cash and balance with central banks	399,557	298,001	245,491	151,901
Less: Statutory Minimum Reserves (SMR)	(191,891)	(117,298)	(129,799)	(73,549)
Subtotal	207,666	180,703	115,692	78,352
Loans and advances to banks	651,292	409,312	436,655	220,545
	858,958	590,015	552,347	298,897

For the purposes of the statement of cash flows, cash and cash equivalents comprise balances with less than 90 days to maturity from the date of acquisition. Cash and balances with central banks, Government securities maturing within 90 days from the acquisition date and loans and advances to banks. Cash and cash equivalents exclude the cash reserve requirement held with the Central Banks.

39. RELATED PARTY DISCLOSURES

A number of transactions are entered into with the related parties in the normal course of business. These include loans and deposits transactions. The following table shows the name of the entity and the nature of the relationship;

Entity	Nature of relationship
Exim Bank Comoros S.A.	Fully owned subsidiary
Exim Bank Djibouti S.A	Fully owned subsidiary
Exim Bank (Uganda) Limited	Majority shareholder
MAC Group Limited	Common directorship/shareholding
M2 Advertising Agency	Common directorship/shareholding
Nexia SJ Tanzania (Former PKF Tanzania)	Common directorship/shareholding
Corporate and Management Consultants Ltd	Common directorship/shareholding
Strategies Insurance Limited	Common directorship/shareholding
ACE Properties Ltd	Common directorship/shareholding
MAC-UTI Properties Limited	Common directorship/shareholding
Chai Bora Limited	Common directorship/shareholding
Alliance Life Assurance Ltd	Common directorship/shareholding
Alliance Insurance Corporation Ltd	Common directorship/shareholding
J & J Kothari	Common directorship/shareholding
FTN Service	Common directorship/shareholding
Shaffin Jamal	Director
Irene Mlola	Director
Sherazam Mazari	Director
Mwema Advocates	Chairman Board of Directors of the holding company
National Knitwear Industries Ltd	Common directorship/shareholding
Alliance Africa General Insurance Limited	Common directorship/shareholding
Amazal Holdings Limited	Common directorship/shareholding
Mukwamo Enterprises Limited	Common directorship/shareholding
Mukwano Foundation Trust	Common directorship/shareholding
Mukwano Industries (U) Limited	Common directorship/shareholding



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

39. RELATED PARTY DISCLOSURES (CONTINUED)

The related party transactions and outstanding balances at the year-end are as follows:

Loans and advances to customers at year-end include loans to Directors and key management personnel as follows:

	Group		Bank	
	2025	2024	2025	2024
	TZS'M'	TZS'M'	TZS'M'	TZS'M'
At 1 January	4,090	5,329	4,090	5,329
Advanced during the year	632	977	632	977
Repaid during the year	(1,914)	(2,216)	(1,914)	(2,216)
At 31 December	2,808	4,090	2,808	4,090

Loans to Directors and other key management personnel

Interest income from directors and other key management personnel	314	306	314	306
xpected credit losses from directors & key management personnel	1	7	1	7

The loans granted by the Group or Bank to Directors and other key management personnel during the year are at market interest rates. The loans advanced to the Directors during the year are secured by mortgage collateral.

Deposits by Directors and other key management personnel

At 1 January	848	765	848	765
Advanced during the year	2,716	8,266	2,716	8,266
Repaid during the year	(2,169)	(8,183)	(2,169)	(8,183)
At 31 December	1,395	848	1,395	848

Interest expense incurred	45	7	45	7
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The above deposits carry variable interest rates and are repayable on demand. Transactions carried out during the year with other related parties include.

Transactions carried out during the year with other related parties include

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

39. RELATED PARTY DISCLOSURES (CONTINUED)

	Group		Bank	
	2025	2024	2025	2024
	TZS'M'	TZS'M'	TZS'M'	TZS'M'
MAC Group Limited	9	5	9	5
M2 Advertising agency	426	786	426	786
Core Securities Limited	-	222	-	222
FTN Service	-	-	-	-
Sherazam Mazari	312	316	312	316
	747	1,329	747	1,329
Group Health Insurance Cover:				
Strategies Insurance Limited	2,774	2,349	2,774	2,349
Group Life Assurance Cover:				
Alliance Life Assurance Ltd	223	205	223	205
Assets All Risks and Motor Vehicles Cover:				
Alliance Insurance Corporation Ltd	2,086	1,995	2,086	1,995
Operating lease rentals:				
ACE Properties Limited	501	459	501	459
MAC-UTI Properties Limited	2,088	2,210	2,088	2,210
National Knitwear Industries Ltd	86	84	86	84
Mukwano Enterprises Limited	-	-	-	-
	2,675	2,753	2,675	2,753
Loans and advances to other related parties				
Corporate and Management Consultants Ltd	167	164	167	164
Alliance Insurance Corporation Ltd	1,302	913	1,302	913
Strategies Insurance Limited	12,022	10,293	12,022	10,293
Union Trust investment limited	-	-	-	-
Shaffin Jamal	-	-	-	-
Irene Mlola	-	148	-	148
AllianceAfrica General	-	-	-	-
J & J Kothari	-	-	-	-
Core Securities Limited	-	-	-	-
	13,491	11,518	13,491	11,518
Interest income on loans and advances to other related parties	1,543	20	1,543	20
Expected credit losses on loans and advances to other related parties	-	24	-	24

The loans and advances due to related parties are on normal commercial terms. The expected credit losses on these loans was as shown.



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

39. RELATED PARTY DISCLOSURES (CONTINUED)

Deposits due to other related parties

	Group		Bank	
	2025	2024	2025	2024
	TZS'M'	TZS'M'	TZS'M'	TZS'M'
Alliance Insurance Corporation Ltd	15,889	11,498	15,889	11,498
Corporate and Management Consultants Ltd	22	467	22	467
Nexia SJ Tanzania (formerly PKF Tanzania)	106	22	106	22
Chai Bora Ltd	3	17	3	17
Strategies Insurance Limited	4,658	5,047	4,658	5,047
J&J Kothari	-	-	-	-
AMAZAL HOLDINGS LIMITED	-	-	-	-
Mukwano Industries (U) Limited	-	-	-	-
	20,678	17,051	20,678	17,051
Interest expense on deposits due other related parties	209	119	209	119
Loans and advances to subsidiaries				
Exim Bank Djibouti S.A			-	-
Exim Bank Comoros Limited			-	-
Exim Bank Uganda Limited			-	-
Interest earned on loans and advances to subsidiaries			9	-
Expected credit loss on loans and advances to subsidiaries			-	-
Off-balance sheet facility to Uganda Subsidiary.			-	-
Off-balance sheet facility to Exim Bank Djibouti S.A.			-	-

Deposits due to subsidiaries

Exim Bank Djibouti S.A	69,748	162,915
Exim Bank Comoros Limited	-	-
Exim Bank Uganda Limited	-	-
	69,748	162,915
Interest expense on deposits due to subsidiaries	7,387	4,281

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

39. RELATED PARTY DISCLOSURES (CONTINUED)

Key management compensation

Key management personnel are described as those persons having authority and responsibility for Planning, directing and controlling the activities of the Group, directly or indirectly.

The remuneration of key management personnel during the year was as follows:

	Group		Bank	
	2025	2024	2025	2024
	TZS'M'	TZS'M'	TZS'M'	TZS'M'
Short term employment benefits	26,867	24,805	15,868	15,643
Post-employment benefits	3,581	2,875	1,667	1,484
	30,448	27,680	17,535	17,127

Directors' remuneration

Fees and other emoluments paid to directors by the Bank during the year amounted to TZS 664 million (2024: TZS 630 million). Details of payments by the Bank to individual Directors will be tabled at the annual general meeting.

Name of Director		
Mr. Yogesh Manek	68	51
Mr. Shaffin Jamal	41	34
Mr. Hanif Jaffer	41	38
Mr. Kalpesh Mehta	56	51
Mr. Sherazam Mazari	312	316
Ms Irene Mlola	15	48
Ms. Brenda Lulu Msangi	41	36
Mr. Said Ally Mwema	61	56
Ms Saphy Almas	13	-
Mr Moremi Marwa	13	-
Mr. Kenneth Mutayoba Mutaonga	3	-
Total Directors' fees	664	630

Management fees

The Bank recharges the following subsidiaries for the cost incurred in providing oversight.

Exim Bank Comores S.A S.A	227	187
Exim Bank Djibouti S.A.	436	243
	663	430

40. NON-CONTROLLING INTEREST

Exim Bank Uganda Limited

At 1 January	41,195	21,193
Changes in interest in subsidiary	(3,071)	18,436
Share of profit/(losses) for the year	2,257	1,566
At 31 December	40,381	41,195

During the year 2025 Exim Uganda issued additional 39,755 shares with nominal value of UGS 1,000,000 per share whereby NCI acquired a total of 157 shares. The relatively higher additional investment by the controlling interest resulted in an increase in its effective ownership interest in the subsidiary. Consequently, a portion of the existing equity previously attributable to the non controlling interest, amounting to TZS 3.07 billion, shifted to the controlling interest.



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

40. NON-CONTROLLING INTEREST (CONTINUED)

The transaction did not result in a loss of control over the subsidiary and has therefore been accounted for as an equity transaction in accordance with IFRS 10. Accordingly, no gain or loss was recognised in profit or loss, and the adjustment to the non controlling interest was recognised directly in equity.

In early October 2024, the group disposed its interest in Core Securities Limited at a total value of TZS 1 million which also resulted in the group relinquishing its control to the other shareholder. This in turn has led to derecognition of the investment in the subsidiary and the non-controlling interest thereof.

43 EVENTS AFTER THE REPORTING PERIOD

Significant escalation in geopolitical tensions in the Middle East have contributed to heightened global market volatility. The situation remains fluid and the potential impact of these evolving circumstances including the possibility of higher fuel and logistics-related cost pressures, increased inflation uncertainty impacting rates, and periods of foreign exchange and market volatility associated with shifts in global risk sentiment, will be monitored and assessed into the year ahead. While the impacts to the company are yet to materialise, these developments arose after year-end and are considered non adjusting events under IAS 10 Events after the Reporting Period. Accordingly, no adjustments have been made to the amounts recognised in the financial statements for the reporting period ended 31 December 2025. Other than the aforementioned, the directors are not aware of any events (as defined per IAS 10 Events after the Reporting Period) that occurred after the reporting date of 31 December 2025 and the date of authorisation of these annual financial statements.

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BANK**

Innovation is life