

PUBLICATION OF MARKET DISCIPLINE GUIDELINES FOR THE YEAR ENDED 31 DECEMBER 2025.

Issued pursuant to 24, 25 and 29 of the market discipline Guideline for Banks and Financial Institution, 2023



PRUDENTIAL REGULATORY METRICS

"A bank or financial institution is required to disclose each metric's value using the corresponding standard's specifications for the reporting period - end (designated by T in the template below) as well as the four previous quarter-end figures (T-1 to T-4)."						
S/N	Metric	Dec-25	Sep-25	Jun-25	Mar-25	Dec-24
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	55,395,868,649.78	49,840,597,028.50	48,367,322,872.33	49,327,519,709.11	44,741,249,229.09
2	Tier 1	55,395,868,649.78	49,840,597,028.50	48,367,322,872.33	49,327,519,709.11	44,741,249,229.09
3	Total capital	55,395,868,649.78	49,840,597,028.50	48,367,322,872.33	49,327,519,709.11	44,741,249,229.09
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	370,602,790,583.85	339,513,925,594.72	343,209,096,733.82	369,446,154,733.76	357,937,430,192.82
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	14.95	14.68	14.52	12.56	12.50
6	Tier 1 ratio (%)	14.95	14.68	14.52	12.56	12.50
7	Total capital ratio (%)	14.95	14.68	14.52	12.56	12.50
.6+						
8	Capital conservation buffer requirement (2.5%)	2.95	2.68	2.52	0.56	0.50
9	Total of bank CET1 specific buffer requirements (%)	0.00	0.00	0.00	0.00	0.00
10	CET1 available after meeting the bank's minimum capital	6.45	6.18	6.02	4.06	4.00
Basel III leverage ratio						
11	Tier 1 Capital	55,395,868,649.78	49,840,597,028.50	48,367,322,872.33	49,327,519,709.11	44,741,249,229.09
12	Exposure measure	498,680,263,641.87	446,833,741,573.28	422,152,722,166.96	378,668,243,748.47	351,082,235,652.61
13	Basel III leverage ratio (%) (Tier 1 Capital / Exposure Measure)	11.11	11.15	11.46	12.25	12.74
Liquidity Coverage Ratio						
14	Total high-quality liquid assets (HQLA)	68,817,869,200.00	113,915,762,573.64	123,622,198,438.83	114,501,543,525.74	60,036,517,076.80
15	Total net cash outflow	19,408,733,560.53	50,526,323,331.01	51,485,172,965.72	23,991,628,408.24	14,129,864,459.07
16	LCR (%)	354.57	225.46	240.11	477.26	424.89
Net Stable Funding Ratio						
17	Total available stable funding	369,719,988,066.31	326,610,992,786.40	297,564,383,964.69	285,058,358,063.88	243,773,551,888.07
18	Total required stable funding	293,676,293,142.36	237,272,264,304.85	28,949,018,622.45	25,912,422,222.69	40,676,017,849.34
19	NSFR (%)	125.89	137.65	1,027.89	1,100.08	599.31

Composition of Regulatory Capital Capital Adequacy Return as of 31 st December 2025

S/N	Particulars	Amount (TZS) 31st December 2025	Amount (TZS) 31st December 2024
a	b	c	d
1	Common Equity Tier 1 capital (CET1): instruments and reserves		
2	Fully Paid-up Ordinary shares Capital	21,612,374,000.00	21,432,719,579.32
3	Share Premium arising from Ordinary shares	4,577,300,000.00	4,327,300,000.00
4	Retained earnings less foreseeable dividends	19,459,912,000.00	12,089,801,999.99
5	Other disclosed reserves;	-	-
6	Year to date profits of:	-	-
7	Fifty per cent of the year to date profits less foreseeable dividends where accounts are unaudited or;	-	-
8	One hundred percent of the year to date profits, less foreseeable dividends, where accounts have been audited subject to submission of the signed accounts to the Bank;	13,236,752,000.00	9,972,806,000.00
9	CET 1 before Regulatory Adjustments	58,886,338,000.00	47,822,627,579.31
10	Regulatory adjustments applied to CET1:	3,490,469,350.22	3,081,378,350.22
11	Year to date losses;	-	-
12	Goodwill;	1,122,306,350.22	1,122,306,350.22
13	Other intangible assets;	-	-
14	Deferred tax assets that rely on future profitability;	1,744,560,000.00	1,338,403,000.00
15	The amount of items where entities with which the bank has reciprocal cross holdings of Common Equity Tier 1 instrument that the Central Bank considers to have been designed to inflate artificially the own funds of the bank;	-	-
16	The amount of items required to be deducted from Additional Tier 1 items that exceed the Additional Tier 1 capital of the bank.	-	-
17	Pre-paid expenses;	623,603,000.00	620,669,000.00
18	Pre-operating expenses.	-	-
19	Available Common Equity Tier 1	55,395,868,649.78	44,741,249,229.09
20	Additional Tier 1 Capital		
21	Non-cumulative Irredeemable Preference Shares	-	-
22	Share Premium arising from Non-cumulative Irredeemable Preference Shares	-	-
23	Other Qualifying Additional Tier-1 capital instruments plus any related share premium	-	-
24	Additional Tier 1 Capital before regulatory adjustments	-	-
25	Regulatory adjustment applied to Additional Tier 1 capital	-	-
26	The amount of items required to be deducted from Tier 2 items that exceed the Tier 2 capital of the bank.	-	-
27	Other Items Qualifying to be deducted from Additional Tier-1 Capital.	-	-
28	Available Additional Tier 1 Capital	-	-
29	Available Tier 1 Capital	55,395,868,649.78	44,741,249,229.09
30	Tier 2 Capital		
31	Qualifying Tier 2 capital instruments and subordinated loans that meet the conditions stipulated by the Bank.	-	-
32	Share premium arising from capital instruments and subordinated loans qualifying as Tier 2 Capital	-	-
33	Instruments issued by consolidate subsidiaries and held by third parties that met the criteria stipulated by the Bank.	-	-
34	General provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk Weighted Assets	-	-
35	Available Tier 2 Capital	-	-
36	TOTAL CAPITAL (Tier Capital plus Tier 2 Capital).	55,395,868,649.78	44,741,249,229.09
37	Total Risk Weighted Assets (RWA) as BOT FORM 16-1 Schedule 15 (SUMMARY)	370,602,790,583.85	357,937,430,192.82
38	Capital Ratios and buffers (in percentage of risk weighted assets)		
39	CET1 to total RWA	14.95%	12.50%
40	Tier-1 capital to total RWA	14.95%	12.50%
41	Total capital to total RWA	14.95%	12.50%
42	Capital conservation buffer	2.95%	-
43	Minimum capital requirements prescribed by the Bank of Tanzania		
44	CET1 to total RWA	8.50%	8.50%
45	Tier-1 capital to total RWA	10.00%	10.00%
46	Total capital to total RWA	12.00%	12.00%
47	Capital conservation buffer (Made of Instrument Qualifying to be included in CET1)	2.50%	2.50%

QUALITATIVE INFORMATION ABOUT CREDIT RISK

The Bank takes on exposure to credit risk, which is the risk that the counterparty will cause a financial loss to the Bank by failing to discharge an obligation. Credit risk is the most important risk for the Bank's business. Management, therefore, carefully manages its exposure to the credit risk. Credit exposures arise principally in lending activities that lead to loans and advances, and investment activities that bring debt securities and other bills into the Bank's asset portfolio.

There is also credit risk in off-balance sheet financial instruments, such as loans commitments. The credit risk management and control are centralized in the credit risk management team of the Bank and reported to the Board of Directors and heads of department regularly

Credit quality of assets For the period ended 31st December 2025

Amounts in TZS Thousand	a	b	c	d
	Defaulted exposures	Non-defaulted exposures	Allowances/ impairments	Net values (a+b-c)
	Gross carrying values of:			
Loans & advances	1,746,881,000	305,282,930,000	1,728,323,000	305,301,488,000
Debt securities	-	20,548,094,000	-	20,548,094,000
Off balance sheet items	-	339,306,087,000	-	339,306,087,000
Total	1,746,881,000	665,137,111,000	1,728,323,000	665,155,669,000

Additional disclosure related to the credit quality of assets

"Loans and advances"

In measuring credit risk of loan and advances to customers and to banks at a counterparty level, the bank reflects three components (i) the Probability of Default (PD) by the client or counterparty on its contractual obligations and (ii) current exposures to the counterparty and its likely future development, from which the bank derives the 'Exposure at Default (EAD) (iii) Loss Given default (LGD) is defined as the portion of the loan determined to be irrecoverable at the time of loan default (1 - recovery rate). These credit risk measurements, which reflect expected loss (the 'expected loss model'), are embedded in the Banks' daily operational management.

i. The bank 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 of the Banks are segmented into five rating classes. The bank'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 an assessment of their probability of default changes. Bank's internal rating scale

Grade	Regulatory Classification	Days Past Due	Equivalent IFRS 9 classifications
Grade 1	Normal	0 - 30	Stage 1
Grade 2	Especially mentioned	31 - 90	Stage 2
Grade 3	Sub-standard	91 - 180	Stage 3
Grade 4	Doubtful	181 - 360	Stage 3
Grade 5	Loss	> 360	Stage 3

ii. Exposure at default is based on the amounts the bank expects to be owed at the time of default. For example, for a loan this is the face value. For undrawn loan commitment, a credit loss is the present value of the difference between the contractual cash flows that are due to the entity if the holder of the loan commitment draws down the loan and cash flow that the entity expects to receive if the loan is drawn down.

Credit risk (Continued)

The Bank manages limits and control concentrations of credit risk wherever they are identified, to individual counterparties and groups, and to industries. The bank structures the levels of credit risk they undertake 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

Qualitative disclosure requirements related to credit risk mitigation techniques

"The Bank manages limits and control concentrations of credit risk wherever they are identified, to individual counterparties and groups, and to industries. The bank structures the levels of credit risk they undertake 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.

Qualitative disclosure requirements related to credit risk mitigation techniques

The operational risk management process comprehensively defines the end-to-end strategic steps/ methodologies employed in the management of operational risk exposures across the bank. There are six overarching steps namely: Risk Identification; Risk Assessment; Risk Control/ Mitigation; Key Risks and Key Risk Indicators; Operational Risk Monitoring; and Risk Reporting.

Computation of Capital Charge for Operational Risk as at 31st December 2025
Amounts in TZS thousands

a	Particulars b	Amount				
		Year 1 c	Year 2 d	Year 3 e	Average of BI elements f	Total BI g
1	I. "Interest, Lease and Dividend": (A)-(C)-(D)					6,763,422,097.50
2	The Minimum of Net Interest Income and 2.25% of Interest bearing Assets	4,371,283,530.00	6,461,098,020.00	9,457,884,742.50	6,763,422,097.50	
3	Net Interest Income (A):	13,524,928,000.00	18,245,391,000.00	23,809,004,000.00	-	
4	Interest income	22,729,544,000.00	32,893,429,000.00	47,901,921,000.00	-	
5	Interest expense	9,204,616,000.00	14,648,038,000.00	24,092,917,000.00	-	
6	Interest bearing assets (B)	194,279,268,000.00	287,159,912,000.00	420,350,433,000.00	-	
7	2.25% of Interest bearing assets	4,371,283,530.00	6,461,098,020.00	9,457,884,742.50	-	
8	Net Financial and operating lease (C)	-	-	-	-	
9	Financial and operating lease income, profits from leased assets	-	-	-	-	
10	Financial and operating lease expenses, losses from leased assets, depreciation and impairment of operating leased assets	-	-	-	-	
11	Dividend income (D)	-	-	-	-	
12						
13	II. "Services": (E)-(F)					23,085,262,666.67
14	Net Fee and Commission Income (E)	6,659,238,000.00	8,901,987,000.00	11,841,921,000.00	9,134,382,000.00	
15	Fee and commission income	6,659,238,000.00	8,901,987,000.00	11,841,921,000.00	-	
16	Fee and commission expenses	-	-	-	-	
17	Net Other Operating Income (F)	10,021,741,000.00	13,220,642,000.00	18,610,259,000.00	13,950,880,666.67	
18	Other operating income	628,161,000.00	1,057,745,000.00	1,388,212,000.00		
19	Other operating expenses	10,021,741,000.00	13,220,642,000.00	18,610,259,000.00		
20						
21	III. "Financial": (I)+(J)					
22	Net profit (loss) on the trading book					
23	Net profit (loss) on the banking book					
24						
25	Total (I+II+III)					29,848,684,764
26	Marginal Coefficient (a)					0.12
27	Capital Charge (Average*risk factor)					3,581,842,171.70
28	Conversion Factor					8.33
29	Calibrated Risk-Weighted Equivalent Amount					29,848,684,764.17

Market Risk Qualitative disclosures

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

The market risks arising from trading and non-trading activities are concentrated in the Bank's treasury department and monitored regularly. Regular reports are submitted to the bank Assets and Liability Committees (ALCO) and heads of department.

Quantitative disclosures
Computation of Capital Charge for Market Risk as at: 31st December 2025
(Figures in TZS thousand)

Particulars	Capital charge in simplified standardized method
Interest rate risk	
Equity risk	
Foreign exchange risk	45,970,192.30

Leverage Ratio for the period ended 31st December 2025 (Amounts in TZS thousands)

S/n		31st December 2025	31st December 2024
	Total Exposure Measure		
1	Total On Balance Sheet Assets	470,789,576,000	324,926,348,000
2	Total Off Balance Sheet Assets	27,890,687,642	26,155,887,653
	Tier 1 Capital		
	Tier 1 Capital	55,395,868,650	44,741,249,229
3	Leverage Ratio		12.74%

Liquidity Coverage Ratio
Computation of Liquidity Coverage Ratio (LCR) as at 31st December 2025

S/NO	PARTICULARS	Outstanding Amount	Factor	Net Amount
a	b	c	d	e
1	Stock of High Quality Liquid Assets (HQLA)			
2	Cash (notes and coins)	5,314,860,000	100%	5,314,860,000
3	Balances with Bank of Tanzania to the extent that these balances can be drawn down in times of stress ¹	28,902,134,000	100%	28,902,134,000
4	Balances with Other banks and Interbank Loan Receivable callable on demand or with a maturity of less than 30 days	18,162,400,000	100%	18,162,400,000
5	Unencumbered Government securities maturing within 1 year	0	95%	0
6	Unencumbered Government securities maturing after 1 year	20,548,094,000	80%	16,438,475,200
7	Total high quality liquid assets	72,927,488,000	0%	68,817,869,200
8	Cash Outflows	0	0%	0
9	Demand deposits	53,257,395,000	10%	5,325,739,500
10	Savings deposits	46,500,075,104	10%	4,650,007,510
11	Time deposits (maturing in 30 days)	14,536,800,719	100%	14,536,800,719
12	Deposits from banks and financial institutions (maturing in 30 days)	45,078,560,000	100%	45,078,560,000
13	Derivatives cash outflows (sum of all net cash outflows due within 30 days)	0	100%	0
14	All other contractual cash outflows (maturing in 30 days)	0	100%	0
15	Undrawn and unexpired overdrafts	26,368,288,744	30%	7,910,486,623
16	Undrawn balances of loans	0	10%	0
17	Other contingent funding liabilities (such as guarantees and letters of credit)	2,666,797,796	5%	133,339,890
18	Total cash outflows	188,407,917,362	-	77,634,934,242
19	Cash Inflows	-	-	-
20	Loans and advances (maturing within 30 days)	24,207,747,711	50%	12,103,873,855
21	Due from banks and financial institutions (maturing in 30 days)	74,097,899,000	100%	74,097,899,000
22	All other contractual cash inflows (maturing in 30 days)	0	100%	0
23	Net derivatives cash inflows	0	100%	0
24	Total cash inflows	98,305,646,711	-	86,201,772,855
25	Total net cash outflows = Total cash outflows minus the lower of total cash inflows and 75% of gross outflows	-	-	19,408,733,561
26	Liquidity Coverage Ratio = (Total high quality liquid assets)/(Total net cash outflows)	-	-	355%

Net Stable Funding Ratio
Computation of Net Stable Funding Ratio (NSFR) as at 31st December 2025

	PARTICULARS	Carrying Amount	Factor	Weighted Amount(B*C)
a	b	c	d	e
1	Available Stable Funding (ASF)			
2	Common equity Tier 1	55,395,868,649.78	100%	55,395,868,649.78
3	Additional Tier 1	-	100%	-
4	Tier 2 Capital (excluding Tier 2 instruments with residual maturity of less than one year)	-	100%	-
5	Borrowings and liabilities with maturities of one year or more	12,028,723,000.00	100%	12,028,723,000.00
6	Stable demand and/or term deposits from retail and small business customers with residual maturity of less than one year.	102,020,337,000.00	95%	96,919,320,150.00
7	Less stable demand and/or term deposits from retail and small business customers with residual maturity of less than one year.	211,248,423,385.84	90%	190,123,581,047.26
8	Funding with residual maturity of less than one year provided by non-financial corporate customers	-	50%	-
9	Operational Deposits	-	50%	-
10	Funding with residual maturity of less than one year from sovereigns, public sector entities (PSEs), and multilateral and national development banks	30,504,990,438.54	50%	15,252,495,219.27
11	Other funding maturing within a period of six months to one year and not included in the line items above, including funding provided by central banks and financial institutions, including banks within the same cooperative network	-	50%	-
12	Deferred tax liabilities (if the effective maturity of the liability greater than one year).	-	100%	-
13	Deferred tax liabilities maturing within a period of six months to one year.	-	50%	-
14	Deferred tax liabilities maturing within six months.	-	50%	-
15	*Minority Interest - If perpetual or with effective maturity of greater than or equal to one year	-	100%	-
16	Minority Interest with residual maturity between six months and less than one year.	-	50%	-
17	Minority Interest with effective maturity of less than six months.	-	0%	-
18	All other liabilities and equity not included in the above categories, including liabilities without a stated maturity.	-	0%	-
19	NSFR derivative liabilities net of NSFR derivative assets if NSFR derivative liabilities are greater than NSFR derivative assets	-	0%	-
20	NSFR derivative liabilities (derivative liabilities less total collateral posted as variation margin on derivative liabilities).	-	0%	-
21	"Trade date" payables arising from purchases of financial instruments, foreign currencies	-	0%	-
22	Total Available Stable Funding (ASF) [sum (1)-(21)]	-	0%	369,719,988,066.31
23	Required Stable Funding (RSF)	-	0%	-
24	On-balance sheet	-	0%	-
25	Cash	5,314,860,000.00	0%	-
26	Balances with Bank of Tanzania (All balances including Statutory Minimum Reserve).	28,902,134,000.00	0%	-
27	Claims on Bank of Tanzania with residual maturities of less than six months.	-	0%	-
28	Receivables arising from sales of financial instruments and foreign currencies.	-	0%	-
29	Unencumbered HQLA excluding cash and balance with the Bank of Tanzania.	2,137,000,000.00	5%	106,850,000.00
30	Unencumbered loans to banks and financial institutions with residual maturities of less than six months, where the loan is secured against Level 1 assets, where a bank or financial institution has the ability to freely rehypothecate the received collateral	20,402,952,000.00	10%	2,040,295,200.00
31	All other unencumbered loans to banks and financial institutions with residual maturities of less than six months not included in the above categories.	-	15%	-
32	HQLA encumbered for a period of six months or more and less than one year.	-	50%	-
33	Loans to Bank of Tanzania, banks and financial institutions with residual maturities between six months and less than one year.	-	50%	-
34	Deposits held at other banks and financial institutions for operational purposes	74,097,899,000.00	50%	37,048,949,500.00
35	All other assets not included in the above categories with residual maturity of less than one year.	-	50%	-
36	Unencumbered residential mortgages with a residual maturity of one year or more and with a risk weight of less than or equal to 75%.	2,429,473,444.18	65%	1,579,157,738.72
37	Other unencumbered loans not included in the above categories, excluding loans to banks and financial institutions, with a residual maturity of one year or more and with a risk weight of less than or equal to 50%.	29,960,945,577.43	65%	19,474,614,625.33
38	Cash, securities or other assets posted as initial margin for derivative contracts and cash or other assets provided to contribute to the default fund of a Central Counter Party.	-	85%	-
39	Other unencumbered performing loans with risk weights greater than 50% and residual maturities of one year or more, excluding loans to banks and financial institutions.	272,198,168,768.25	85%	231,368,443,453.01
40	Unencumbered securities that are not in default and do not qualify as HQLA with a remaining maturity of one year or more and exchange-traded equities	-	85%	-
41	Physical traded commodities, including gold	-	85%	-
42	All other assets that are encumbered for a period of one year or more	-	100%	-
43	Derivative assets net of derivative liabilities if derivative assets are greater than derivative liabilities.	-	100%	-
44	All other assets not included in the above categories, including non-performing loans, loans to banks and financial institutions with a residual maturity of one year or more, non-exchange-traded equities, fixed assets, items deducted from regulatory capital, retained interest, insurance assets, subsidiary interests and defaulted securities.	712,900,210.14	100%	712,900,210.14
45	Off-balance sheet	-	0%	-
46	Irrevocable and conditionally revocable credit and liquidity facilities to any client	-	5%	-
47	Unconditionally revocable credit and liquidity facilities	-	5%	-
48	Trade finance-related obligations (including guarantees and letters of credit)	2,666,797,795.72	1%	26,667,977.96
49	Guarantees and letters of credit unrelated to trade finance obligations	-	1%	-
50	Other non-contractual obligations	-	1%	-
51	All other off balance-sheet obligations not included in the above categories.	26,368,288,744.01	5%	1,318,414,437.20
52	Total Required Stable Funding (RSF) [sum (22)-(47)]	-	-	293,676,293,142.36
53	Net Stable Funding Ratio = (Total available stable funding)/(Total required stable funding) [B/D]	-	-	126%