Stanbic Bank

ISSUED PURSUANT TO GUIDELINES 24 AND 25 OF THE MARKET DISCIPLINE GUIDELINES FOR BANKS AND FINANCIAL INSTITUTIONS, 2023

Qualitative information about credit risk

Credit risk

The bank takes on exposure to credit risk, which is the risk that 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 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 loan commitments. The credit risk management and control are centralized in Credit Risk Management Team of the bank and reported to Board Credit Committee of the Board of Directors.

The board of Directors has delegated responsibility for the oversight of credit risk to its Board Credit Committee (BCC) of the report of those charged with governance). A separate bank Credit department, reporting to the Board Credit Committee, is responsible for managing the bank's credit risk, including the following:

Management of credit risk

- Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements as well as aligning credit policies to the Bank.
- Establishing the authorization structure for the approval and renewal of credit facilities. Authorization limits are allocated to business unit Credit Officers. Larger facilities require approval by Board Credit Committee, the Head of bank Credit or the board of Directors as appropriate.
- Reviewing and assessing credit risk: bank Credit department assesses all credit exposures in excess of designated limits, before facilities are committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process.
- Limiting concentrations of exposure to counterparties, geographies and industries (for loans and advances, financial guarantees and similar exposures), and by issuer, credit rating band, market liquidity and country (for investment securities).
- Developing and maintaining the bank's risk grading to categorize exposures according to the degree of risk of financial loss faced and to focus management on the attendant risks. The risk grading system is used in determining where impairment may be required against specific credit exposures.
- Reviewing compliance of business units with agreed exposure limits, including those for selected industries, country risk and product types. Regular reports on the credit quality of local portfolios are provided to Board Credit Committee, which may require appropriate corrective action to be taken.
- Providing advice, guidance and specialist skills to business units to promote best practice throughout the bank in the management of credit risk.
- Each business unit is required to implement bank credit policies and procedures, with credit approval authorities delegated from the Board Credit Committee. Each business unit is responsible for the quality and performance of its credit portfolio and for monitoring and controlling all credit risks in its portfolios, including those subjects to Board approval.

In measuring credit risk of loans and advances to customers and to banks and government securities at a counterparty level and other, the bank reflects three components (i) the 'probability of default' by the client or counterparty on its contractual obligations; (ii) current exposures to the counterparty and its likely future development, from which the bank derives the 'exposure at default'; and (iii) the likely recovery ratio on the defaulted obligations (the 'loss given default'). These credit risk measurements, which reflect expected loss, are embedded in the bank's daily operational management.

Qualitative criteria are also considered in grading credit risk exposures.

Risk limit control and mitigation policies

The bank manages limits and controls concentrations of credit risk wherever they are identified and in particular, to individual counterparties and groups, and to industries. The bank 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. Limits on the level of credit risk by product and industry sector are approved quarterly by the Board of Directors.

The exposure to any one borrower including banks is further restricted by sub-limits covering on- and off-balance sheet exposures, and daily delivery risk limits in relation to trading items. 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.

(a) Collateral:

The bank mitigates credit risk by holding collateral such as mortgage interests over property, other registered securities over assets, and guarantees, with the type and amount determined by the counterparty's credit risk assessment.

(b) Derivatives:

Credit risk on derivatives is tightly controlled through limits on net positions by amount and term and is restricted to the positive fair value of contracts favourable to the bank, which is only a small proportion of notional amounts. This risk is managed within overall counterparty lending limits, with collateral generally not required except for margin deposits, and settlement risk is controlled through daily counterparty limits.

(c) Credit-related commitments:

Guarantees, standby letters of credit and commitments to extend credit expose the bank to credit risk similar to loans, although documentary and commercial letters of credit are typically lower risk as they are collateralised by underlying goods and monitored by maturity profile.

Prudential Regulatory Metrics						Amounts in TZS millions
		a	b	c	d	e
S/N	Metric	31-Dec-25	30-Sep-25	30-Jun-25	31-Mar-25	31-Dec-24
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	570,011	498,169	486,634	510,184	494,305
2	Tier 1	570,011	498,169	486,634	510,184	494,305
3	Total capital	570,011	498,169	486,634	510,184	494,305
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	2,330,234	2,293,098	2,182,271	1,993,192	2,298,672
	Risk-weighted assets (amounts)					
5	Common Equity Tier 1 ratio (%)	24.46%	21.7%	22.3%	25.6%	21.5%
6	Tier 1 ratio (%)	24.46%	21.7%	22.3%	25.6%	21.5%
7	Total capital ratio (%)	24.46%	21.7%	22.3%	25.6%	21.5%
	Additional CET1 buffer requirements as a percentage of RWA					
8	Capital conservation buffer requirement (2.5%)	12.46%	9.72%	10.30%	13.60%	9.50%
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	12.46%	9.72%	10.30%	13.60%	9.50%
	Basel III leverage ratio					
11	Total Basel III leverage ratio exposure measure	4,464,975	4,388,993	4,263,683	4,024,612	3,878,312
12	Basel III leverage ratio (%) (Tier 1 Capital/ Exposure Measure)	12.77%	11.35%	11.41%	12.68%	12.75%
	Liquidity Coverage Ratio					
13	Total high-quality liquid assets (HQLA)	365,673	446,240	527,254	602,293	504,995
14	Total net cash outflow	228,063	220,374	250,687	196,915	198,636
15	LCR (%)	160%	202%	210.3%	305.9%	254%
	Net Stable Funding Ratio					
16	Total available stable funding	2,171,812	2,079,780	2,035,289	1,989,903	1,996,488
17	Total required stable funding	1,792,549	1,686,946	1,649,796	1,526,677	1,381,894
18	NSFR (%)	121%	123%	123%	130%	144%

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Composition of regulatory capital

Capital Adequacy Return as of		31-Dec-25	
		31-Dec-25	31-Dec-24
S/N		TZS	
	Common Equity Tier 1 Capital (CET1): Instruments and reserves	**Amount**	**Amount**
1	Fully Paid-up Ordinary Shares Capital	8,400	8,400
2	Share Premium arising from ordinary shares	112,396	112,396
3	Retained earnings less foreseeable dividends	352,707	273,143
4	Other disclosed reserves:	-	-
5	Year to date profits of:	-	-
6	Fifty percent of the year to date profits less foreseeable dividends where accounts are unadited or:	-	-
7	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:	135,325	128,003
8	**CET 1 before Regulatory Adjustments**	608,828	521,942
9	**Regulatory adjustments applied to CET1:**	38,817	27,638
10	Year to date losses:	-	-
11	Goodwill:	-	-
12	Other intangible assets:	-	-
13	Deferred tax assets that rely on future profitability:	31,166	22,822
14	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:	-	-
15	The amount of items required to be deducted from additional tier 1 items that exceed the additional tier 1 capital of the bank	-	-
16	Pre-paid expenses:	7,651	4,815
17	Pre-operating expenses.	-	-
18	**Common Equity Tier 1**	570,011	494,305
19	**Additional Tier 1 Capital**	-	-
20	Non-cumulative irredeemable preference shares	-	-
21	Share premium arising from non-cumula	-	-
22	Other Qualifying Additional Tier 1 capital instruments plus any related share premium	-	-
23	**Additional Tier 1 Capital before regulatory adjustments**	-	-
24	**Total regulatory adjustment applied to Additional Tier 1 Capital**	-	-
25	The amount of items required to be deducted from Tier 2 items that exceed the Tier 2 capital of the bank.	-	-
26	Other Items Qualifying to be deducted from Additional Tier-1 Capital.	-	-
27	**Additional Tier 1 capital recognized for capital adequacy**	570,011	494,305
28	**Tier 2 Capital**	-	-
29	Qualifying Tier 2 capital instruments and subordinated loans that meet the conditions stipulated by the Bank.	-	-
30	Share premium arising from capital instruments and subordinated loans qualifying as Tier 2 Capital	-	-
29	Qualifying Tier 2 capital instruments and subordinated loans that meet the conditions stipulated by the Bank.	-	-
30	Share premium arising from capital instruments and subordinated loans qualifying as Tier 2 Capital	-	-
31	Instruments issued by consolidate subsidiaries and held by third parties that met the criteria stipulated by the Bank.	-	-
32	General provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk Weighted Assets	-	-
33	**Total Tier 2 capital admissible for capital adequacy**	-	-
34	**TOTAL CAPITAL (Tier Capital plus Tier 2 Capital).**	570,011	494,305
35	**Total Risk Weighted Assets (RWA)**	2,330,234	2,298,672
36	**Capital Ratios and buffers (in percentage of risk weighted assets)**		
37	CET1 to total RWA	24.46%	21.50%
38	Tier-1 capital to total RWA	24.46%	21.50%
39	Total capital to total RWA	24.46%	21.50%
40	Capital conservation buffer	12.46%	9.50%
41	**National minimum capital requirements prescribed by the Bank of Tanzania**		
42	CET1 to total RWA	8.50%	8.50%
43	Tier-1 capital to total RWA	10.00%	10.00%
44	Total capital to total RWA	12.00%	12.00%
45	Capital conservation buffer	2.50%	2.50%

Credit quality of assets

	a	b	c	d
	Gross carrying values of:			
	Defaulted exposures	Non-defaulted exposures	Allowances/impairments	Net values (a+b-c)
Loans	45809	1820722	39067	1827465
Debt securities	0	289171	0	289171
Off balance sheet items	0	1724838	1156	1723682
Total	45809	3834731	40223	3840318

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Standardized approach – credit risk exposure and credit risk mitigation effects

		a	b	c	d	e	f
		Exposure before CCF and CRM		Exposures post CCF and post-CRM		RWA and RWA density	
	Assets Classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Sovereigns and their central banks	761,171	0	272	0	54.39	20%
2	Non-central government public sector entities	-	0	0	0	-	0%
3	Multilateral development banks	-	0	0	0	-	0%
4	Banks and financial instutions	977,979	0	977,979	0	223,686.85	23%
5	Corporates and securities firms	1,180,048	0	1,177,399	0	1,136,652.94	97%
6	Retail	296,861	0	296,861	0	138,354.11	47%
7	Retail estate	36,154	0	16,002	0	13,381.16	84%
8	Defaulted exposures	45,809	0	45,809	0	45,809.36	100%
9	Other assets	204,154	0	204,154	0	157,272.85	77%
10	Total	3,502,177	0	2,718,477	0	1,715,211.66	63%

Standardized approach – exposures by asset classes and risk weights

	0%	20%	50%	100%	150%		Total credit exposure amount (post - CCF and post - CRM)
Sovereigns and their central banks	760,899	272	-	-	-		54.39
	0%	20%	50%	100%	150%		Total credit exposure amount (post - CCF and post - CRM)
Public sector entitites							
	0%	20%	50%	100%	150%		Total credit exposure amount (post - CCF and post - CRM)
Multilateral development banks							
	0%	20%	50%	100%	150%		Total credit exposure amount (post - CCF and post - CRM)
Banks and financial institutions	-	942,865.42	-	35,113.77	-	-	223,686.85
	0%	20%	50%	100%	150%		Total credit exposure amount (post - CCF and post - CRM)
Corporates and securities firms	2,649	50,933	-	1,126,466	-		1136652.939
	0%	20%	50%	100%	75%		Total credit exposure amount (post - CCF and post - CRM)
Retail	20,152		276,708				138,354
	20%	25%	30%	40%	50%	70%	Total credit exposure amount (post - CCF and post - CRM)
Residential real estate	6,435	3,552	14,743	1,444	3,900	6,079	13,381
Commercial real estate							
				100%	150%		Total credit exposure amount (post - CCF and post - CRM)
Defaulted exposures				45,809			45809.4
	0%	20%	100%	1250%			Total credit exposure amount (post - CCF and post - CRM)
Other assets	46,881	-	157,273				157,273

Additional disclosure related to the credit quality of assets

A bank or financial institution shall provide the following disclosures

(a) Qualitative disclosures

(a) The scope and definitions of "past due" and "impaired" exposures used for accounting purposes and the differences, if any, between the definition of past due and default for accounting and regulatory purposes.
(b) The extent of past-due exposures (more than 90 days) that are not considered to be impaired and the reasons for this.
(c) Description of methods used for determining impairments
(d) The bank's own definition of a restructured exposure.

(b) Quantitative disclosures

(d) Breakdown of exposures by geographical areas, industry and residual maturity.
(e) Amounts of impaired exposures (according to the definition used by the bank for accounting purposes) and related allowances and write-offs, broken down by geographical areas and industry.
(f) Ageing analysis of accounting past-due exposures.
(h) Breakdown of restructured exposures between impaired and not impaired exposures.

Past due exposures

An exposure is classified as past due when a counterparty has failed to make a payment of principal, interest, or fees by the contractual due date. The determination of days past due is generally based on the earliest unpaid amount and is calculated in calendar days.

Impaired exposures

An exposure is considered impaired when there is objective evidence that a loss event has occurred after initial recognition and that the loss event has a negative impact on the estimated future cash flows of the exposure.

Differences between accounting and regulatory definitions

While the concepts of past due and default are closely aligned, differences may arise between accounting and regulatory definitions:

For regulatory capital purposes, default is generally presumed when an exposure is more than 90 days past due or when the bank considers the obligor unlikely to pay its credit obligations in full.

For accounting purposes, impairment is based on an assessment of expected credit losses and may occur before or after an exposure becomes past due, depending on credit deterioration indicator.

(c) Description of methods used for determining impairments.

Expected credit loss (ECL) on financial assets - IFRS 9 drivers

For the purpose of determining the ECL:

- The BCB and PPB portfolios are based on the product categories or subsets of the product categories, with tailored ECL models per portfolio. The impairment provision calculation incorporates post-write-off recoveries (PWOR) into the loss given default (LGD) when calculating ECL. These LGD parameters are aligned to market practice. During the year, BCB Tier 1 Clients started to adopt the rating model
- CIB exposures are calculated separately based on rating models for each of the asset classes.

ECL measurement period

The ECL measurement period for stage 1 exposures is 12 months (or the remaining tenor of the financial asset for CIB and BCB Tier 1 Clients, if the remaining lifetime is less than 12 months).

- A loss allowance over the full lifetime of the financial asset is required if the credit risk of that financial instrument has increased significantly since initial recognition (stage 2).
- A lifetime measurement period is applied to all credit impaired (stage 3) exposures.
- Lifetimes include consideration for multiple default events, i.e. where defaulted exposures cure and then subsequently re-default. This consideration increases the lifetime periods and the potential ECL.
- The measurement periods for unutilised loan commitments utilise the same approach as on-balance-sheet exposures.

Significant increase in credit risk (SICR) and low credit risk.

BCB and PPB

In accordance with IFRS 9, all exposures are assessed to determine whether there has been SICR at the reporting date, in which case an impairment provision equivalent to the lifetime expected loss is recognised. SICR thresholds, which are behavior score based, are derived for each portfolio vintage of exposures with similar credit risk, are calibrated over time to determine which exposures reflect deterioration relative to the originated population, and consequently reflect an increase in credit risk.

The bank also determines an appropriate transfer rate of exposures from stage 1 to stage 2 by taking into account the expected levels of arrears status for similar exposures. The SICR thresholds are reviewed regularly to ensure that they are appropriately calibrated to identify SICR throughout the life of the exposure and consequently facilitate appropriate impairment coverage.

Where behavior scores are not available, historical levels of delinquency are applied in determining whether there has been SICR. For all exposures, IFRS 9's rebuttable presumption of 30 days past due as well as exposures classified as either debt review or as 'watch-list' are used to classify exposures within stage 2.

From Tanzania perspective, in accordance with BOT guidelines on regulatory flexibilities in restructuring loans and overdraft facilities affected by the Covid-19 pandemic (issued on 15th June 2021), where a restructure is considered due to Covid-19 related factors, the bank determines whether the loan is expected to remain in an up-to-date status subsequent to the relief period. These restructured loans are classified as Covid-19 related restructures and the determination of temporary or permanent distress is assessed monthly. Temporary distressed accounts are classified as Stage 1 or Stage 2 based on their risk profile and permanently distressed accounts are classified as Stage 3.

CIB and BCB Tier 1 Clients

The bank uses a 25-point master rating scale to quantify the credit risk for each exposure. On origination, each client is assigned a credit risk grade within the bank's 25-point master rating scale. Ratings are mapped to PDs by means of calibration formulae that use historical default rates and other data for the applicable portfolio. These credit ratings are evaluated at least annually or more frequently as appropriate.

CIB exposures are evaluated for SICR by comparing the credit risk grade at the reporting date to the origination credit risk grade. Where the relative change in the credit risk grade exceeds certain pre-defined ratings' migration thresholds or, when a contractual payment becomes more than 30 days overdue (IFRS 9's rebuttable presumption), the exposure is classified within stage 2. These pre-defined ratings' migration thresholds have been determined based on historic default experience which indicates that higher rated risk exposures are more sensitive to SICR than lower risk exposures. Based on an analysis of historic default experience, exposures that are classified by the bank's master rating scale as investment grade are assessed for SICR at each reporting date but are considered to be of a low credit risk for IFRS 9 purposes.

Incorporation of forward-looking information in ECL measurement

The bank determines the macroeconomic outlook, over a planning horizon of at least three years, for each country based on the bank's global outlook and its global view of commodities.

For BCB and PPB these forward-looking economic expectations are included in the ECL where adjustments are made based on the bank's macro-economic outlook, using models that correlate these parameters with macro-economic variables. Where modelled correlations are not viable or predictive, adjustments are based on expert judgement to predict the outcomes based on the bank's macro-economic outlook expectations. In addition to forward-looking macroeconomic information, other types of FLI, such as specific event risk, have been taken into account in ECL estimates when required, through the application of out-of-model adjustment.

The bank's macroeconomic outlooks are incorporated in CIB and BCB Tier 1's client rating and include specific forward-looking economic considerations for the individual client. The client rating thus reflects the expected client risk for the bank's expectation of future economic and business conditions. Further adjustments, based on point-in-time market data, are made to the PDs assigned to each risk grade to produce PDs and ECL representative of existing market conditions.

Default

The definition of default, which triggers the credit impaired classification (stage 3), is based on the bank's internal credit risk management approach and definitions. Whilst the specific determination of default varies according to the nature of the product, it is compliant to the Basel definition of default, and generally determined as occurring at the earlier of:

- where, in the bank's view, the counterparty is considered to be unlikely to pay amounts due on the due date or shortly thereafter without recourse to actions such as the realisation of security; or
- when the counterparty is past due for more than 90 days (or, in the case of overdraft facilities in excess of the current limit).

The Bank has not rebutted IFRS 9's 90 days past due assumptions.

Write off policy

An impaired loan is written off once all reasonable attempts at collection have been made and there is no material economic benefit expected from attempting to recover the balance outstanding. The following criteria must be met before a financial asset can be written off:

- the financial asset has been in default for the period defined for the specific product (i.e. VAF, homes loans, etc.) which is deemed sufficient to determine whether the entity is able to receive any further economic benefit from the impaired loan; and
- at the point of writing off, the financial asset is fully impaired (i.e. 100% allowance) with no reasonable expectations of recovery of the asset, or a portion thereof.

As an exception to the above requirements, where the exposure is secured (or for collateralised structures), the impaired loan can only be written off once the collateral has been realised. Post realisation of the collateral, the shortfall amount can be written off if it meets the second requirement listed above. The shortfall amount does not need to meet the first requirement to be written off.

Curing

Continuous assessment is required to determine whether the conditions that led to a financial asset being considered to be credit impaired (i.e. stage 3) still exist. Distressed restructured financial assets that no longer qualify as credit impaired remain within stage 3 for a minimum period of six months (i.e. six full consecutive monthly payments per the terms and conditions). In the case of financial assets with quarterly or longer dated repayment terms, the classification of a financial asset out of stage 3 may be made subsequent to an evaluation by the bank's CIB or BCB and PPB Credit Governance Committee (as appropriate), such evaluation will take into account qualitative factors in addition to compliance with payment terms and conditions of the agreement. Qualitative factors include compliance with covenants and compliance with existing financial asset.

Where it has been determined that a financial asset no longer meets the criteria for significant increase in credit risk, the financial asset will be moved from stage 2 (lifetime expected credit loss model) back to stage 1 (12-month expected credit loss model) prospectively.

The Bank's forward-looking economic expectations

The bank's forward-looking economic expectations are applied in the determination of the ECL at the reporting date.

A range of base, bull and bear forward looking economic expectations are determined at reporting date for inclusion in the bank's forward-looking process and ECL calculation.

(d) Definition of restructured loans

Restructured loans (renegotiated loans) are exposures that have been refinanced, rescheduled, rolled over or otherwise modified because of either a customer request to alter the re-payment profile, weaknesses in the counterparty's financial position, to avoid the potential of future arrears, or where it has been judged that normal repayment, albeit on a different repayment profile, will probably continue after the restructure.

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(a) Geographical concentration						
2025	**Tanzania TZS'000**	**Europe TZS'000**	**United States TZS'000**	**South Africa TZS'000**	**Others TZS'000**	**Total TZS'000**
Balances with bank of Tanzania	238,249,420	-	-	-	-	238,249,420
Derivative financial assets	24,483,278	29,032	-	2,415,590	-	26,927,900
Loans and advances to banks	41,076,833	392,374,040	68,327,495	-	442,312,228	944,090,596
Loans and advances to customers:						
-Loans to individuals and SME (gross)	451,482,943	-	-	-	-	451,482,943
-Loans to corporate entities (gross):	1,483,867,874	-	-	-	-	1,483,867,874
Investment securities at amortized cost	35,113,765	-	-	-	-	35,113,765
Investment in government securities						
-At FVTPL	36,829,727	-	-	-	-	36,829,727
-At FVOCI	217,574,169	-	-	-	-	217,574,169
Other assets	16,318,718	-	-	-	-	16,318,718
Total on balance sheet	2,544,996,727	392,403,072	392,403,072	2,415,590	442,312,228	3,450,455,112
Outstanding letters of credit	209,752,470	-	-	-	-	209,752,470
Guarantees and indemnities	1,524,080,182	-	-	-	-	1,524,080,182
Commitments to extend credit	144,478,722	-	-	-	-	144,478,722
Total off-balance sheet	1878311374	-	-	-	-	1,878,311,374

(b) Industry sectors									
	Government	**Financial institutions TZS'000**	**Agriculture TZS'000**	**Construction TZS'000**	**Trade and distribution TZS'000**	**Manufacturing TZS'000**	**Transport TZS'000**	**Others TZS'000**	**Total TZS'000**
Cash and balances with Bank of Tanzania	238,249,420	-	-	-	-	-	-	-	238,249,420
Loans and advances to banks	-	944,090,596	-	-	-	-	-	-	944,090,596
Loans and advances to customers (gross)	320,625,068	13,591,125	122,860,509	48,088,675	218,829,494	308,119,258	189,277,066	713,959,624	1,935,350,819
Investment securities at amortized cost		35,113,765							
Investment in government securities									
-At FVTPL	36,482,956	-	-	-	-	-	-	-	36,482,956
-At FVTOCI	217,574,169	-	-	-	-	-	-	-	217,574,169
Other assets	-	-	-	-	-	-	-	16,318,718	16,318,718
Total on balance sheet	812,931,613	992,795,486	122,860,509	48,088,675	218,829,494	308,119,258	189,277,066	730,278,342	3,423,180,443
Outstanding letters of credit	-	-	-	3,951,808	12,061,465	9,623,606	572,222	183,543,370	209,752,470
Guarantees and indemnities	-	1,112,035,297	465,300	12,015,082	36,264	2,718,660	13,072,869	383,736,710	1,524,080,182
Commitments to extend credit	-	-	12,294,499	6,505,071	26,136,173	30,166,264	19,457,396	49,919,319	144,478,722
Total off-balance sheet	-	1,112,035,297	12,759,799	22,471,961	38,233,902	42,508,530	33,102,487	617,199,399	1,878,311,374

Credit impaired assets

Credit impaired assets	**Gross exposure TZS'000**	**Impairment allowance TZS'000**	**Carrying amount TZS'000**
Loans to individuals:			
- Overdrafts	665,149	196,752	468,396
- Term loans	39,651,012	20,872,232	18,778,780
- Mortgages	3,698,032	2,108,363	1,589,670
	44,014,193	23,177,347	20,836,846
Loans to corporate entities:			
- Large corporate customers	-	-	-
- Small and medium-sized enterprises (SMEs)	1,795,118	1,139,201	655,916
	1,795,118	1,139,201	655,916
Total credit impaired assets	45,809,311	24,316,548	21,492,762

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Ageing analysis of accounting past-due exposures

Amount in millions

Description	1-30 Days	31-60 Days	61-90 days	Year 1	Year 1-2	Year 2-3	Year 3-5	Total
Past Due Exposure	61,239	7,701	4,192	9,174	35,686	1,006	0	118,997

Breakdown of restructured exposures between impaired and not impaired exposures

Amount in millions

Description	Restructured loan amount
Impaired	2,815
Non-Impaired	1,613
Total	4,427

Written off impaired exposure by industry

Amount in millions

Industry	Amount
BUILDING AND CONSTRUCTION	141
PERSONAL/PRIVATE	4,445
TRADE	1,139
TRANSPORT AND COMMUNICATION	147
Total	5,872

Amounts of impaired exposures (according to the definition used by the bank for accounting purposes) and related allowances broken down by geographical areas

Amount in millions

Industry	Outstanding Balance	IFRS 9 Provision
AGRICULTURE	76	18
HOTEL AND RESTAURANT	259	51
MANUFACTURING	20,404	9,739
OIL & GAS	71	60
PERSONAL/PRIVATE	12,997	10,462
TRADE	9,426	3,386
TRANSPORT AND COMMUNICATION	2,576	600
Total	45,808	24,316

Amount in millions

Location	Outstanding balance	IFRS 9 Provision
Arusha	1,490	1,112
Dar-es-Salaam	19,452	14,399
Dodoma	192	172
Mbeya	644	578
Moshi	151	136
Mwanza	23,163	7,700
Tanga	717	220
Total	45,809	24,316

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Qualitative disclosure requirements related to credit risk mitigation techniques

Collateral Evaluation and Management

The Bank has established comprehensive policies and processes for the evaluation, acceptance, monitoring, and management of collateral used as credit risk mitigation. Eligible collateral types are defined in the Credit Risk Policy and include cash, government securities, corporate bonds, equities, and certain types of property, subject to strict eligibility and haircut criteria.

Collateral is initially valued at fair value, with valuations supported by independent or market-based data where available. Ongoing collateral valuations are performed at regular intervals, with increased frequency during periods of market volatility. The Bank applies conservative haircuts to collateral values to reflect the most recoverable amount.

Collateral management processes include margining arrangements, collateral concentration limits, enforceability monitoring, and escalation procedures where collateral coverage deteriorates.

Information about market or credit risk concentrations under the credit risk mitigation instruments used

- Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements as well as aligning credit policies to the Bank.
- Establishing the authorization structure for the approval and renewal of credit facilities. Authorization limits are allocated to business unit Credit Officers. Larger facilities require approval by Board Credit Committee, the Head of bank Credit or the board of Directors as appropriate.
- Reviewing and assessing credit risk: bank Credit department assesses all credit exposures in excess of designated limits, before facilities are committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process.
- Limiting concentrations of exposure to counterparties, geographies and industries (for loans and advances, financial guarantees and similar exposures), and by issuer, credit rating band, market liquidity and country (for investment securities).
- Developing and maintaining the bank's risk grading to categorize exposures according to the degree of risk of financial loss faced and to focus management on the attendant risks. The risk grading system is used in determining where impairment may be required against specific credit exposures.
- Reviewing compliance of business units with agreed exposure limits, including those for selected industries, country risk and product types. Regular reports on the credit quality of local portfolios are provided to Board Credit Committee, which may require appropriate corrective action to be taken.
- Providing advice, guidance and specialist skills to business units to promote best practice throughout the bank in the management of credit risk.
- Each business unit is required to implement bank credit policies and procedures, with credit approval authorities delegated from the Board Credit Committee. Each business unit is responsible for the quality and performance of its credit portfolio and for monitoring and controlling all credit risks in its portfolios, including those subjects to Board approval.

Credit risk mitigation (CRM) techniques – overview

	a Exposure carrying amount	b Exposures secured by eligible collateral	c Exposures not secured by eligible collateral (a) - (b)
Loans	1,827,465	73,735	1,753,730
Debt securities	289,171		289,171
Total	2,116,636	73,735	2,042,901
Of which defaulted	45,809		45,809

Operational risk – Qualitative disclosures

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the bank's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and general accepted standards of corporate behavior. Operational risk arises from all of the bank's operations.

The bank's objective is to manage operational risks so as to balance the avoidance of financial losses and damage to the bank's reputation with all cost effectiveness and innovation. In all cases, bank policy requires compliance with all applicable legal and regulatory requirements.

The Board of Directors has delegated the responsibility for operational risk to its bank Operational risk team under Risk department. The responsibility is supported by the overall bank standards for the management of operational risk in the following areas:

- requirement for appropriate segregation of duties, including the independent authorization of transactions;
- requirement for reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements.
- documentation of controls and procedures.
- requirement for the periodic assessment of operational risk faced, and the adequacy of controls and procedures to address the risks identified.
- requirement for reporting of operational losses and proposed remedial action.
- development of contingent plans
- training and professional development
- ethical and business standards; and
- risk mitigation, including insurance where this is cost effective.

Compliance with the Bank's standards is reinforced through a risk based audit plan that outlines the periodic reviews conducted by Internal Audit across key operational risk areas. The outcomes of these audits are discussed with management and the Operational Risk team and are subsequently reported to the Bank's Board Audit Committee.

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Operational risk – Quantitative disclosures Minimum required operational risk capital		Amount				
S/N	Particulars	Year 1	Year 2	Year 3	Average of BI elements	Total BI
a	b	c	d	e	f	g
1	I. "Interest, Lease and Dividend": (A)+(C)+(D)				-	51,239
2	The Minimum of Net Interest Income and 2.25% of Interest bearing Assets	41,175	51,565	60,978	51,239.30	-
3	Net Interest Income (A):	101,093	152,959	184,106	-	-
4	Interest income	121,581	185,928	235,365	-	-
5	Interest expense	20,488	32,969	51,258	-	-
6	Interest bearing assets (B)	1,829,980	2,291,794	2,710,134	-	-
7	2.25% of Interest bearing assets	41,175	51,565	60,978	-	-
8	Net Financial and operating lease (C)	-	-	-	-	-
9	Financial and operating lease income, profits from leased assets	-	-	-	-	-
10	Financial and operating lease, losses from leased assets, depreciation and impairment of operating leased assets	-	-	-	-	-
11	Dividend income (D)	-	-	-	-	-
12		-	-	-	-	-
13	II. "Services" : (E)+(F)	-	-	-	-	39,489
14	Net Fee and Commission Income (E)	30,727	40,067	47,672	39,488.66	-
15	Fee and commission income	30,727	40,067	47,672	-	-
16	Fee and commission expenses	3,724	4,710	5,985	-	-
17	Net Other Operating Income (F)	-	-	-	-	-
18	Other operating income	-	-	-	-	-
19	Other operating expenses	-	-	-	-	-
20		-	-	-	-	-
21	III. "Financial" : (I)+(J)	41,212	78,355	100,933	73,500.15	73,500
22	Net profit (loss) on the trading book	41,212	78,355	100,933	-	-
23	Net profit (loss) on the banking book	-	-	-	-	-
24		-	-	-	-	-
25	Total (I+II+III)	-	-	-	-	164,228
26	Marginal Coefficient (a)	-	-	-	-	0.12
27	Capital Charge (Average*risk factor)	-	-	-	-	19,707.37
28	Conversion Factor	-	-	-	-	8.33
29	Calibrated Risk-Weighted Equivalent Amount	-	-	-	-	164,228

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Market Risk

'Market risk' is the risk that changes in market prices – such as interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/ issuer's credit standing) – will affect the bank's income or the value of its holdings of financial instruments. The objective of the bank's market risk management is to manage and control market risk exposures within acceptable parameters to ensure the bank's solvency while optimising the return on risk.

Management of market risks

The bank separates its exposure to market risks between trading and non-trading portfolios. Trading portfolios are mainly held by the Corporate Investment Banking unit and include positions arising from market making and proprietary position taking, together with financial assets and financial liabilities that are managed on a fair value basis.

Overall authority for market risk is vested in ALCO. ALCO sets up limits for each type of risk in aggregate and for portfolios, with market liquidity being a primary factor in determining the level of limits set for trading portfolios. The bank market risk department is responsible for the development of detailed risk management policies from Group market risk management policy to suite the bank operating environment and for the day-to-day review of their implementation. These policies are reviewed and approved by Board.

The bank employs a range of tools to monitor and limit market risk exposures. These are discussed below, separately for trading and 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 Board of Directors and heads of departments. Trading portfolios include those positions arising from market-making transactions where the bank acts as principal with clients or with the market.

Non-trading portfolios primarily arise from the interest rate management of the entity's retail and commercial banking assets and liabilities.

Market risk measurement techniques

The major measurement techniques used to measure and control market risk are outlined below:

Value at risk

The principal tool used to measure and control market risk exposure within the bank's trading and non-trading portfolios is Value at Risk (VAR). VAR is a statistically based estimate of the potential loss on the current portfolio from adverse market movements. It expresses the 'maximum' amount the bank might lose, but only to a certain level of confidence (95%). There is therefore a specified statistical probability (5%) that actual loss could be greater than the VAR estimate.

The bank applies a 'value at risk' methodology (VAR) to its trading and non-trading portfolios, to estimate the market risk of positions held and the maximum losses expected, based upon a number of assumptions for various changes in market conditions. The ALCO sets limits on the value of risk that may be acceptable for the bank, which are monitored on a weekly basis by Head of Risk.

The use of this approach does not prevent losses outside of these limits in the event of more significant market movements. As VAR constitutes an integral part of the bank's market risk control regime, VAR limits are established by the Board annually for all trading and non-trading portfolios. Actual exposure against limits, is reviewed daily by bank's Treasury.

The quality of the VAR model is continuously monitored by back-testing the VAR results for trading books. All back-testing exceptions and any exceptional revenues on the profit side of the VAR distribution are investigated.

Quantitative Disclosures	
	Amount in millions
	Capital charge in simplified standardized method
Interest rate risk	287
Equity risk	-
Foreign exchange risk	6,282

Interest rate risk in the banking book

Overview

The Bank is exposed to Interest Rate Risk in the Banking Book (IRRBB), which arises from the impact of changes in interest rates on the Bank's net interest income (NII) and the economic value of equity. This risk applies to all banking book positions, in both local and foreign currencies, and excludes trading book positions.

IRRBB is managed in line with Bank of Tanzania regulatory requirements, Basel Committee on Banking Supervision (BCBS) principles, and the Standard Bank Group risk management framework.

Risk Management Objective

The objective of the IRRBB framework is to identify, measure, monitor, control, and report interest rate risk exposures in a prudent and forward-looking manner, ensuring they remain within the Bank's approved risk appetite and tolerance levels.

Governance and Oversight

The Board of Directors approves the IRRBB risk appetite and policy.

Oversight and day-to-day monitoring are delegated to the Asset and Liability Committee (ALCO).

Treasury and the Asset and Liability Management (ALM) unit are responsible for implementing IRRBB management strategies and measurement methodologies.

IRRBB exposures are reviewed at least monthly, with escalation procedures in place for breaches of monitoring limits, appetite triggers, or tolerance limits.

Nature of IRRBB

The Bank recognises the following main components of IRRBB:
Gap risk: timing mismatches in the repricing of assets and liabilities.
Basis risk: differences between interest rate indices applied to assets and liabilities of similar maturity.
Option risk: embedded or behavioural optionality, such as loan prepayments or discretionary deposit repricing.
Endowment risk: the structural interest rate exposure arising from non-interest-bearing or partially interest-rate-sensitive assets, liabilities, and capital.

Given the Bank's balance sheet structure, endowment risk is the primary contributor to IRRBB.

Measurement and Monitoring

The Bank primarily uses an earnings-based approach to measure IRRBB, focusing on the sensitivity of 12-month forecast net interest income to changes in interest rates, under a static balance sheet assumption.

Key measurement tools include:
Standardised interest rate shocks, including parallel upward and downward shifts.

Earnings at Risk (EaR), measured monthly using stress scenarios calibrated to a 1-in-10-year confidence level.
House interest rate views, covering base, bullish, and bearish scenarios.
Basis risk assessments and macroeconomic stress testing, as part of the ICAAP process.
Economic Value of Equity (EVE) measures, where required by regulation.
IRRBB is assessed separately for each material currency, with aggregation performed where appropriate.

Assumptions

The measurement of IRRBB relies on key behavioural assumptions, including:
Loan prepayments, reflecting borrower behaviour under different interest rate environments.
Non-maturity deposits, where a portion of balances is assumed to be stable, with partial and lagged pass-through of interest rate changes. These assumptions are based on historical data, business judgement, and regulatory expectations, and are reviewed regularly.

Risk Limits and Appetite

The Bank applies a structured framework of:
Monitoring items
Risk appetite triggers
Tolerance limits
Breaches are escalated promptly to ALCO and senior management, with corrective actions implemented as required. IRRBB limits are set conservatively and aligned with the overall risk appetite approved by the Board.

Risk Mitigation

IRRBB is managed centrally, primarily through Treasury, using:
Internal transfer pricing mechanisms
Natural balance sheet offsets
Endowment hedging strategies, where appropriate, subject to ALCO approval and governanceHedging decisions consider earnings volatility, capital impact, liquidity, market conditions, and investor expectations.

Reporting and Disclosure

IRRBB exposures and limit compliance are reported monthly to ALCO and, where required, escalated to the Board.
The Bank provides qualitative and quantitative IRRBB disclosures in its annual financial statements in line with applicable regulatory and disclosure standards.

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Earnings at Risk

Currency	Rate shock	NII Change per bp	EaR Demand	Previous Month Rate shock	NII Change per bp	EaR Demand
TZS	-263	-88,254,503	23,170,952,786	-262	-73,174,297	19,184,733,189
USD	-82	-27,022	2,220,275	-84	-27,182	2,290,332
	USDTZS	2,488.61		USDTZS	2480	
	12m Forecasted PBT	99,100,000,000		12m Forecasted PBT	99,100,000,000	
	PBT 2025	99,100,000,000		PBT 2024	99,100,000,000	
	PBT 2026	99,100,000,000		PBT 2025	99,100,000,000	
	IRRBB EaR demand	22,805,014,583		IRRBB EaR demand	18,973,637,779	
	IRRBB EaR % of PBT	23.0%		IRRBB EaR % of PBT	19%	
	EaR Appetite Trigger	35%		EaR Appetite Trigger	35%	
	EaR Tolerance Limit	40%		EaR Tolerance Limit	40%	

Endowment Base

Currency	Current Month	Previous Month
TZS	1,214,002,225,825	1,227,811,089,397
USD	418,079,693	463,732,553

NII Sensitivities

RESULTS (ADJUSTED FOR PV01 > 1 YEAR)

TZS Balance Sheet		12 Month NII Base	139,933,382,762		
		Shock Size		Change in NII	NII Sensitivity
	Down Shock (-100bps)	-100	131,091,852,010	-8,841,530,752	-6.3%
	Up Shock (+100bps)	100	148,667,197,534	8,733,814,772	6.2%
	Down Shock (Standardised)	-200	121,603,790,382	-18,329,592,379	-13.1%
	Up Shock (Standardised)	200	157,401,004,676	17,467,621,914	12.5%
	Down Shock (EaR)	-1	139,845,128,259	-88,254,503	-0.1%
	Up Shock (EaR)	1	140,020,720,949	87,338,187	0.1%
	Down Shock (Basel Parallel)	-400	101,187,610,067	-38,745,772,695	-27.7%
	Up Shock (Basel Parallel)	400	174,868,597,709	34,935,214,948	25.0%
	House View (Base)		130,656,957,614	-9,276,425,148	-6.6%
	House View (Bullish)		139,933,382,762	-	0.0%
	House View (Bearish)		139,933,382,762	-	0.0%
USD Balance Sheet		12 Month NII Base	34,914,405		
		Shock Size		Change in NII	NII Sensitivity
	Down Shock (-100bps)	-100	31,800,777	-3,113,628	-8.9%
	Up Shock (+100bps)	100	36,680,792	1,766,387	5.1%
	Down Shock (Standardised)	-100	31,800,777	-3,113,628	-8.9%
	Up Shock (Standardised)	100	36,680,792	1,766,387	5.1%
	Down Shock (EaR)	-1	34,887,383	-27,022	-0.1%
	Up Shock (EaR)	1	34,932,069	17,664	0.1%
	Down Shock (Basel Parallel)	-200	28,611,567	-6,302,837	-18.1%
	Up Shock (Basel Parallel)	200	38,447,179	3,532,774	10.1%
	House View (Base)		34,184,950	-729,455	-2.1%
	House View (Bullish)		34,914,405	-	0.0%
	House View (Bearish)		34,914,405	-	0.0%

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Leverage Ratio

The leverage ratio is defined as the capital measure divided by the exposure measure, expressed as a percentage.

The capital measure is Tier 1 capital as defined for the purposes of the Basel III risk-based capital framework and Capital Adequacy Regulations. In other words, the capital measure for the leverage ratio at a particular point in time is the applicable Tier 1 capital measure at that time.

The exposure measure includes both on-balance sheet exposures and off-balance sheet (OBS) items:

a) On-balance sheet exposures are generally included at their accounting value. Except where a different treatment is specified, no offset is allowed for physical or financial collateral held, guarantees in favour of the bank or financial institution or other credit risk mitigation techniques. Balance sheet assets that are deducted from Tier 1 capital may also be deducted from the exposure measure.

b) Off –balance sheet items arise from such transactions as credit and liquidity commitments, guarantees and standby letters of credit. The amount that is included in the exposure measure is determined by multiplying the notional amount of an OBS item by the relevant credit conversion factors prescribed by the Bank.

Liquidity Risk Management

Liquidity Coverage Ratio

Liquidity Coverage Ratio (LCR) is the ratio of high quality liquid assets to total net cash outflow over the next thirty calendar days period. The ratio is intended to enhance the resilience of banks and financial institutions to a short term liquidity stress.

The main objective of introducing LCR is to ensure that every bank and financial institution maintains an adequate stock of unencumbered High Quality Liquid Assets (HQLA) to meet its liquidity needs over a 30 calendar day period. At a minimum, the stock of unencumbered2 HQLA should enable the bank to survive until Day 30 of the stress scenario, by which time it is assumed that appropriate corrective actions can be taken by management and supervisors, or that the bank can be resolved in an orderly way. Furthermore, it gives the Central Bank additional time to take appropriate measures, should they be regarded as necessary.

The LCR should be no lower than 100 percent i.e. the stock of high-quality liquid assets should at least equal total net cash outflows over the next thirty calendar days. The amount of inflows that can be used to offset outflows has been capped in the denominator of the LCR. Thus a bank or financial institution must maintain a minimum stock of liquid assets equal to at least 25 percent of the outflows and ensure that banks and financial institutions cannot rely solely on anticipated inflows to meet their liquidity requirement.

2 Unencumbered here means not pledged (either explicitly or implicitly) to secure or collateralize any transition

Liquidity Coverage Ratio				**Amounts in TZS millions**
Computation of Liquidity Coverage Ratio (LCR) as at:				**31-Dec-25**
S/N	**PARTICULARS**	**Outstanding Amount**	**Factor**	**Net Amount**
a	**b**	**c**	**d**	**e**
1	Stock of High Quality Liquid Assets (HQLA)			
2	Cash (notes and coins)	34,139	100%	34,139
3	Balances with Bank of Tanzania to the extent that these balances can be drawn down in times of stress1	49,997	100%	49,997
4	Balances with Other banks and Interbank Loan Receivable callable on demand or with a maturity of less than 30 days	73,508	100%	73,508
5	Unencumbered Government securities maturing within 1 year	141,855	95%	134,762
6	Unencumbered Government securities maturing after 1 year	91,584	80%	73,267
7	Total high quality liquid assets	391,082		365,673
8	Cash Outflows			
9	Demand deposits	1,621,118	10%	162,112
10	Savings deposits	136,601	10%	13,660
11	Time deposits (maturing in 30 days)	79,673	100%	79,673
12	Deposits from banks and financial institutions (maturing in 30 days)	222,516	100%	222,516
13	Derivatives cash outflows (sum of all net cash outflows due within 30 days)	5,000	100%	5,000
14	All other contractual cash outflows (maturing in 30 days)	299,257	100%	299,257
15	Undrawn and unexpired overdrafts	144,479	30%	43,344
16	Undrawn balances of loans	-	10%	-
17	Other contingent funding liabilities (such as guarantees and letters of credit)	1,733,833	5%	86,692
18	Total cash outflows	4,242,476		912,253
19	Cash Inflows			
20	Loans and advances (maturing within 30 days)	99,795	50%	49,897
21	Due from banks and financial institutions (maturing in 30 days)	559,544	100%	559,544
22	All other contractual cash inflows (maturing in 30 days)	68,819	100%	68,819
23	Net derivatives cash inflows	351,029	100%	351,029
24	Total cash inflows	1,079,187		1,029,289
25	Total net cash outflows = Total cash outflows minus the lower of total cash inflows and 75% of gross outflows			228,063
26	Liquidity Coverage Ratio =(Total high quality liquid assets)/(Total net cash outflows)			160%
	[1] Balances with Bank of Tanzania excluding Statutory Minimum Reserve			

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Net Stable Funding Ratio

The Net Stable Funding Ratio (NSFR) is defined as the amount of available stable funding (ASF) relative to the amount of required stable funding (RSF). The purpose of NSFR is to ensure that banks and financial institutions hold a minimum amount of stable funding based on the liquidity characteristics of their assets and off-balance sheet activities over a one-year horizon.

A sustainable funding structure is intended to reduce the likelihood of erosion of a bank or financial institution's liquidity position due to disruptions in a bank financial institution's regular sources of funding that would increase the risk of its failure and potentially lead to broader systemic stress. The NSFR limits over-reliance on short-term wholesale funding during times of abundant market liquidity and encourage better assessment of liquidity risk across all on-and off-balance sheet items and promotes funding stability.

Table 16: Net Stable Funding Ratio — Amounts in TZS millions

S/N	Particulars	Carrying Amount	Factor	Weighted Amount(B*C)
a	b	c	d	e
1	Available Stable Funding (ASF)	0		0
2	Common equity Tier 1	570,011	100%	570,011
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	82,229	100%	82,229
6	Stable demand and/or term deposits from retail and small business customers with residual maturity of less than one year.	92,454	95%	87,831
7	Less stable demand and/or term deposits from retail and small business customers with residual maturity of less than one year.	197,034	90%	177,331
8	Funding with residual maturity of less than one year provided by non-financial corporate customers	456,684	50%	228,342
9	Operational Deposits	1,621,118	50%	810,559
10	Funding with residual maturity of less than one year from sovereigns, public sector entities (PSEs), and multilateral and national development banks	63,861	50%	31,930
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	367,157	50%	183,578
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	2,171,812
23	Required Stable Funding (RSF)	-	0	-
24	On-balance sheet	-	0	-
25	Cash	34,139	0%	-
26	Balances with Bank of Tanzania (All balances including Statutory Minimum Reserve).	204,111	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.	233,439	5%	11,672
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	870,582	10%	87,058
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.	20,619	50%	10,309
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	73,508	50%	36,754
35	All other assets not included in the above categories with residual maturity of less than one year.	778,244	50%	389,122
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%.	-	65%	-
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%.	-	65%	-
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.	1,261,391	85%	1,072,183
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	35,114	85%	29,847

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S/N	Particulars	Carrying Amount	Factor	Weighted Amount(B*C)	Amounts in TZS millions
a	b	c	d	e	
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.	138,715	100%	138,715	
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	144,479	5%	7,224	
48	Trade finance-related obligations (including guarantees and letters of credit)	1,733,833	1%	17,338	
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.	-153,473	5%	-7,674	
52	Total Required Stable Funding (RSF) [sum (22)-(47)]		0	1,792,549	
53	Net Stable Funding Ratio = (Total availble stable funding)/(Total required stable funding) [B/D]		0	121%	

Table 16: Net Stable Funding Ratio CONTINUED