Stanbic Bank

TANZANIA IS OUR HOME,
WE DRIVE HER GROWTH

DRIVING INCLUSION, ENABLING SUSTAINABILITY

STANBIC BANK TANZANIA
ANNUAL REPORT
For the year ended 31 December 2025

Contents

ABOUT THIS REPORT

Our suite of reports caters to the diverse needs of Stanbic Bank Tanzania's stakeholders, providing transparency into our operations, financial health, and community impact within the country.

ANNUAL INTEGRATED REPORT

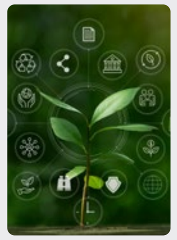
Serves as an overarching report providing a concise view of how Stanbic Bank Tanzania creates and preserves value, and minimizes the risk of eroding value over the short, medium, and long term while delivering sustainable growth in the Tanzanian market.

THIS REPORT

INTEGRATED REPORTING

ANNUAL FINANCIAL STATEMENTS

Contains the bank's full audited annual financial statements, including the report of the Stanbic Bank Tanzania audit committee.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Our ESG report provides an overview of the processes and governance structures that relate to social and environmental matters, with an assessment of our social economic and environmental (SEE) impacts.

All our reports, latest results, and presentations, along with a glossary of financial terms, definitions, and acronyms used in our reports, are available on our official digital portal at **www.stanbicbank.co.tz.**

Report Preparation

The Stanbic Bank Tanzania Board of Directors ensures the integrity of our external reporting through rigorous, well-embedded reporting processes supported by multiple levels of oversight. The board's relevant committees have reviewed and approved this suite of reports.

Scope and Reporting Boundary

The scope of this report covers the period from 1 January 2025 to 31 December 2025 and includes material information up to board approval in March 2026. The data in this report both financial and non-financial pertains to Stanbic Bank Tanzania as the reporting entity, operating as a proud member of the Standard Bank Group. It includes all local branches and entities over which the bank has operational control.

Reading this report

This is an interactive report.

The following icons refer readers to information within this report and across our suite of reports.

- Indicates interactive content
- Refers readers to further information within this report
- Refers readers to additional information in our suite of reports
- Refers readers to other online information
- Indicates video content

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This report is best viewed in Adobe Acrobat for desktop, mobile or tablet.

Download or update to the latest version: **Adobe Acrobat Reader**

WHO WE ARE

Our commitment to Tanzania's growth is rooted in a deep understanding of our clients' needs and aspirations. Through effective solutions and strong relationships built over time, Stanbic Bank Tanzania ensures that we consistently deliver value and support the long term success of our clients and the nation's economy.

Stanbic Bank Tanzania is proud to be one of the country's longest-standing financial institutions, with a heritage that reflects our deep commitment to Tanzania's growth and prosperity. As a purpose-led organisation, we continually enhance our understanding of customer needs, connecting borrowers with lenders and making banking accessible to all Tanzanians. This vision has shaped the Stanbic Bank of today and underpins the qualities our clients expect from us: reliability, innovation, and solutions that drive economic development.

Our people remain at the heart of this journey. With strong knowledge of local business conditions, they deliver tailored financial solutions that reflect Tanzania's realities. Combined with the strength of the Standard Bank Group's brand and footprint across Africa, we remain a trusted partner for businesses, government, and communities. Looking ahead, we are committed to investing in technology, sustainability, and talent to support the financial needs of today while helping shape inclusive growth for tomorrow.

Stanbic Bank Tanzania is proud to be part of Standard Bank Group Limited, a financial services organisation with a legacy of over 160 years and operations across 21 African countries. This association enables us to extend services beyond our borders, giving our clients access to a group with a strong African presence and global connections. Through this network, we support Tanzanian businesses as they expand regionally and internationally, while also advising global companies investing in Tanzania.

From our pioneering beginnings, we have grown into one of the country's leading financial institutions, employing hundreds of people and making banking accessible nationwide. Our wide branch network, ATMs, and evolving digital platforms ensure we remain close to our customers while adapting to their changing needs. Guided by our purpose of driving Tanzania's growth, we combine local expertise with the strength of the Standard Bank brand to deliver tailored solutions, support communities, and help shape inclusive and sustainable economic development.

Our company structure

100% Standard Bank Group Limited (South Africa)

↓

100% Stanbic Africa Holdings Limited (United Kingdom)

↓

Stanbic Bank Tanzania

Stanbic Bank Tanzania is a wholly owned subsidiary of Standard Bank Group, headquartered in South Africa, with its shareholding held through Stanbic Africa Holdings Limited in the United Kingdom. This structure firmly integrates the bank within the wider Standard Bank network across Africa and global markets, enabling access to group resources, governance frameworks, and strategic alignment.

As part of the Group, Stanbic Bank Tanzania benefits from regional expertise, capital strength, and global connectivity, positioning it to deliver sustainable value to clients, communities, shareholders, and employees.

Our Transformative Financial Solutions

Personal Banking

- **Current Accounts** – Flexible transactional accounts for individuals.
- **Pure Save Account** – Savings account with flexible deposit options.
- **Hatua Account** – Interest-earning account designed for minors/teens under parental guidance.
- **Fixed Deposit Account** – Investment account with fixed interest rates over chosen periods.
- **Private Banking** – Tailored wealth management and advisory services for high-net-worth clients.
- **Gold Debit Card** – VISA-enabled card for payments, online transactions, and ATM withdrawals.
- **Digital Banking** – Mobile app, internet banking, and USSD services for convenient transactions.

Business Banking

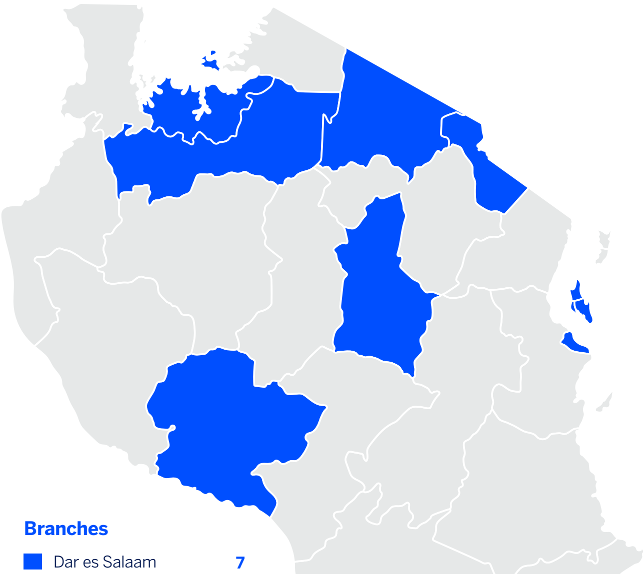
- **SME Solutions** – Accounts, loans, and advisory services for small and medium enterprises.
- **Business Loans & Overdrafts** – Financing options to support working capital and expansion.
- **Payment & Collection Services** – Streamlined solutions for managing receivables and payables.
- **Trade Finance** – Letters of credit, guarantees, and import/export financing.
- **Treasury Services**

Corporate & Institutional Banking

- **Corporate Accounts** – Tailored solutions for large organizations and institutions.
- **Structured Finance** – Project finance, infrastructure funding, and syndicated loans.
- **Cash Management** – Efficient solutions for liquidity and transaction management.
- **Cross-Border Payments** – Secure channels for international trade and remittances.
- **Sustainability-linked Financing** – Emerging solutions aligned with ESG and ISSB reporting requirements

Digital & Innovative Solutions

- **Mobile Banking App** – Manage accounts, transfer funds, and pay bills securely.
- **Internet Banking** – Full-service online platform for individuals and businesses.
- **Data-driven Insights** – Use of payments data to track economic activity and support clients.



Branches

Dar es Salaam	7
Arusha	2
Mwanza	1
Moshi (Kilimanjaro)	1
Mbeya	1
Dodoma	1
Tanga	1
Geita	1
Zanzibar	1
Kahama (Shinyanga)	1

Our Physical Footprint

17 Branches (Including In-Store) **2024: 10 Branches**

35 ATMs **2024: 32 ATMs**

Digital Transmission Volumes

349,790	Stanbic Bank APP Transactions
116,082	Internet Banking Transactions
333,946	USSD Transactions
9,438	TanQR Transactions

HOW WE STAND OUT

At Stanbic Bank, we are defined by innovation, inclusivity, and a client-centric approach that drives sustainable growth and lasting impact.

Digital Innovation

Pioneering digital banking, mobile solutions, and fintech collaborations to enhance accessibility, growth and lasting impact.

Trusted Partner

Delivering tailored financial solutions across retail, commercial, and corporate segments.

Client Centric

Approach: Building deep relationships through sector expertise and purposeful engagement.

Strong Governance

Guided by a diverse, independent Board and robust risk management frameworks.

Regional Reach

Expanding branch networks and strengthening presence in high potential markets.

Financial Inclusion

Expanding access to banking through tailored solutions, digital platforms, agency banking, and collateral light lending.

2025 FINANCIAL HIGHLIGHTS

PROFIT AFTER TAX
135.3 Billion TZS
(2024: TZS 128.0 Billion)

COST TO INCOME RATIO
43.6%
(2024: 42.6%)

NON PERFORMING LOANS
2.4%
(2024: 2.9%)

CUSTOMER LOANS
1.9 Trillion TZS
(2024: TZS 1.5 Trillion)

CUSTOMER DEPOSITS
2.5 Trillion TZS
(2024: TZS 2.1 Trillion)

RETURN ON EQUITY
22.1%
(2024: 24.5%)

NET INTEREST INCOME
188.6 Billion TZS
(2024: TZS 184.1 Billion)

NON INTEREST INCOME
155.4 Billion TZS
(2024: TZS 144.7 Billion)

653 NUMBER OF STANBIC WAKALA

17 NUMBER OF BRANCHES

35 NUMBER OF ATMs

4908 NUMBER OF BENEFICIARIES FROM BIASHARA INCUBATOR

DELIVERING OUR PURPOSE

Our purpose drives our actions, and we deliver on our strategy by actively responding to market dynamics, carefully balancing priorities and trade-offs, and allocating resources in a way that enables us to achieve our purpose.

CHAIRMAN'S REPORT

> Stanbic Bank delivered strong underlying growth in 2025, reflecting the resilience of our franchise and the disciplined execution of our strategy. Despite a complex operating environment, the Bank continued to adapt, innovate, and create value for clients, shareholders, and society.
>
> The Board provided steadfast oversight and guidance, ensuring the Bank remains well positioned to navigate uncertainty and change. Through rigorous governance and risk management, we are committed to sustaining growth and delivering long term value, reinforcing our role as a trusted partner in Tanzania's economic and social development

Patrick Rutabanzibwa
Chairman, Stanbic Bank, Tanzania

The global economic environment in 2025 was characterised by moderate growth but heightened uncertainty. Global output expanded by approximately 3.2%, supported by resilient demand in key markets, though the recovery remained uneven across regions. Persistent geopolitical tensions, trade policy uncertainty, and tightening global financial conditions contributed to a fragile outlook. Elevated debt levels, fiscal consolidation pressures, and inflationary dynamics across several economies continued to shape a cautious investment environment.
While Tanzania was not directly exposed to all these global shocks, the indirect effects were evident through tighter liquidity conditions, evolving trade dynamics, and mixed economic performance across the African continent. Many African economies continued to face structural constraints, including high debt servicing obligations, limited fiscal headroom, and inflationary pressures, which tempered the pace of recovery and growth.

Tanzania's Economic Resilience

Against this complex backdrop, Tanzania's economy demonstrated commendable resilience and stability. Mainland GDP growth is estimated at 5.9%, underpinned by sustained public and private investment, improved policy execution, and strong sectoral performance in agriculture, mining, construction, and financial services.
Macroeconomic stability remained a key anchor. Inflation was contained at 3.5%, reflecting prudent monetary policy and stable domestic supply conditions. The Tanzanian shilling remained relatively stable, while foreign exchange reserves increased to USD 6.7 billion, providing a solid buffer against external shocks. In recognition of these strong fundamentals, Fitch Ratings reaffirmed Tanzania's sovereign credit rating at B+ with a Stable outlook in June 2025, underscoring continued investor confidence in the country's economic trajectory.

Resilient Financial Performance

Within this environment, Stanbic Bank Tanzania delivered a strong and resilient financial performance, reflecting the robustness of our strategy and the disciplined execution by management.

TZS 135.3 Bn
Profit After Tax (PAT)
Increased by 6%
(2024: TZS 128.0 Bn)

22.1%
Return on Equity (ROE)

3.9%
Return on Asset (ROA)

These results demonstrate our ability to generate sustainable returns while maintaining a strong balance sheet.

Operational efficiency remained a defining strength, with the cost-to-income ratio at 43.6%, significantly below the Bank of Tanzania's regulatory threshold of 55%. Asset quality also remained sound, with a non-performing loan ratio of 2.4%, well within the regulatory limit of 5%. This reflects prudent credit risk management and a carefully diversified loan portfolio.

Our diversified business model continued to underpin performance. Personal and Private Banking recorded exceptional growth in headline earnings of 100%, reflecting strong client acquisition and engagement. Business and Commercial Banking delivered solid growth of 31.5%, driven by increased support to SMEs and mid-sized enterprises. Corporate and Investment Banking remained broadly stable, maintaining its position as a key contributor to the Bank's overall earnings. This balanced contribution across business segments highlights the resilience and adaptability of our franchise.

Advancing Financial Access

This remains central to both our sustainability agenda and Tanzania's broader socio-economic development. During the year, we continued to broaden access through a combination of physical presence, digital innovation, and tailored solutions. We expanded our branch network into high-growth regions while enhancing our digital platforms to reach underserved and remote communities. Investments in mobile and digital banking enabled clients to access secure, convenient, and affordable financial services, supporting savings, credit, and everyday transactions.

Targeted solutions for women, youth, and small businesses were further strengthened, recognising their vital role in driving economic growth and employment. In addition, partnerships with government, regulators, and development organisations enhanced our ability to deliver inclusive and scalable solutions. Financial literacy programmes also played an important role in empowering communities to make informed financial decisions. Through these initiatives, the Bank continues to contribute meaningfully to national financial inclusion objectives, supporting entrepreneurship and unlocking opportunities for broader economic participation.

Technology, Data, and Cybersecurity

Technology remains a key enabler of our strategy and a critical area of Board focus. The rapid evolution of digital ecosystems, combined with increasing competition from fintech and mobile operators, requires ongoing innovation and agility.

At the same time, the cyber threat landscape continues to evolve, necessitating heightened vigilance and robust controls. The Board Information Technology Committee met four times during the year to oversee digital transformation, IT governance, and enterprise data management.

The Board is satisfied that management is advancing digital transformation with the appropriate balance of speed and discipline, ensuring that innovation is supported by strong risk management and regulatory compliance. Emerging data localisation requirements continue to add complexity, reinforcing the need for constructive engagement with regulators and careful strategic decision-making.

Our interventions delivered measurable outcomes

Over 500,000 people reached through healthcare initiatives in partnership with AfyaCheck.

Four regions covered through mobile medical outreach programmes.

One major referral hospital strengthened with critical equipment, benefiting thousands of patients annually.

300 school desks provided to underserved communities, improving learning conditions.

10,000 trees planted across 11 regions, contributing to environmental restoration.

TZS 500 million committed to early childhood development in Zanzibar, supporting children aged 0–6 and their caregivers.

Strengthening Governance

Sound governance remains the foundation of our operations and long-term success. The Board met five times during the year, providing strategic oversight and guidance, while delegating specific responsibilities to its five committees: Audit, Credit, Risk, Information Technology, and Nomination and Remuneration.

Our Board composition reflects a diversity of skills, experience, and perspectives, enabling robust discussion and informed decision-making. Gender diversity remains a priority, with a continued commitment to maintaining at least one-third female representation.

During the year, Directors participated in targeted training programmes covering key areas such as corporate governance, ethics, data privacy, and ESG. These initiatives ensure that the Board remains well equipped to navigate an increasingly complex and evolving operating environment.

Succession planning also remained a focal point, balancing continuity with renewal. We extend our sincere appreciation to Mr Gregory Brackenridge, who retired in March 2025 after years of distinguished service. We are pleased to welcome Ms Mary Githiaka, who joined the Board in January 2026. Her experience and expertise will further strengthen our governance capabilities and strategic oversight.

The Board continued to strengthen its oversight through structured committees, including Audit, Risk, Credit, Information Technology, and Nomination and Remuneration -each with clearly defined mandates to enhance accountability and governance effectiveness. The Board remains committed to the highest standards of corporate governance, focusing on strategic guidance, robust risk management- including oversight of sustainability and climate-related risks, and safeguarding the long-term interests of shareholders and stakeholders.

Outlook and Dividend

Looking ahead, the Board remains confident in the Bank's strategic direction and its capacity to deliver sustainable, long-term growth while creating value for all stakeholders. Following a comprehensive review of management's strategic plans, financial projections, and key priorities, we have endorsed the updated medium-term targets.

These targets reflect a balanced approach to business growth, prudent risk management, capital optimisation, and operational resilience. Together, they position the Bank to respond effectively to evolving market conditions, strengthen its competitive position, and support sustainable economic development across Tanzania.

In recognition of the Bank's strong financial performance, the Directors have recommended a dividend of

TZS 54.13 bn

(2024: TZS 48.4 bn), subject to regulatory and shareholder approval. This recommendation reflects our commitment to delivering value to shareholders while ensuring that the Bank remains well-capitalised to support future growth opportunities.

Looking Ahead

On behalf of the Board, I extend my sincere gratitude to our Executive Management team and all employees of Stanbic Bank Tanzania for their dedication, professionalism, and unwavering commitment throughout the year. Operating in a dynamic and often uncertain environment requires resilience, integrity, and a deep commitment to our clients, and our teams continue to demonstrate these qualities consistently.

We also express our appreciation to the Bank of Tanzania for its continued guidance and support, as well as to our shareholders, clients, an d partners for their trust and confidence in the Bank. Their continued collaboration remains essential to our success.

As we move forward, we remain committed to acting in the long-term interests of all stakeholders, executing our strategy with discipline, and fulfilling our purpose of driving sustainable growth and development in Tanzania.

CHIEF EXECUTIVE'S REPORT

> 2025 was a defining year for Stanbic Bank Tanzania, marked by strong financial performance, continued expansion of our retail footprint, sustained growth in our corporate and investment banking franchise, and the celebration of our 30-year anniversary.
>
> These achievements reflected disciplined strategy execution, stronger client relationships, and continued innovation. We further strengthened our role in supporting businesses, empowering communities, expanding access to financial services, and creating sustainable long-term value for clients, shareholders, and society

Manzi Rwegasira
Chief Executive Officer, Stanbic Bank, Tanzania

2025 was a landmark year for Stanbic Bank Tanzania. We delivered robust financial performance, strengthened our market position, and continued to create value through a sound strategy that balances growth, sustainability, and resilience. Our disciplined execution enabled us to achieve solid earnings growth across business units, supported by strong loan and deposit expansion, improved asset quality, and prudent cost management.

Equally important, we advanced our commitment to financial inclusion by expanding access to banking services through agency banking, collateral light lending, and digital platforms that reach underserved communities. These initiatives are helping bridge the gap for individuals and small businesses who have traditionally been excluded from formal financial systems, empowering them to participate more fully in the economy.

We also broadened our focus on non-traditional banking solutions, pioneering phygital models that combine physical presence with digital convenience, and collaborating with fintech partners to deliver innovative mobile solutions. This approach allows us to meet clients where they are whether in rural villages or urban centers ensuring banking is accessible, affordable, and tailored to diverse needs.

Navigating a Dynamic and Competitive Environment

In 2025, Tanzania's economy continued to demonstrate resilience, supported by sustained investment in infrastructure, solid performance in agriculture and mining, and expanding activity across the services sector. At the same time, the financial services industry evolved rapidly, shaped by digital transformation, financial inclusion initiatives, and intensifying competition among both local and international banks.

Against this backdrop, Stanbic Bank Tanzania leveraged its position as part of the Standard Bank Group, Africa's largest bank by assets, to deliver sustainable growth. Our ability to combine deep local market knowledge with strong regional and global capabilities enabled us to support clients across trade corridors, capital markets, and investment opportunities. Growth was driven by continued strength in our trade finance and cash management businesses, the steady expansion of our retail and SME offerings, and increasing adoption of digital banking channels.

Notwithstanding these achievements, the operating environment remained complex. Regulatory developments, evolving tariff regimes, foreign exchange dynamics, and global economic uncertainty required us to remain agile and disciplined. In response, we strengthened our risk management frameworks, enhanced liquidity management, and continued investing in scalable digital infrastructure to ensure resilience and long-term competitiveness.

Delivering on Our Strategy

Our strategy remains anchored on three core pillars: transforming client experience, executing with excellence, and driving sustainable growth and value.

Transforming the Client Experience

In 2025, we made significant progress in becoming a truly client-centric and digitally enabled organisation. We enhanced our mobile and internet banking platforms to deliver a more seamless, secure, and intuitive experience, while digital transactions continued to grow accounting for over 35.7% of total volumes.

At the same time, we expanded our physical and alternative distribution channels to ensure we remain accessible to clients in underserved areas. Through this combination of digital innovation and expanded reach, we are making banking more inclusive and convenient.

We also strengthened key platforms aligned with the Standard Bank Group, including integrated cash management solutions, instant payments, and digital onboarding and lending journeys. As a result, retail clients now benefit from simplified and accessible financial solutions, SMEs have improved access to working capital and advisory support, and corporate clients continue to leverage our expertise in structured finance and cross-border transactions.

Growth Across Business Segments

Our diversified business model continues to differentiate us and drive balanced growth.
In Personal and Private Banking, we expanded our retail offering through growth in transactional accounts, personal lending, and savings solutions, while increasing our presence in emerging urban and peri-urban markets.
In Business and Commercial Banking, we deepened our SME proposition by delivering sector-focused solutions across trade, agriculture, and manufacturing, supported by working capital, asset finance, and partnership-driven ecosystem solutions.

Corporate and Investment Banking remained a cornerstone of our business, where we reinforced our leadership in trade finance, commodity financing, project and infrastructure finance, and advisory services. Our ability to connect Tanzanian businesses to regional and global markets continues to be a key competitive advantage.

Executing with Excellence

Delivering consistent and high-quality execution remains central to our strategy. In 2025, we strengthened our focus on improving risk-adjusted returns, enhancing operational efficiency through digitisation, and reducing turnaround times for our clients.

We continued to invest in our people, aligning leadership and capability development with Standard Bank Group frameworks, while building expertise in digital transformation, risk management, and client engagement. At the same time, we progressed the modernization of our technology platforms, increased the use of data analytics, and strengthened our infrastructure to support secure and scalable growth.

Financial literacy programmes also played an important role in empowering communities to make informed financial decisions. Through these initiatives, the Bank continues to contribute meaningfully to national financial inclusion objectives, supporting entrepreneurship and unlocking opportunities for broader economic participation.

Technology, Data, and Cybersecurity

Technology remains a key enabler of our strategy and a critical area of Board focus. The rapid evolution of digital ecosystems, combined with increasing competition from fintech and mobile operators, requires ongoing innovation and agility.

At the same time, the cyber threat landscape continues to evolve, necessitating heightened vigilance and robust controls. The Board Information Technology Committee met four times during the year to oversee digital transformation, IT governance, and enterprise data management.

The Board is satisfied that management is advancing digital transformation with the appropriate balance of speed and discipline, ensuring that innovation is supported by strong risk management and regulatory compliance. Emerging data localisation requirements continue to add complexity, reinforcing the need for constructive engagement with regulators and careful strategic decision-making.

Strengthening Governance

Sound governance remains the foundation of our operations and long-term success. The Board met five times during the year, providing strategic oversight and guidance, while delegating specific responsibilities to its five committees: Audit, Credit, Risk, Information Technology, and Nomination and Remuneration.

Our Board composition reflects a diversity of skills, experience, and perspectives, enabling robust discussion and informed decision-making. Gender diversity remains a priority, with a continued commitment to maintaining at least one-third female representation.

During the year, Directors participated in targeted training programmes covering key areas such as corporate governance, ethics, data privacy, and ESG. These initiatives ensure that the Board remains well equipped to navigate an increasingly complex and evolving operating environment.

Succession planning also remained a focal point, balancing continuity with renewal. We extend our sincere appreciation to Mr Gregory Brackenridge, who retired in March 2025 after years of distinguished service. We are pleased to welcome Ms Mary Githiaka, who joined the Board in January 2026. Her experience and expertise will further strengthen our governance capabilities and strategic oversight.

TZS 241 Bn
Financing to SMEs, supporting entrepreneurship

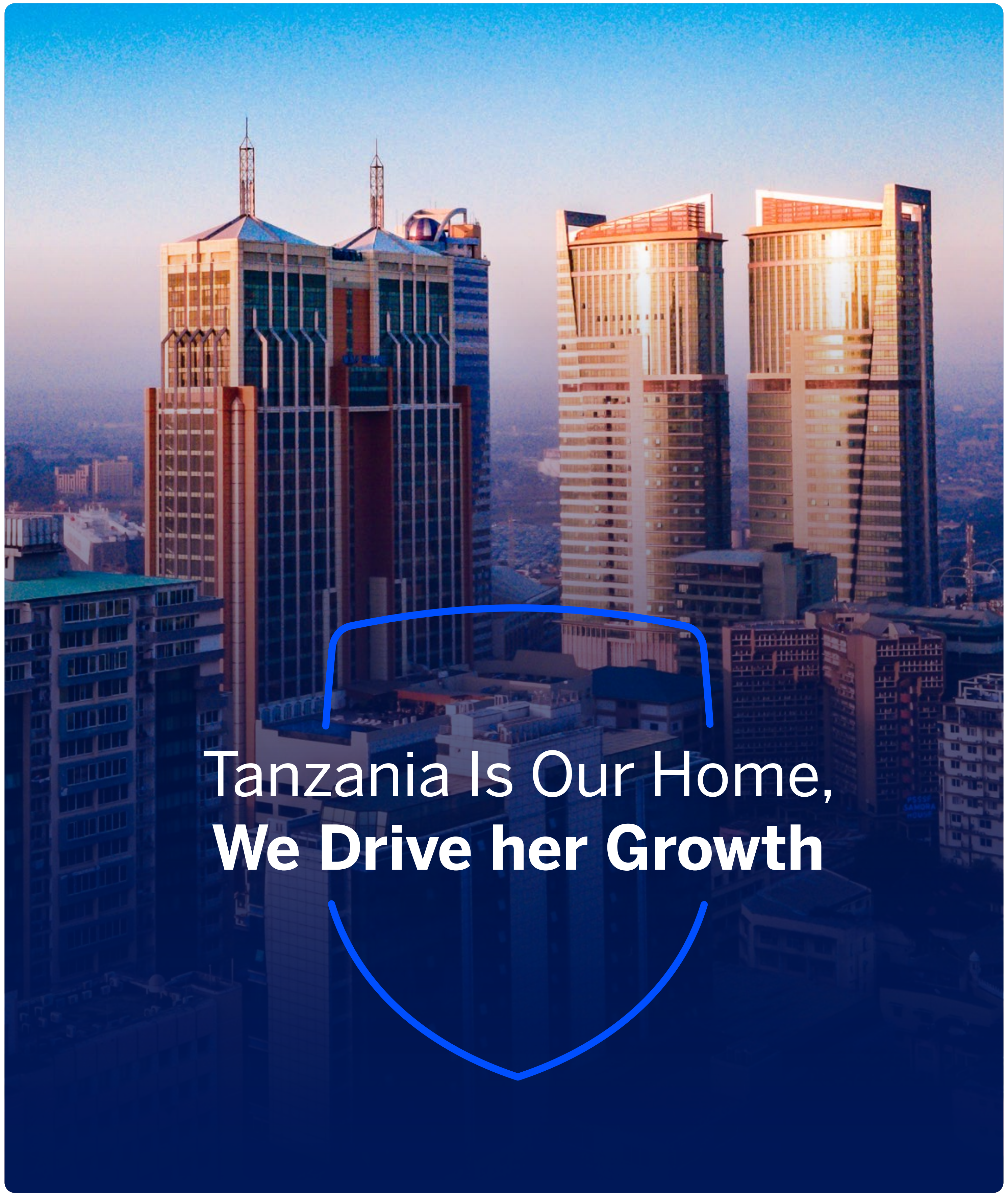
TZS 142 Bn
Sustainable finance deposits across key sectors, including the public sector, agriculture, and infrastructure

1,729
New businesses onboarded, expanding our serviceable client base to **over 5,500** clients across diverse

Robust Governance and Risk Management

Our strong governance framework, aligned with Standard Bank Group standards and local regulatory requirements, continues to underpin the Bank's resilience and long-term sustainability. Strong oversight is maintained through the Board and its committees, supported by a well-established three lines of defence model that promotes accountability and effective risk management.

We remain disciplined in our credit underwriting, actively monitor portfolio quality, and respond proactively to emerging risks. Continued investment in cybersecurity and advanced risk management capabilities further strengthens operational resilience, protects our clients, and supports sustainable growth in an evolving risk environment.



Looking Ahead

As we look to the future, we remain optimistic about Tanzania's long-term growth prospects and our role in supporting that journey. Building on our 30-year legacy, we will continue to deepen financial inclusion, accelerate digital transformation, and strengthen our support for SMEs, corporates, and infrastructure development.

With the backing of Standard Bank Group, a strong local franchise, and a clear strategic direction, Stanbic Bank Tanzania is well positioned to deliver sustainable value while contributing meaningfully to Tanzania's economic transformation and regional integration.

INFORMING OUR STRATEGY

Our strategy is shaped by the operating environment and key trends that materially influence our business and matter to our stakeholders. The risks and opportunities arising from these trends inform our strategic direction, guiding both our capital allocation and execution priorities.

OUR APPROACH TO VALUE CREATION

OUR PURPOSE

Tanzania is our home, we drive her growth

INFORMING OUR THINKING

Our approach to value creation is guided by our operating context, emerging trends, and the priorities of our stakeholders, enabling us to identify opportunities, manage risks, and anticipate constraints while making informed trade off decisions that support sustainable growth. By engaging closely with clients, communities, regulators, and partners, we refine our strategy to remain relevant and impactful, positioning Stanbic Bank Tanzania as a trusted partner in driving inclusive and sustainable economic development across the nation.

Our operating context
Key trends provide an opportunity for growth and development, which justifies the optimism underpinning our strategy and purpose and enables us to navigate the complexity and changes in our environment.

Our material themes
Our material issues are those that matter most to our stakeholders, taking their diverse views into account and allowing us to understand how their perceptions impact our ability to create value in the short, medium and long term.

Our stakeholders
Our stakeholders provide the resources and capital that enable us to deliver on our strategy and purpose. We nurture these relationships through proactive, transparent engagement, ensuring that their interests are reflected in the way we create sustainable value for Tanzania's economy and society.

DIRECTING OUR PRIORITIES

Our strategy is designed to deliver our purpose. Our strategic priorities create the framework that outlines our targets and enables us to effectively allocate our resources to deliver our strategy.

Transform the client experience
We strive to transform the client experience, with a comprehensive set of solutions that meet client needs. We draw on the power of technology and our people's expertise and empathy to deliver.

Execute with excellence
We execute with excellence and do the right business, the right way.

Drive sustainable growth and value
We create sustainable growth and value for our shareholders, society and the planet.

ORGANISING OUR BUSINESS

Our operating model is client-led, and our business units own the client relationship and create multi-solution client experiences. We use a formal decision-making framework to allocate resources and apply scenario planning to deliver our target outcomes.

MEASURING OUR PROGRESS

We have measures and targets in place to track our progress in achieving our medium-term targets.

Our purpose is to empower financial success and drive inclusive economic growth. Achieving this is central to delivering sustainable growth and long term value for stakeholders. Guided by integrated thinking, we align emerging trends, risks, and opportunities with the relationships and resources we manage, ensuring every strategic decision strengthens clients, communities, shareholders, and employees while positioning Tanzania within the broader Standard Bank Group network across Africa and global markets.

INFORMING OUR THINKING

Client focus
We understand our clients, provide them with the products and services they need to make life better, respond to changing expectations and achieve fair outcomes for them.

Employee engagement
Our employees believe in our purpose and their role in achieving it. They are productive, motivated and engaged. They feel valued and respected. They reflect the diversity of the communities in which we work. We support them to learn, grow and adapt to the changing world of work.

Risk and conduct
Our employees We operate with integrity and hold ourselves to high ethical standards. We understand the risks and opportunities facing our business and have robust policies and processes to manage them. We ensure the security of our information and that of our clients and guard against cyber threats.

Operational excellence
We use technology and data to ensure our systems are reliable, resilient and trusted and that we are always available to our clients when they need us. Our digital channels are always on and always secure.

Financial outcome
We allocate our resources to deliver sustainable earnings growth and value with attractive returns to our shareholders.

Positive impact
We understand the needs and challenges of Tanzania's people and deliver solutions to address them. We balance social, economic and environmental considerations to drive sustainable growth.

Our approach to sustainability
At Stanbic Bank, sustainability is embedded in the way we do business. We aim to deliver strong financial outcomes for our shareholders while driving inclusive economic growth and creating positive impacts for society.

Our approach rests on twin pillars:

Maximising positive impact
by offering products and services that address the development needs of Tanzania's current and future generations.

Effectively managing risk
By proactively identifying and addressing risks, opportunities, and impacts linked to our operations, the partners we engage with, and the activities we finance.

We align our business with the **United Nations Sustainable Development Goals (UN SDGs)**. We measure our impact against the SDGs to ensure our products, services, and partnerships drive inclusive growth, environmental responsibility, and positive societal outcomes. Our stakeholder engagement also contributes to achieving SDGs

4, 5, 11	Financial inclusion
5, 8, 9	Job creation and enterprise growth
13, 15	Sustainable finance and climate change
1, 7, 9	Infrastructure
4, 5, 10	Education
3, 5	Health

Additional SDGs we consider but do not contribute to directly: 12, 16, 17

Our climate commitment
Stanbic Bank Tanzania is committed to achieving net-zero carbon emissions in our lending and investment portfolio by 2050. Guided by our purpose, we manage climate risks and opportunities to support the country's transition to a sustainable, inclusive economy while creating long-term value for stakeholders.

OUR STAKEHOLDER PRIORITIES

Our stakeholders include the individuals, groups, and organisations that materially influence or are impacted by our business activities, products, services, and overall performance.

Our stakeholders provide the resources and capital that enable us to deliver on our strategic priorities and fulfil our purpose of driving Tanzania's growth. They include our clients and customers, employees, regulators, government, shareholders, service providers, industry bodies, trade associations, and the communities in which we operate. We are committed to listening and engaging constructively with all legitimate stakeholders.

Proactive engagement provides valuable insights that shape our strategy, guide the identification of material issues, and enable us to respond effectively to stakeholder concerns while safeguarding our reputation. The Board oversees these relationships, ensuring that Stanbic Bank Tanzania addresses stakeholder issues appropriately and transparently.

Quality of relationships

We evaluate the strength of our stakeholder relationships using a range of metrics tracked over time. Given the diversity and complexity of these relationships, no single measure can capture their quality, which naturally varies across stakeholder groups and individual engagements.

Clients and customers

WHY THEY ARE IMPORTANT

Our customers are at the heart of our growth and sustainability. They drive the evolution of our channels, including digital platforms and social media, ensuring that we remain responsive, innovative, and relevant to their needs.

HOW WE ENGAGE

We engage with our clients through multiple touchpoints, including relationship managers, client surveys, online platforms, call centres, complaints channels, social media, and in person interactions.

HOW WE MEASURE THE QUALITY OF THE RELATIONSHIP

Net promoter score (NPS) and client satisfaction index (CSI).

THEIR PRIORITIES

- Affordable, personalised solutions.
- Reliable digital channels.
- On demand access to services.
- Integrity and confidentiality.
- Protection of personal information.
- Secure systems.
- Responsiveness to evolving customer needs.

OUR RESPONSES

- Personalised solutions for individuals, businesses, and communities.
- Omni channel options combining digital convenience with human interaction.
- Accessible, affordable, and relevant services.
- Continuous improvement of system stability and reliability.
- Strong investment in cyber and data security, with awareness campaigns to combat fraud and cybercrime.
- Commitment to financial inclusion, supporting SMEs, agriculture, and underserved communities.

VALUE OUTCOMES WE AIM TO ACHIEVE

- Growing market share through fair and transparent practices.
- Deep understanding of client needs to deliver relevant, localised solutions.
- Placing client interests at the centre of our decisions.
- Providing products and services that improve the lives of Tanzanians.
- Expanding financial inclusion, especially for SMEs, agriculture, and underserved communities.
- Supporting sustainable growth aligned with Tanzania's economic priorities.

OUR VALUE DRIVERS

Client focus

Risk and conduct

Operational excellence

Positive impact

Employees

WHY THEY ARE IMPORTANT

Our people are our brand and our greatest source of sustainable competitive advantage. Their skills, commitment, and passion drive the growth of Stanbic Bank Tanzania and strengthen our ability to serve clients and communities across the country.

HOW WE ENGAGE

We engage with our people through surveys, digital communication platforms, and direct interactions.

HOW WE MEASURE THE QUALITY OF THE RELATIONSHIP

- Employee Net Promoter Score (eNPS), organisational alignment, and work satisfaction.
- Workforce diversity and inclusion.
- Turnover trends and insights from exit interviews.
- Average learning hours per employee.
- Workforce return on investment, reflecting value creation for both employees and the Bank.

THEIR PRIORITIES

- Safe and environmentally friendly working conditions.
- Access to technology that enables task completion and supports digitisation, skills development, and job security.
- Clear opportunities for career advancement within a leading financial institution.
- Fair wages, salaries, and benefits.
- Training and opportunities to pursue approved tertiary education programmes. Support for local talent development to strengthen Tanzania's workforce and economy.

OUR RESPONSES

- We invest in developing our people, with a strong focus on digital and technology skills as well as career progression.
- We actively support diversity and inclusion, with targeted initiatives to strengthen leadership diversity in Tanzania.
- We provide qualifying employees with access to bespoke training programmes, multi country experience across the Standard Bank Group, and bursaries for tertiary studies.
- We nurture local talent to build capacity and contribute to Tanzania's long term economic growth.

VALUE OUTCOMES WE AIM TO ACHIEVE

- Our people believe in our purpose and their role in achieving it.
- We foster a motivated, engaged, and productive workforce.
- Everyone feels valued, respected, and supported.
- Our people reflect the diversity of the communities in which we work.
- Our people strive to learn, grow, and adapt to the changing world of work.

OUR VALUE DRIVERS

Employee engagement

Communities

WHY THEY ARE IMPORTANT

Our long term sustainability depends on the strong relationships we build with the communities and societies where we operate, and on the meaningful contributions we make to Tanzania's social and economic advancement.

HOW WE ENGAGE

Stanbic Bank is an active member of banking associations and participates in broader business associations and industry work groups established by regulators and government bodies, strengthening collaboration and alignment across the financial sector.

HOW WE MEASURE THE QUALITY OF THE RELATIONSHIP

We measure the quality of our community relationships by the trust we build, the impact of our initiatives, and the strength of long term partnerships that support Tanzania's social and economic development.

THEIR PRIORITIES

Access to inclusive financial services, support for education and entrepreneurship, job creation, improved healthcare, and initiatives that promote environmental sustainability and resilience.

OUR RESPONSES

- Expand access to inclusive financial services across Tanzania.
- Support entrepreneurship and job creation initiatives.
- Invest in education and healthcare programs.
- Promote environmental sustainability and resilience.
- Partner with stakeholders to drive social and economic development.

VALUE OUTCOMES WE AIM TO ACHIEVE

- **We Are a Responsible Corporate Citizen**
  Operate with integrity and strong governance, aligned with Tanzania's social and economic priorities.
- **Promoting Collective Positive Impact**
  Engage in public policy discussions, support evidence based policymaking, and contribute to global standards.

OUR VALUE DRIVERS

Positive impact

Shareholders and Investors

WHY THEY ARE IMPORTANT

Our shareholders and investors are the primary providers of financial capital, enabling Stanbic Bank Tanzania to grow sustainably, expand market share, and deliver value to clients and communities across the country.

HOW WE ENGAGE

We engage with shareholders through online platforms, in person meetings, conferences, roadshows, and presentations. Updates are shared via financial performance announcements, and transparency is reinforced through our Annual General Meeting (AGM).

HOW WE MEASURE THE QUALITY OF THE RELATIONSHIP

- Return on Equity (ROE), earnings growth, net asset value growth, and dividends.
- Feedback from investors, including AGM voting outcomes.
- Environmental, Social, and Governance (ESG) ratings and the delivery of sustainable finance solutions.

THEIR PRIORITIES

- Growth in Net Asset Value (NAV).
- Sustainable financial returns, with ROE above COE.
- Attractive and sustainable growth strategy.
- Strong balance sheet to mitigate downside risk.
- Experienced and capable management team.
- Transparent reporting and disclosure.
- Commitment to sound ESG practices.

OUR RESPONSES

- Competitive client and value proposition to drive growth through sustainable strategies.
- Strong risk management underpinned by governance, ethics, market conduct, and internal controls.
- Focus on ensuring system stability.
- Robust ESG and climate risk management practices.
- Strong employee value proposition with access to skills and talent to support market share growth.

VALUE OUTCOMES WE AIM TO ACHIEVE

- Delivering sustainable value to our shareholders.
- Maintaining a strong balance sheet to safeguard shareholder interests.
- Driving consistent earnings growth and competitive returns on equity (ROE).
- Building long term resilience through digital transformation and innovation in financial services.

OUR VALUE DRIVERS

Client focus

Risk and conduct

Financial outcome

Governments and Regulators

WHY THEY ARE IMPORTANT

We secure our license to operate and uphold our credibility as a responsible corporate citizen through proactive engagement with governments and regulators. These relationships ensure compliance, strengthen trust, and reinforce Stanbic Bank Tanzania's role in supporting national development priorities.

HOW WE ENGAGE

In person meetings, thought leadership events, and workshops strengthen relationships, promote transparency, and position Stanbic Bank Tanzania as a trusted partner in driving financial and economic growth.

HOW WE MEASURE THE QUALITY OF THE RELATIONSHIP

We measure relationship quality by monitoring policy and regulatory developments, making evidence based submissions, and engaging transparently with regulators to build trust and credibility.

THEIR PRIORITIES

- Compliance with legal and regulatory requirements.
- Responsible taxpayer across all operations.
- Active participation in industry and regulatory workshops.
- Strong governance and risk management for accountability and transparency.
- Advancing sustainability through responsible banking and finance.

OUR RESPONSES

- Robust financial crime controls, including AML/CFT mechanisms.
- Ongoing engagement with regulators and stakeholders.
- Leveraging technology to strengthen risk management.
- Addressing climate and environmental risks as part of sustainable banking.

VALUE OUTCOMES WE AIM TO ACHIEVE

- Being a responsible corporate citizen in Tanzania.
- Operating with integrity and upholding high ethical standards.
- Understanding risks and opportunities with robust policies and processes to manage them effectively.

OUR VALUE DRIVERS

Risk and conduct

Operational excellence

Positive impact

Suppliers and Service Providers

WHY THEY ARE IMPORTANT

Our suppliers and service providers play a vital role in enabling Stanbic Bank to deliver operational efficiency and consistent service quality. They support compliance with regulatory and ethical standards while fostering innovation through new solutions that enhance customer experience, strengthen resilience, and contribute to sustainable growth across Tanzania.

HOW WE ENGAGE

We engage through transparent procurement processes, uphold ethical and regulatory standards, and foster long term partnerships that enhance efficiency, service quality, and innovation.

HOW WE MEASURE THE QUALITY OF THE RELATIONSHIP

- Transparent, fair procurement and ethical business practices.
- Continuous dialogue to ensure quality, compliance, and sustainability alignment.
- Support for local supplier development and collaborative innovation.

THEIR PRIORITIES

- Transparent procurement and clear performance standards.
- Timely communication and prompt payments.
  Fair treatment, predictable demand, and collaborative partnerships that foster compliance, innovation, and sustainability.

OUR RESPONSES

We maintain transparent procurement, set clear standards, and ensure timely communication and payments. Through fair, collaborative partnerships, we uphold compliance, drive innovation, and support sustainability, strengthening trust and value creation.

VALUE OUTCOMES WE AIM TO ACHIEVE

- Build trusted, long term partnerships through transparency and fairness.
- Ensure consistent service quality, compliance, and operational efficiency.
- Foster innovation and sustainability to create mutual value and support economic development.

OUR VALUE DRIVERS

Risk and conduct

Operational excellence

Industry bodies and Trade Associations

WHY THEY ARE IMPORTANT

As active members of industry bodies and trade associations, we contribute to public policy debates, support evidence-based policymaking, contribute to processes such as the development of global standards and frameworks, and work collectively to enable positive impact.

HOW WE ENGAGE

We actively participate in key banking associations and broader business forums. We also contribute to policy dialogue, promote best practices, and support the development of a resilient and inclusive financial sector.

HOW WE MEASURE THE QUALITY OF THE RELATIONSHIP

Active participation, constructive policy dialogue, and alignment with sector priorities. Quality is reflected in the influence of our contributions, the adoption of best practices, and the collaborative impact on building a resilient and inclusive financial sector.

THEIR PRIORITIES

Contributing to policy development, business growth and broader financial sector stability.

OUR RESPONSES

We engage proactively with industry bodies and trade associations by contributing to policy dialogue, adopting best practices, and supporting initiatives that strengthen financial sector resilience and inclusivity. Our responses are guided by collaboration, transparency, and alignment with national and sector priorities.

VALUE OUTCOMES WE AIM TO ACHIEVE

- Actively participate in banking associations, trade forums, and regulator led work groups.
- Contribute to policy dialogue, share best practices, and support initiatives that strengthen the financial sector and promote sustainable growth.

OUR VALUE DRIVERS

Positive impact

OUR OPERATING CONTEXT

In 2025, Tanzania's macroeconomic environment remained resilient, with GDP growth averaging between 5.6% and 6.4%, supported by agriculture, mining, construction, finance, and tourism. Inflation was contained within the 3–4% range, reflecting effective monetary policy and stable food and fuel prices. Fiscal management improved through stronger revenue collection and tighter expenditure controls, while government spending continued to prioritize infrastructure and social services.

Tanzania's private sector credit growth strengthened to 23.5% in 2025 from 22.6% in 2024, reflecting sustained confidence in the economy, improved banking sector liquidity, and accommodative monetary conditions. Growth was broad-based, led by Mining & Quarrying (+91.1%), Trade (+49.7%), Transport & Communication (+29.4%), Agriculture (+28.9%), and Building & Construction (+25.6%). However, credit to the manufacturing sector declined by 8.2%, indicating slower borrowing activity within the sector.

The foreign exchange market remained broadly stable, with the Tanzanian shilling supported by adequate reserves and strong export performance. Gold exports rose significantly, while tourism arrivals continued to recover, strengthening external balances.

The Bank of Tanzania advanced regulatory reforms in 2025, including updates to consumer protection regulations and measures to enhance financial inclusion and sector stability. These reforms reinforced confidence in the financial system and aligned with broader government objectives of deepening access to finance.

Looking ahead to 2026, the outlook remains positive, with GDP growth projected between 5.8% and 6.3% and inflation expected to remain below 3.5%. Continued investment in infrastructure, agriculture, and energy, alongside regional integration, will support growth. However, risks from global economic headwinds and fiscal pressures remain, underscoring the importance of prudent policy management and resilience in the financial sector.

Interest Rate Overview

In 2025, Tanzania's interest rate environment remained broadly supportive of economic growth. The Bank of Tanzania maintained a cautious but accommodative stance, balancing inflation control with the need to stimulate private sector credit expansion. Lending rates moderated in line with improved liquidity conditions and stable inflation, encouraging borrowing across key sectors such as agriculture, construction, and transport. At the same time, deposit rates provided savers with steady returns, reinforcing confidence in the financial system. The overall interest rate framework contributed to sustained investment momentum, while regulatory reforms enhanced transparency and strengthened monetary transmission mechanisms.

Stanbic Bank Response

Stanbic Bank responded proactively to Tanzania's resilient macroeconomic and financial environment in 2025. The Bank aligned its strategy with national priorities by expanding credit to growth-driving sectors, supporting infrastructure development, and promoting financial inclusion. Through prudent risk management, digital innovation, and customer-centric solutions, Stanbic Bank reinforced its role as a trusted partner in advancing economic transformation. Looking ahead, the Bank remains committed to leveraging its regional expertise and strong capital base to navigate external uncertainties, sustain profitability, and contribute meaningfully to Tanzania's long-term development agenda.

OUR MATERIAL MATTERS

Our material issues are those that matter most to our internal and external stakeholders and providers of capital, and that impact on our ability to create value in the short, medium, and long term.

2025 materiality assessment process

We measure strategic progress against our six value drivers and identify material issues most likely to impact them and our ability to achieve strategic aspirations. Using a double materiality approach, we assess both how these issues affect our business and how our business impacts society, ensuring delivery of financial outcomes alongside positive Social, Economic, and Environmental (SEE) impacts.

While these issues evolve over time, the broad themes are relatively stable.
To identify and adequately interrogate our material issues, we undertake research and engagement on a range of information, including the consideration of:

- Risks, threats and opportunities identified through our enterprise risk process.
- Stakeholder engagement and reputation risk analysis.
- Issues raised through engagements, including the AGM.

Our material issues

Based on our understanding of our strategic aspirations and stakeholder priorities, the material themes we have identified for 2025 are as follows:

Transform the client experience

Execute with excellence

Drive sustainability growth and value

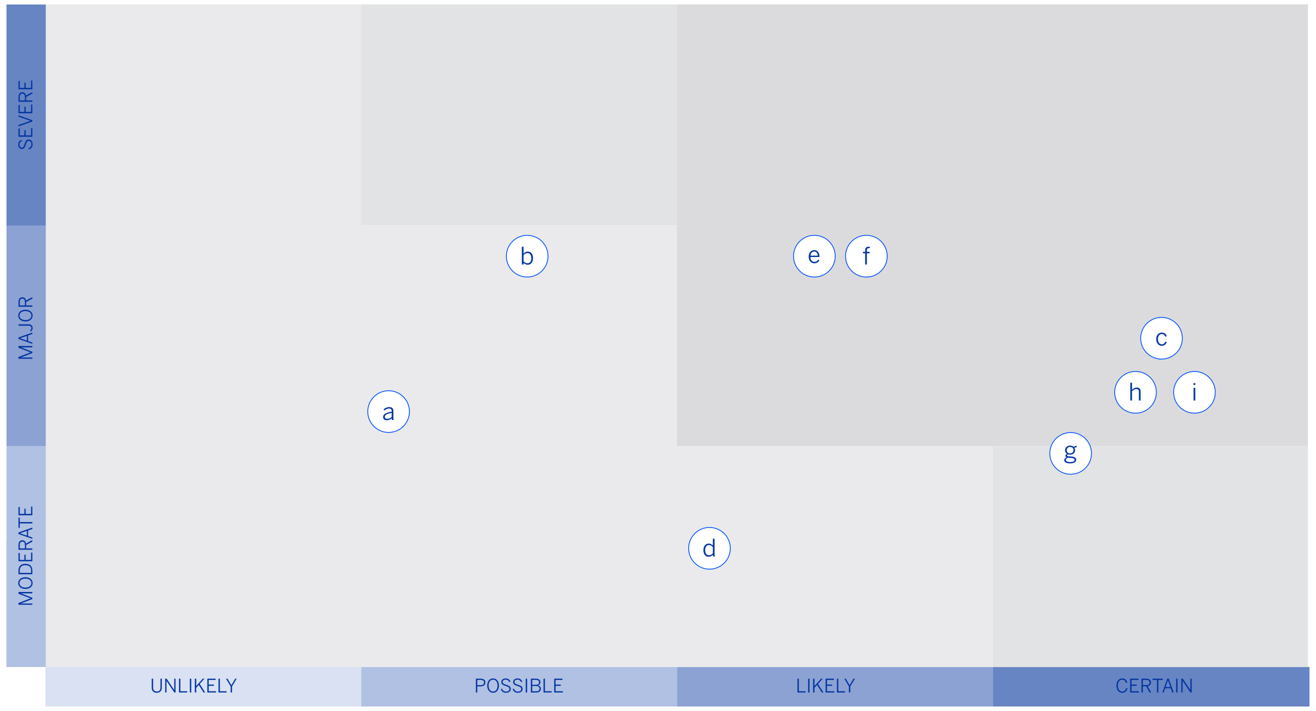
- Improving overall client experience
- Employee engagement, wellbeing, development. Workforce diversity and inclusion.
- Ethical conduct and business practices. Information security, cybersecurity. Financial crime. Fraud.
- Digital transformation.
- Delivering sustainable growth value shareholders and to shareholders.
- Delivering a positive impact for Tanzania's people.

OUR TOP ENTERPRISE RISKS

Our enterprise risks represent the top and emerging risks that could have a material impact on our ability to achieve our strategic objectives. They are risks from all categories in our risk universe and consider the material issues that could impact the delivery of our strategy.

The top enterprise risks are compiled through a robust process that includes gathering content from internal and external sources, followed by detailed analysis and evaluation of the information and then prioritization. They reflect a view of top risks over the medium term and aim to enable more informed and proactive strategic decision-making.

These risks evolve over time as mitigation efforts mature, the factors that influence a risk change, or as new risks emerge. This allows us to adapt and develop our risk management strategies to better support the group's long-term sustainability.



2025 Top and emerging enterprise risks

- (a) Operational resilience challenges.
- (b) Fitness to execute strategy.
- (c) Uncertain and challenging economic and environmental conditions.
- (d) Changing policy and regulatory landscape.
- (e) Competitiveness of our customer value proposition.
- (f) Threat posed from major and emerging technology companies.
- (g) Technology exploitation.
- (h) Fraud through digital channels.
- (i) Cyber attacks.

a Operational resilience challenges

The risks arising from the inability to successfully implement large-scale modernization programmes and operational dependence on third parties.

POTENTIAL IMPACT

- Overwhelmed employees contribute to poor service delivery and inflated costs.
- Limited internal capacity may cause lengthy disruption of payment or platform services.
- Loss of potential revenue and failure to meet strategic objectives due to non-delivery.
- Information security and data privacy challenges arising from unauthorized access and use.
- Cyber resilience of third-party service

TREATMENT

- Use insights gained to inform and enhance future development efforts.
- Identify risk exposures and embed third-party management framework.
- Cross skill employees as subject matter experts.
- Enhanced disaster recovery capability development and continuity plan reviews.

OPPORTUNITIES

Delivering excellent digital experiences

b Fitness to execute strategy

The lack of appropriate infrastructure, including funding, organisational processes, leadership and operating skills may hinder the execution of our strategy, delay or prevent the transformation of the way we operate and increase operating and governance costs.

POTENTIAL IMPACT

- Duplicated functions and additional costs.
- Misalignment of deliverables and agreed objectives.
- Decision referrals and opportunity losses.
- Repeat failures due to poor consequence management.
- Credibility loss due to failure to achieve the strategy.

TREATMENT

- Work streams and skilled teams appointed to manage strategic transformation.
- Review of decision-making processes and mandate.
- Data collection and analysis of planned cost reduction.
- Leadership transformation.

OPPORTUNITIES

Leverage our competitive advantages and capabilities

c Uncertain and challenging economic and environmental conditions

The risk describes challenging growth prospects amid high inflation, high interest rates and foreign exchange volatility, as well as risks arising from the impact of climate change and increased scams and fraud perpetuated against consumers.

POTENTIAL IMPACT

- Slow global economic growth.
- High inflation environment affecting affordability.
- Higher for longer interest rates.
- Limited employment opportunities.
- Biodiversity loss.
- Lack of sufficient climate funding.
- Energy security trade-offs.

TREATMENT

- Active credit portfolio management, including heightened monitoring of non-performing loans and provisioning.
- Targeted debt restructuring for distressed clients.
- Pursue commercially sound and high credit quality.
- Enhanced fraud capability, fraud management culture and proactive detection capabilities.

OPPORTUNITIES

Leverage our competitive advantages and capabilities.

e Competitiveness of our customer value proposition

New customer solutions may offer a mediocre value proposition that is generic and easily substituted due to poor research and development, resulting in loss of market share.

POTENTIAL IMPACT

- Competitiveness of customer value proposition.
- Loss of brand loyalty and client retention.
- Loss of market share and revenue.
- Costly innovation that does not yield anticipated outcomes.
- Investor concerns about our sustainability.

TREATMENT

- Client value propositions are carefully tailored to support their journeys.
- Design and scale competitive solutions for client.
- Ongoing relevant investor and stakeholder communications.

OPPORTUNITIES

Delivering excellent digital experiences to serve our clients.

d Changing policy and regulatory landscape

The risk of non-compliance with key pieces of legislation.

POTENTIAL IMPACT

- Level of regulatory change.
- Non-compliance with laws and regulation resulting in fees and penalties.

TREATMENT

- Client value propositions are carefully tailored to support their journeys.
- Design and scale competitive solutions for clients.
- Ongoing relevant investor and stake-holder communications.

OPPORTUNITIES

Leverage our competitive advantages and capabilities.

f Threat posed from major and emerging technology companies

The continued expansion of big tech, fintech and incumbent banks that offer simple, efficient, and affordable banking and other financial services. Competitors have limited regulations restricting their innovations. Incumbent banks are slower to market new solutions.

POTENTIAL IMPACT

- Competitiveness of customer value proposition.
- Inability to scale disruptive products on legacy.
- High number of market misses and innovation.
- Unrestrained by regulations, new competitors can market innovative new products faster.
- Loss of customers to competitors.

TREATMENT

- Development of competitive solutions and differentiated product offerings systems.
- Participation in regulation development.
- Leverage strategic partnerships.
- Accelerated decommissioning of legacy systems.

OPPORTUNITIES

Leverage technological advancements to personalize products

g Technology instability

The recurring unavailability of digital services arising from end-of-life technologies, legacy infrastructure, and the costs thereof erode customer trust in the 'always on' promise that is core to the platform organization's value proposition.

POTENTIAL IMPACT

- Technology instability and reliability of digital.
- Frustrated clients switch over to competitors.
- Temporary loss of transaction volumes and revenue.
- Reputational damage and reduced customer trust ability to operate a platform.
- Inability to harness emerging technology.

TREATMENT

- Incident management and analysis channels.
- IT landscape simplification and resilience Programme.
- Close monitoring of legacy systems and accelerated decommissioning thereof.
- Introduction of policies and standards for the use in our ability to operate a platform and operationalization of digital initiatives.
- Conduct rigorous, system-enabled risk and impact assessments for digital initiatives.

OPPORTUNITIES

Delivering excellent digital experiences to serve our clients.

h Technology and data skills scarcity and talent war

The risks arising from the inability to attract and retain talent, as well as the scarcity of future skills (such as IT engineering, data science, artificial intelligence (AI), robotics, and quantum computing), may prevent the successful and timely delivery of strategic IT-dependent initiatives and increase salary and consulting costs.

POTENTIAL IMPACT

- Skills scarcity and retention of critical skills.
- Rising consultant costs to fill skills gaps.
- Employee expenses surpassing prevailing market rates.
- Securing scarce skills may impact local employment metrics.
- Competition for skills leads to bidding wars and high employee turnover.

TREATMENT

- Enhanced detection and response capabilities to meet the rising cyber threat landscape and reduce the impact of incidents
- Enhanced disaster recovery capability development and continuity plan reviews.
- Cyber insurance to enable quick access to services.

OPPORTUNITIES

Deepen our employee value proposition.

j Cyberattacks

Persistent cyber threats that can compromise the confidentiality, integrity or availability of digital information and systems.

POTENTIAL IMPACT

- Evolving cyber landscape and cybercrime.
- Information security and data privacy challenges arising from unauthorized access and use.
- Disruption of critical client services.
- Loss of client and transaction data.
- Client information may be used to commit crime.
- Fines or penalties from multiple regulators.
- Loss of trust.
- Reputational damage.

TREATMENT

- Enhanced detection and response capabilities to meet the rising cyber threat landscape and reduce the impact of incidents.
- Enhanced disaster recovery capability development and continuity plan reviews.
- Cyber insurance to enable quick access to services.

OPPORTUNITIES

Delivering excellent digital experiences to serve our clients.

c Extreme weather and climate

Physical climate impacts and transition risks are increasing amid concerns about catastrophic weather events, long term climate change, greenwashing and challenges in accessing transition finance. These risks include the physical impacts on clients and operations, as well as policy changes, evolving technologies and shifts toward a low carbon economy.

POTENTIAL IMPACT

- Extreme weather risks (droughts, floods).
- Environmental degradation and biodiversity loss.
- Reduced agricultural output affecting food security and clients.
- Limited access to green and transition finance.
- Slow economic diversification affecting asset quality.
- Rising regulatory and compliance requirements.

TREATMENT

- Strong ESG policies and climate framework in place.
- Sustainable finance solutions for clients.
- Climate risk stress testing and scenario analysis.
- Board-level climate risk oversight.
- Ongoing client engagement on transition and resilience.

OPPORTUNITIES

- Grow sustainable finance offering.
- Bridge the climate change knowledge gap for all internal and external stakeholders.

i Fraud through digital channels

Clients were defrauded by external parties on the digital platforms we promoted.

POTENTIAL IMPACT

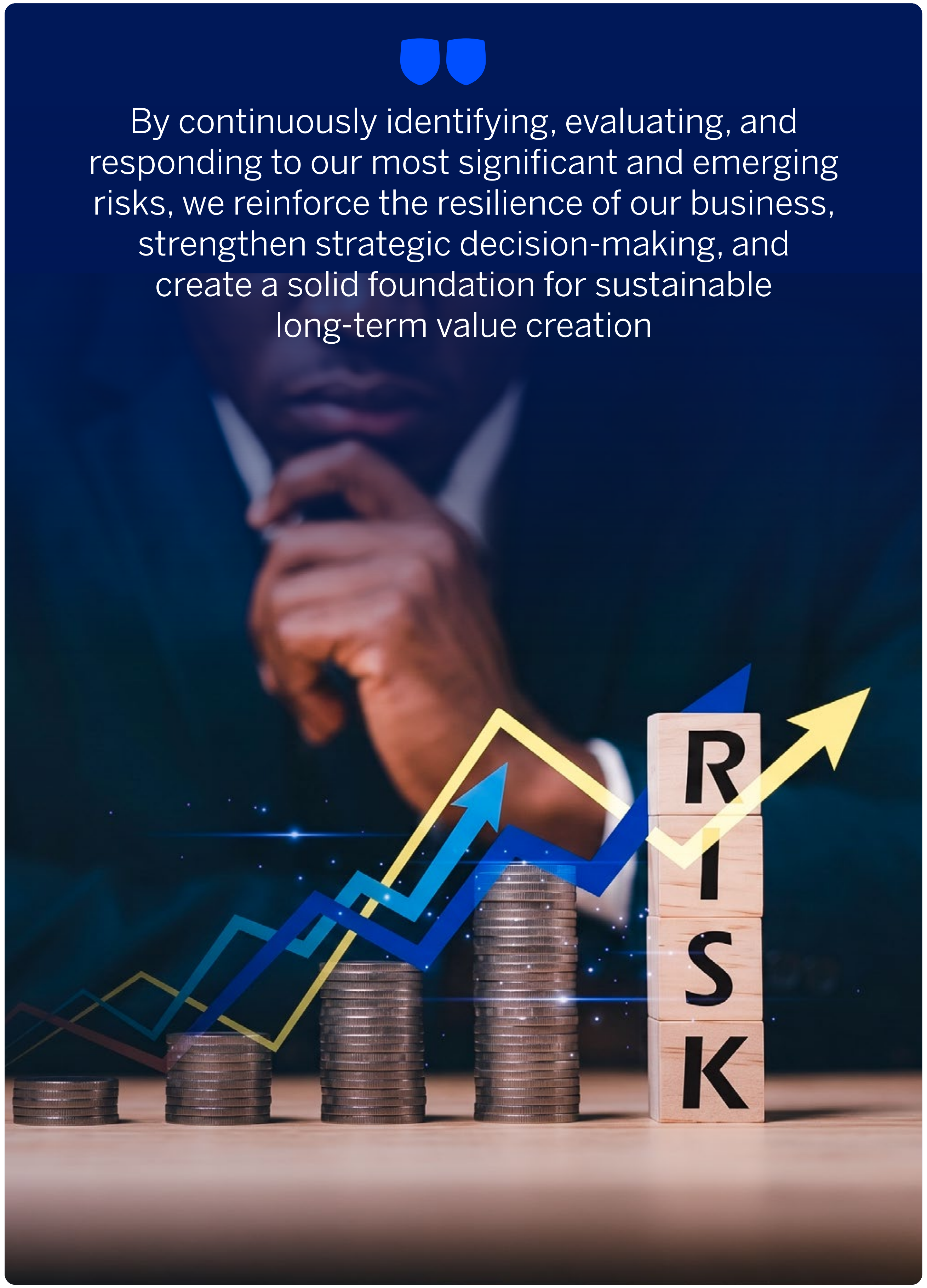
- Customer loss as customer culpability is not covered, and the lack of resolution options frustrates clients and customer-facing employees.
- Customer trust is impaired.
- Reputational damage.

TREATMENT

- Increase customer awareness of fraud scams and methods, and use digital security.
- Increased transaction monitoring to identify suspicious activity and minimize losses.

OPPORTUNITIES

Improving fraud detection and prevention capabilities and upskilling teams.



OUR STRATEGY

Our strategy is underpinned by our purpose, our strategic priorities will enable us to better fulfil our purpose as we deliver our ambition and achieve our financial targets.

SBG VALUE DRIVER

STRATEGIC PRIORITIES	VALUE DRIVERS	MEDIUM-TERM TARGETS	SHORT TERM	MEDIUM TERM
Transform the client experience	CLIENT FOCUS	▪ Top quartile client and partner satisfaction scores. ▪ Revenue growth.	We are focused on defending and growing our franchise.	▪ Each client segment will maintain and protect their strengths, building new ecosystems in focused and clearly identified areas to meet the expanding needs of our clients. ▪ We enhance our offering to our clients by facilitating partnerships with technology providers.
	EMPLOYEE ENGAGEMENT	▪ Upward trend in eNPS. ▪ Increasingly diverse workforce. ▪ Improved workforce return on investment.	We are accelerating skills development in key areas to develop, attract and retain critical skills.	▪ Our people are learning to think and act differently while developing new and more relevant skills.
Execute with excellence	RISK AND CONDUCT	▪ Operate within risk appetite and conduct framework. ▪ Credit loss ratio in target range.	We are committed to doing the right business, the right way.	▪ We are committed to world-class governance and risk management, embedded in the way we do things.
	OPERATIONAL EXCELLENCE	▪ Lower cost to serve. ▪ Reducing cost to income ratio. ▪ System security and stability.	We deliver innovative solutions that support our ambitions.	▪ We will deliver innovative solutions that can be scaled through the right infrastructure that provides an always on, always secure digital foundation.
Drive sustainability growth and value	FINANCIAL OUTCOME	▪ Sustainable headline earnings growth. ▪ ROE growth in target range. ▪ Loan book and deposit growth in target range.	We allocate our capital to enable strategic execution.	▪ We are focused on efficient investment, preserving the strong franchises we have and investing in capital efficient, high-margin growth in growing segments where the return on investment is clear and attractive to deliver our targets.
	POSITIVE IMPACT	▪ Expanding access to affordable credit for small and medium sized enterprises.	We are committed to making a positive impact.	▪ We are committed to promoting sustainable and inclusive development, considering the environmental and social impacts of our decisions and actions, considering our stakeholder views and preferences. ▪ We will continue to increase the transparency of our decision-making and enhance our ESG reporting.

OUR DELIVERY MODEL

Our operating model enables us to manage our resources and relationships responsibly, delivering the best outcomes for our stakeholders. It is client-led and structured around our business units, who are responsible for designing and executing the client value proposition.

Our inputs

FC Financial

Our large, well-balanced portfolio, appropriate risk appetite mandate and robust capital structure provide the resilience and flexibility to deliver growth.

IC Intellectual

Our recognized brand strength and legitimacy support our value proposition by offering relevant, competitive and innovative solutions through our omni-channel platforms.

HC Human

Our strong executive and leadership teams, deeply skilled and experienced people, and high-performance, client-centric and ethical culture are rooted in our purpose, and we invest in equipping our people with the mindset and skills needed to execute our strategic priorities.

MC Manufactured

Our physical branch network and access points are complemented by our modernized digital backbone and increasingly simplified systems architecture, allowing us to deliver better client and employee experiences and higher levels of efficiency.

SRC Social And Relationship

Our trust-based relationships with all our stakeholders underpin our ability to deliver our purpose and strategy. Our social and economic impacts are embedded into our business strategy and decision-making processes, enabling us to deliver positive impacts in the communities in which we operate.

NC Natural

We are driving sustainable investment by embedding SEE as a commercial strategy, aligned to Tanzania's wellbeing. We partner with clients and other stakeholders to create and implement climate smart solutions.

Our business activities

- We facilitate access to financial services, enabling socioeconomic development and personal wealth creation.
- We facilitate the allocation of capital to support economic growth.
- We contribute to effective markets that encourage the banking activities of clients.
- We enable financial protection and diversification through risk transfer and insurance products.
- We support the integrity of banking infrastructure to ensure clients have safe and convenient access to their savings and funds.

BANKING

Our business units own the client relationship and create multi-solution client experiences.

Personal & Private Banking (PPB)
Individual clients, from personal to private clients tailored and comprehensive financial services solutions.

Business & Commercial Banking (BCB)
Small and medium-sized businesses, as well as large commercial enterprises.
Broad-based client solutions that deliver advisory, networking and sustainability support required by our clients.

Corporate & Investment Banking (CIB)
Large companies (multinational, regional and domestic), governments, parastatals and institutional clients.
In-depth sector and regional expertise, specialised capabilities and access to global capital markets for advisory, transactional, risk management and funding support.

OUR TRADE-OFFS AND CONSTRAINTS		Our outcomes	Distributing value
CLIENT FOCUS	▪ Macro and socioeconomic environment impacting the aspirations and growth prospects of our clients. ▪ Maintaining competitive advantages in a fiercely competitive industry. ▪ Investing in digital capabilities that improve client experience and operational efficiency, which may impact on our stakeholder relationships and job roles in the short term.	▪ Strong relationships with diverse and growing client base. ▪ Recognised brand strength and legitimacy. ▪ Strong partnerships that support excellent client experience. ▪ Physical and digital presence that supports distribution capability.	Inflows from clients **TZS 237.8 billion**
EMPLOYEE ENGAGEMENT	▪ Our people's ability to grow and adapt as we evolve the way we operate to deliver our strategic priorities. ▪ Competition for specialist skill sets continues to increase.	▪ Strong executive and leadership teams. ▪ Deeply skilled and experienced people. ▪ High-performance, ethical culture connected to our purpose.	Invested in our people **TZS 91.2 billion**
RISK AND CONDUCT	▪ Managing the natural tension between client convenience, the speed at which we can fulfil their needs and the parameters of our mature and continually evolving regulatory, supervisory and control environment. ▪ Constantly managing the risks that may emerge in the delivery of our strategy.	▪ Trusted relationships with stakeholders. ▪ Mature governance and control systems. ▪ Well-developed financial risk and capital management framework.	Direct and indirect taxes to governments and regulators **TZS 126.7 billion**
OPERATIONAL EXCELLENCE	▪ Ensuring the ongoing stability of our digital platforms and cybersecurity measures to respond to increasing levels of global cyber threats. Providing convenient access to solutions requires ongoing optimization ▪ of our distribution capacity, investing in remaining relevant while lowering the cost to serve our clients.	▪ Strategic partnerships and future-ready capabilities support the development of innovative solutions. ▪ Digital capabilities focused on providing 'always on, always secure' services. ▪ Increasingly simplified systems architecture.	Invested in our operations, suppliers and third parties **TZS 46.0 billion**
FINANCIAL OUTCOME	▪ Informed trade-off decisions regarding our ability to generate revenue with the costs incurred to do so. ▪ Providing an appropriate rate of return to providers of capital, while still creating value for other stakeholders. ▪ Diligent allocation of resources to drive sustainable growth and scale.	▪ Large and well-balanced portfolio. ▪ Robust capital structure and strong balance sheet. ▪ Future-focused resource allocation.	Returns to shareholders **TZS 48.4 billion**
POSITIVE IMPACT	▪ Embedding positive impact into our business strategy to deliver positive SEE outcomes.	▪ An ESG framework to deliver focused positive impact. ▪ Develop a climate policy that supports a just energy transition.	

ALLOCATING OUR RESOURCES

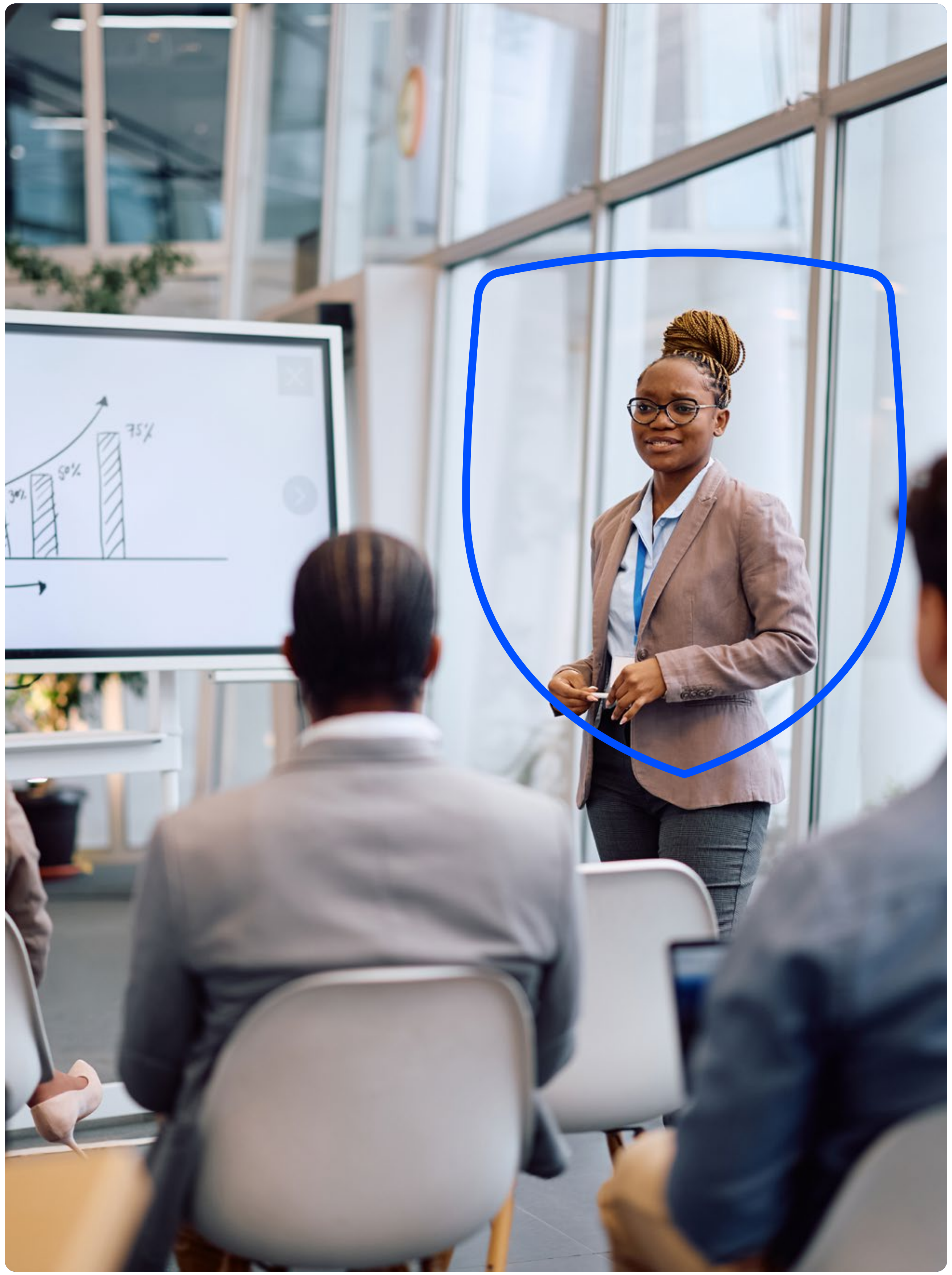
We are careful when we allocate our resources to ensure that we address specific client needs and drive sustainable growth and value.

Our resource allocation framework uses the capital, funding, capabilities and expertise available to us, together with our strategic value drivers, to direct our focus and investment in areas that will deliver sustainable growth and value over the short, medium and long term.

Once specific client needs have been identified, gated hurdle rates are applied to assess the soundness of the investment required. If the investment meets these hurdles, targeted metrics ensure that our rates of return are met as the solution is implemented.

Detailed scenario -based thinking enables us to anticipate and plan for volatility and complexity, thereby framing the allocation process.

Led through the lens of client strategy	We invest to serve clients more efficiently, creating and distributing relevant, personalized and innovative solutions.
Supported by a prioritized investment portfolio	We are deliberate in tilting our portfolio to grow the core banking franchise and to grow a capital efficient business.
Resource allocation decisions subjected to hurdle rates	Our decision-making framework is aligned to our strategy and resource allocation requests are subject to hurdle rates of return. When allocating resources, Stanbic Bank considers: ▪ **Client Value:** Opportunities must add measurable value to clients, drive growth, and be scalable for the Bank. ▪ **Risk Appetite & Capability:** Initiatives must align with our risk appetite and be achievable with available resources. ▪ **Financial Outcomes:** Investments should deliver revenue growth that supports medium term targets, generate sustainable returns above the cost of equity, and produce cash flows that underpin dividend payments.
Allocation tested against risk appetite	We regularly review and amend our risk appetite across segments and solutions.
Progress measured against set targets	We develop, refine and track metrics that are easy to understand and measure, are actionable and aligned to our strategy.



EXECUTING OUR STRATEGY

Our strategic priorities guide how we allocate resources and define the metrics we use to monitor our progress in executing our strategy and delivering on our commitments.

FINANCE AND VALUE REVIEW

In 2025, Stanbic Bank Tanzania delivered resilient financial results, underpinned by strong growth in both loans and deposits, improved asset quality, and disciplined cost management.

These outcomes reflect the strength of our diversified business model, prudent risk management practices, and a continued focus on operational efficiency

Derick Lugemala
Chief Finance and Value Officer,
Stanbic Bank, Tanzania

Despite a challenging global and macroeconomic environment, we maintained robust liquidity and capital positions, ensuring stability and flexibility to support our clients and capture growth opportunities. Our performance demonstrates our ability to balance growth with resilience, reinforcing our commitment to sustainable profitability and the creation of long-term value for our shareholders, clients, and the broader economy.

The year 2025 was marked by a stable and resilient macroeconomic environment that supported growth across Tanzania. Continued investment, strengthening of the financial sector, food system stability, and solid export performance provided a favourable outlook, sustaining economic momentum despite global complexities such as heightened competition, geopolitical tensions, evolving regulatory requirements, and political dynamics.

Against this backdrop, Stanbic Bank Tanzania delivered a strong financial performance for the year ended 31 December 2025. Profit after tax reached TZS 135.3 billion, a 6% increase from TZS 128.0 billion in 2024, translating into a return on equity of 22.1% and return on assets of 3.9%. The Bank maintained compliance with all regulatory requirements, recording a cost-to-income ratio of 43.6% (well below the BOT threshold of 55%) and an NPL ratio of 2.4% (against the BOT requirement of 5%).

Financial highlights and analysis

Net change in gross loans and advances to customers	**28%** ▲
Net change in deposits from customers	**16%** ▲
Net change in interest margin	**-0.60%**

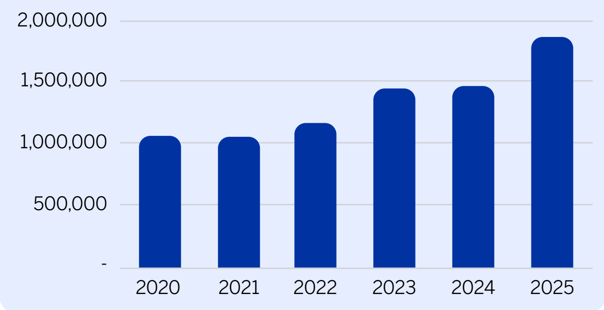
Key Performance Indicators

Performance indicator	Ratios 2025	2024	% Change
Return on equity	22.10%	24.50%	-2.40%
Return on assets	3.90%	4.20%	-0.30%
Cost to income ratio	43.60%	42.60%	1.00%
Interest margin on earning assets	8.70%	8.70%	0.00%
Non - interest income to gross income	35.70%	37.50%	-1.80%
Non - performing loans to gross loans	2.40%	2.90%	-0.50%
Earning assets to total assets	90.00%	88.70%	1.30%
Total expenses/Interest income	54.80%	59.60%	-4.80%
Net interest margin	5.40%	6.00%	-0.60%
Liquid assets to total assets	30.20%	32.30%	-2.10%

Key performance drivers

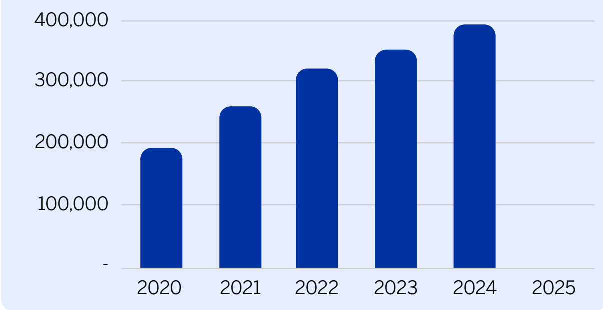
- **A** **Net Interest Income:** Boosted by strong deposit growth and disciplined pricing.
- **B** **Cost-to-Income Ratio:** Lowered through strict expense control.
- **C** **Margins:** Decline due to higher interest expense.
- **D** **Asset Quality:** NPL ratio reduced via stronger underwriting, recoveries, and proactive risk management.
- **E** **Liquidity:** Solid coverage maintained while expanding earning assets.
- **F** **Fee & Commission Income:** Growth driven by higher transactions, digital adoption, and structured product offerings.

Gross Loans & Advanced to Customers (TZS 'Mn)



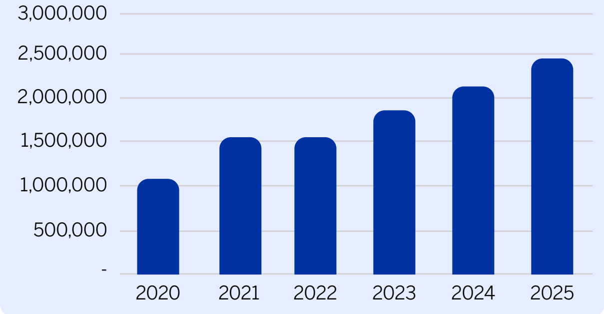
The graph shows a steady increase in gross loans and advances from 2020 to 2025, with a notable jump in 2025 reaching nearly 2 million TZS Mn. This indicates growing lending activity and customer borrowing over time. The upward trend reflects the bank's expanding loan portfolio. forward-looking response.

Trading Assets and Financial Investments (TZS 'Mn)



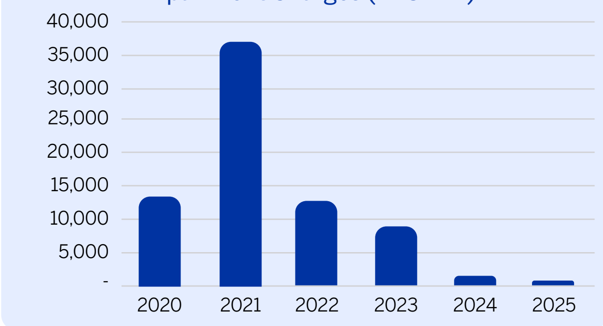
Trading assets and financial investments exhibit a consistent growth from 2020 to 2024, peaking just below 400,000 TZS Mn. The value stabilizes with no data for 2025, highlighting increased investment activities over the period. This suggests a stronger focus on diversified asset holdings.

Deposits from Customers (TZS 'Mn)



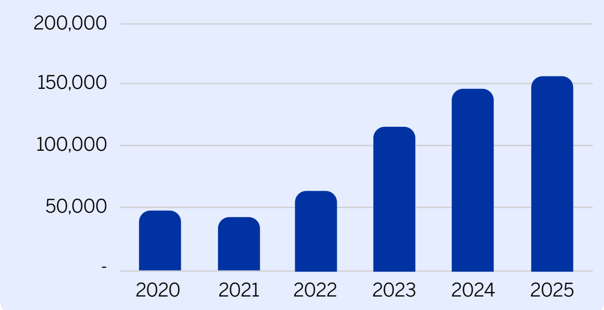
Customer deposits increase progressively from 2020 through 2025, reaching nearly 2.5 million TZS Mn. This indicates enhanced customer trust and liquidity accumulation by the bank. The growth pattern is steady, pointing to sustained customer engagement.

Impairment Charges (TZS 'Mn)



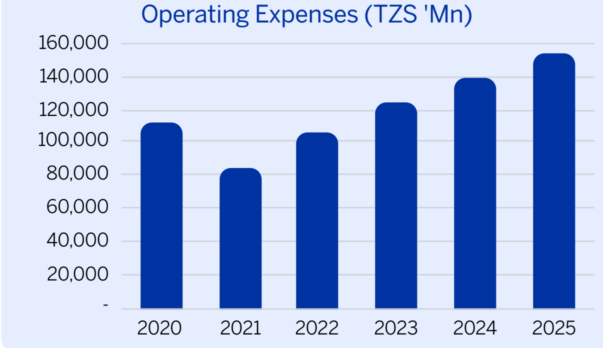
Impairment charges show a sharp peak in 2021 around 37,000 TZS Mn, then rapidly decline in subsequent years, stabilizing below 5,000 TZS Mn by 2025. This reflects a period of high credit risk or defaults in 2021 followed by improved asset quality. The reduction suggests better credit management.

Non-Interest Revenue (TZS 'Mn)



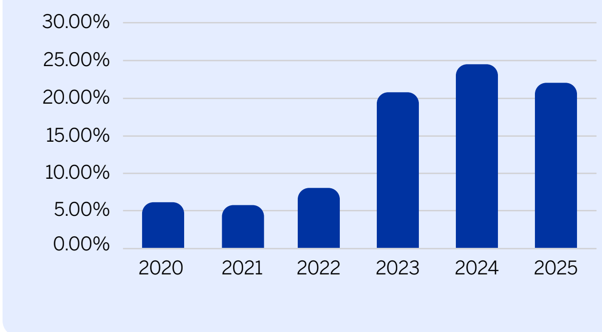
Non-interest revenue steadily rises from 2020 to 2025, nearly tripling by the end of the period. This growth signifies diversification of income sources beyond traditional interest earnings. It highlights expanding fee-based services and other revenue streams.

Operating Expenses (TZS 'Mn)



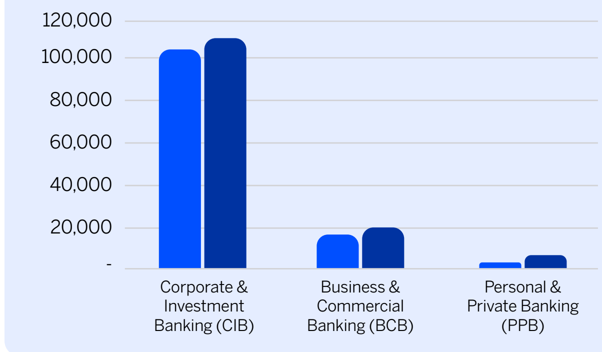
Operating expenses fluctuate initially but rise consistently from 2022 to 2025, reaching around 150,000 TZS Mn. The increasing trend suggests expanding operations and potential inflationary cost pressures. It reflects investments in infrastructure, staff, and other operational areas.

Return on Equity (%)



Return on Equity remains low and stable from 2020 to 2022, then sharply increases to about 25% in 2024 before slightly dropping in 2025. This indicates improved profitability and efficient equity use in recent years. The dip in 2025 underpinned by equity growth.

Profit for the year (Segmented) (TZS 'Mn)



Corporate & Investment Banking dominates profitability in both 2024 and 2025, showing stable profits around 110,000 TZS Mn. Business & Commercial Banking has minimal profit growth, while Personal & Private Banking shows a modest increase. This highlights Corporate & Investment Banking as the primary profit driver.

15% Total assets grew 15% to TZS 3.5 trillion, driven by a 28% increase in loans and advances, alongside steady growth in cash balances, investment securities, and interbank placements.

16% Customer deposits rose 16%, reinforcing funding stability, while borrowings declined significantly as reliance on external debt reduced.

17% Equity strengthened by 17%, reflecting retained earnings and overall profitability. The balance sheet highlights strong asset growth supported by resilient deposit mobilization and improved capital position.

Loans and Advances

	2025 TZS'000	2024 TZS'000	Change %
BCB and PPB	**849,641,275**	**543,114,596**	
Vehicle and asset finance	212,371,424	98,001,080	117%
Other loans and advances	637,269,851	445,113,516	43%
CIB	**1,085,709,542**	**969,224,388**	
Corporate lending	1,085,709,542	969,224,388	12%
Gross loans and advances to customers	**1,935,350,817**	**1,512,338,984**	
Banks	944,090,596	877,401,088	8%
Gross loans and advances	**2,879,441,413**	**2,389,740,072**	
Credit impairments on loans and advances	(40,291,808)	(37,849,011)	6%
Net loans and advances	**2,839,149,605**	**2,351,891,061**	

Funding and Liquidity

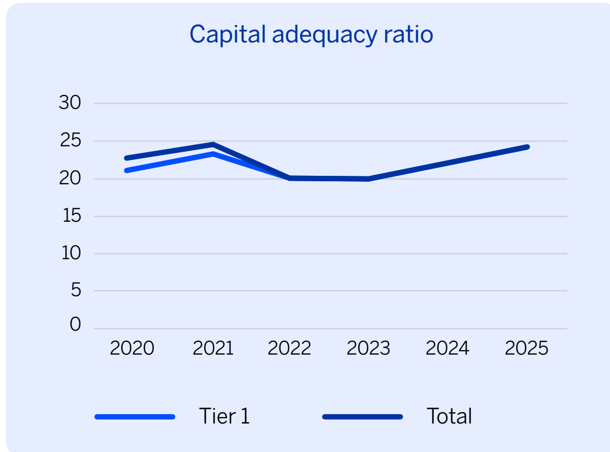
	2025 TZS'000	2024 TZS'000	Change %
Deposits by banks	**287,233,814**	**107,778,542**	**166.5%**
Deposits and current accounts with banks	222,667,867	64,497,750	245.2%
Other deposits and balances due to banks	64,565,947	43,280,792	49.2%
Deposits by customers	**2,442,523,148**	**2,105,455,134**	**16.0%**
Current accounts	1,760,132,095	1,509,621,832	16.6%
Call deposits	138,216,563	92,029,404	50.2%
Savings accounts	129,115,013	107,018,788	20.6%
Term deposits	415,059,477	396,785,110	4.4%
Total funding	**2,729,756,962**	**2,213,233,676**	**23.3%**

Gross loans and advances to customers.

Loans and advances increased significantly in 2025, with gross loans and advances rising by **8% to TZS 2,879.4 billion (2024: TZS 2,389.7 billion)**, driven mainly by growth in customer lending, which increased to **TZS 1,935.4 billion from TZS 1,512.3 billion**. This growth was largely attributable to strong expansion in vehicle and asset finance, which more than doubled to **TZS 212.4 billion (2024: TZS 98.0 billion)**, and a **43%** increase in other loans and advances to **TZS 637.3 billion**. Corporate lending under the CIB segment increased by **12% to TZS 1,085.7 billion**.

Loans to banks also increased moderately to **TZS 944.1 billion (2024: TZS 877.4 billion)**. Despite the expansion in the loan book, credit impairments rose at a slower pace, increasing by **6% to TZS 40.3 billion**. As a result, net loans and advances grew strongly to **TZS 2,839.4 billion (2024: TZS 2,351.9 billion)**, reflecting improved portfolio quality and sustained lending growth.

Capital management



Conclusion

The bank demonstrated strong funding growth in 2025, with total funding increasing by 23.3% to TZS 2,729.8 billion, driven by a 16.0% rise in customer deposits and a significant 166.5% surge in interbank deposits. The deposit mix remains favorable, with current accounts comprising approximately 72% of customer deposits, ensuring low-cost funding.

On the capital front, the Capital Adequacy Ratio has remained stable and robust at approximately 24.5% (Total) and 24.5% (Tier 1), well above regulatory minimums, reflecting strong capital quality predominantly anchored in core equity. Overall, the bank is well-capitalized with a healthy liquidity position to support sustainable growth and absorb potential risks.

CORPORATE & INVESTMENT BANKING

As we look back 2025 was a year of strong delivery for Corporate and Investment Banking (CIB). Structured around Transactional Products & Services (TxB), Global Markets (GM), and Investment Banking (IB), and supported by our Client Coverage team, CIB continued to provide a broad portfolio of financial solutions to corporates and institutions with strategic interests in Tanzania

Our ambition to be the leading Corporate and Investment Bank in Tanzania was reinforced by consistent performance, market recognition, and impactful client partnerships

Ester Manase
Head, Corporate & Investment Banking, Stanbic Bank, Tanzania

CIB generated TZS 235 billion in revenue and TZS 112 billion in Profit After Tax, supported by Customer deposit and loan expansion of 18%. Cost discipline remained strong, with a 10% reduction in indirect expenses. Despite margin compression in the second half of the year, growth was driven by key sectors including China, the Public Sector, Consumer, and TMT. Our leadership was reaffirmed by Euromoney, which recognized Stanbic as Tanzania's Best Investment Bank for the fourth consecutive year.

We played a central role in landmark transactions, including Tanzania's first local syndication for the Revolutionary Government of Zanzibar to support blue economy initiatives, and supporting CRDB Bank PLC with the country's first infrastructure bond (TZS 323 billion) and the first multicurrency Sukuk in East Africa. These milestones highlight our role in advancing Tanzania's capital markets and financing national development priorities.

Looking ahead, CIB will focus on executing the Stanbic 2030 strategy, with 2026 marking the first year of implementation. Our client-centric agenda will remain the foundation of our business, anchored on four themes: transforming client experience, driving sustainable value creation, delivering operational excellence, and growing our people and culture.

Over the next five years, we will pursue key initiatives including:

- **Transactional Banking Overhaul - The Digital Foundation:** Building a fully integrated transactional banking ecosystem to enhance payments, collections, liquidity management, and cash visibility.
- **Digital Dominance - End to End Trade Finance Portal:** Establishing a market leading digital trade portal to digitize origination, documentation, tracking, and settlement.
- **Fixed Income Leadership:** Developing an active market making franchise to deepen Tanzania's debt markets and introduce sophisticated products.
- **Debt Advisory 2.0:** Expanding into project finance, M&A, and ESG linked advisory to strengthen client relationships and fee income.
- **Equity Capital Markets Readiness:** Investing ahead of market growth to build ECM capabilities, licenses, and talent.

With Tanzania's positive economic outlook and Vision 2050 priorities, CIB is well positioned to deepen client relationships, capture growth opportunities, and sustain market leadership. Our focus remains on delivering innovative solutions, supporting national development, and creating long term value for our clients and stakeholders.

Key financial and social highlights

STRONG FINANCIAL GROWTH

TZS 1,101.6 Bn	TZS 1,267 Bn	TZS 235.71 Bn	37.60%	TZS 111.54 Bn
Loans 18% YoY	Deposits	Revenue	Return on Equity (RoE)	Profit After tax (PAT)

KEY STRATEGIC AREA HIGHLIGHT

Client Onboarding
Onboarded Strategic clients in the Energy & Infrastructure, Trade and China space that are key platers in their industries

Product Diversification
Rolled out over 4 products in the TxB and GM space combine over the year

Digital Platforms momentum
GePG collections up 22% and BOL volumes up 12%

Public investment in infrastructure and development projects remains a vital driver of economic growth, creating strong multiplier effects across the economy. These investments also support **Zanzibar's Blue Economy** ambitions while strengthening national connectivity, resilience, and shared prosperity, contributing meaningfully to Tanzania's long-term sustainable development.

PERSONAL & PRIVATE BANKING

2025 was a defining year for Personal and Private Banking at Stanbic Bank Tanzania. We continued to deliver diverse customer value propositions across transactional, lending, and wealth solutions, accessible through our branch network and enhanced digital platforms.

Our ambition to be the number one private bank in Tanzania gained international recognition, with Euromoney naming us Best Private Bank in Tanzania and Best Bank in Customer Experience

Omari Mtiga
Head, Personal & Private Banking,
Stanbic Bank, Tanzania

Financially, PPB achieved total revenue of TZS 54.12 billion, up 5% from 2024, driven by a 6% rise in net interest income through asset book expansion, loan repricing initiatives, and high value transactions. Non interest revenue also grew, supported by repricing of fees, dormancy activation campaigns, and innovative solutions such as Lipa Simpo.

Operationally, we recorded 97% growth in new to bank clients, expanded our active client base to over 40,000, and reduced dormancy to just 2%. Digital adoption reached 49%, supported by new solutions including Digital Cash Advance, LUKU integration, and upgraded unsecured lending. We expanded our agency banking network to cover 92% of Tanzania's regions, opened new branches in Geita, Karatu, and Zanzibar, and launched Private Banking CVPs in Mbeya, Mwanza, and Arusha.

Our product innovation included home construction loans, unsecured overdrafts in TZS and USD, and vehicle and asset finance solutions tailored for Private Banking clients. We also automated government loan processes through eMkopo, enhancing efficiency, and fully migrated mobile banking services to in house gateways for greater reliability.

These achievements underscore PPB's transformation journey, which is resonating locally and internationally. By deepening client relationships, expanding digital capabilities, and strengthening wealth management services, we are firmly on track to achieve our ambition of becoming Tanzania's leading private bank.

Looking ahead, Personal and Private Banking (PPB) has set clear medium term strategic objectives to transform into a differentiated, digitally led, advice centric private banking franchise for high net worth clients by 2030.

Over the next five years, we will focus on four key initiatives:

- **World Class Digital Lifestyle Loyalty Program:** Building a premier ecosystem that integrates banking, wealth, and lifestyle services to deepen engagement, increase share of wallet, and embed Stanbic into clients' everyday decisions.
- **Mobile App as a Private Banking Hub:** Transforming our mobile application into a secure, intuitive platform that unifies banking, wealth management, and security services, enabling a digital first engagement model.
- **Redefining Asset Management:** Repositioning our asset management strategy around financial planning, investment, and estate advisory, while expanding local and offshore offerings to drive recurring fee income and build multi generational relationships.
- **Fintech Partnerships:** Leveraging collaborations with fintech and Group capabilities to accelerate innovation, deliver international trading and multi currency solutions, and enhance competitiveness.

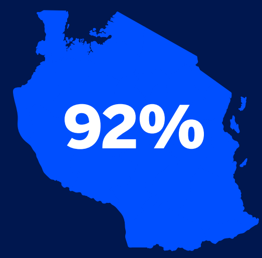
Key financial and social highlights

STRONG FINANCIAL GROWTH

- **30%** YoY to 40.57 thousand customers
- **47%** Primary banking Relationship strengthened
- **TZS 339.8 Bn** Loan book 34% YoY
- **TZS 30.23 Bn** Net Interest Income 6% YoY
- **TZS 18.49 Bn** Non-Interest Revenue +2% YoY

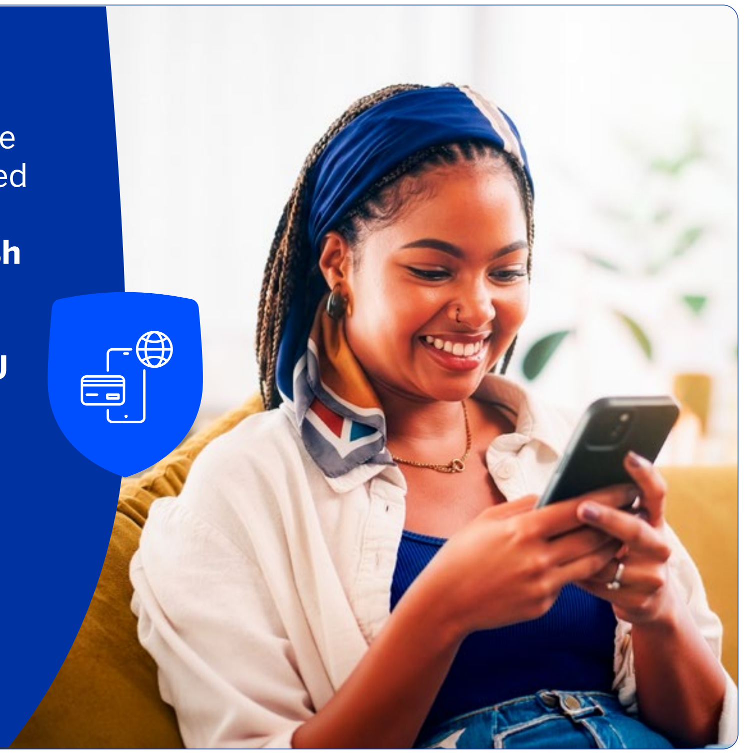
KEY STRATEGIC AREA HIGHLIGHT

- **49%** Digital Adoption
- **32%** Cross-Sell Ratio
- **73** Net Promoter Score (NPS)



Bank expanded its physical presence with new branches in Geita, Karatu and Zanzibar, while extending Agency Banking coverage to 92% of Tanzania, bringing banking services closer to customers across the country

Innovation remained a key growth driver throughout the year, with the Bank introducing customer-focused digital and lending solutions, including **Lipa Simpo, Digital Cash Advance, e-Mkopo for public sector employees, Digital Minor Onboarding**, and **TANESCO LUKU payment integration**. Enhanced digital risk controls, stronger revenue assurance, and strategic loan and fee repricing further improved operational resilience, efficiency, and business performance.



BUSINESS & COMMERCIAL BANKING

"In 2025, our Business & Commercial Banking (BCB) division delivered strong growth by scaling SME support, expanding digital and agency banking, and deepening sector partnerships to create lasting value for clients and communities.

We also enhanced customer experience through innovative financial solutions, strengthened relationship management, and broadened access to banking services, supporting inclusive economic growth and business resilience across Tanzania

Omari Mtiga
Head, Personal & Private Banking,
Stanbic Bank, Tanzania

Tanzania's emerging middle income economy continues to be driven by small and medium sized enterprises alongside a diverse base of local commercial businesses. From neighborhood shops to established retail outlets, FMCG manufacturers, and trading companies, these enterprises form the backbone of economic activity. The Business and Commercial Banking (BCB) unit plays a critical role in enabling growth, resilience, and financial inclusion, operating through four core sub segments: Agribusiness, Public Sector, Enterprise Banking, and Commercial Banking.

In 2025, BCB delivered strong and diversified growth anchored by a revitalized agribusiness proposition, expanded distribution, and a scaled ecosystem strategy. The refreshed Agriculture CVP, supported by inventory and stock financing, mobilized over TZS 35 billion in deposits under cash backed lending. Ecosystem financing injected TZS 312 billion in liquidity across anchor clients in energy, FMCG, and mining, while digital innovations such as Pokea na Stanbic, Ramani loan automation, and Distributor Financing automation enhanced speed, transactability, and efficiency. We expanded our footprint with new branches in Geita, Zanzibar, Kahama, and Karatu, alongside premium suites in Dar Village, Tegeta, and KwaMrombo, acquiring 1,297 new customers.

Financially, BCB closed 2025 with a profit after tax of TZS 20.2 billion, exceeding budget by 31% and growing 31% year on year. Loans and advances rose 54% to TZS 492 billion, deposits grew 49% to TZS 764 billion, and disbursements reached TZS 616 billion, an 84% increase. The business maintained a robust return on equity of 22.4% and delivered positive Shareholder Value Added of TZS 3.84 billion, reflecting disciplined execution and prudent balance sheet management.

Looking ahead, BCB's medium term strategy (2025–2030) aspires to become the leading financier of Tanzania's real economy by structuring finance around value chains, ecosystems, and priority growth sectors. Key initiatives include:

- **Agri Growth Catalyst:**
  Establishing a dedicated hub to support agro processing, cooperatives, and medium to large farms with asset leasing, trade finance, and advisory solutions.
- **Catalyst for Local SME Contractors:**
  Scaling financing for SME contractors in energy and mining through anchor led structures, supporting local content and de risking SME lending.
- **Logistics Enabler:**
  Targeting transport and infrastructure operators with integrated fleet financing and Fleet360 solutions to improve asset performance and reduce risk.
- **Digital Supply Chain Finance Platform:**
  Launching a scalable SCF platform to serve anchor clients and SME suppliers across agro processing, energy, and logistics, driving fee income and ecosystem based growth.

Through these initiatives, BCB will strengthen its role as a trusted partner, driving sustainable growth and inclusion across Tanzania.

Key financial and social highlights

STRONG FINANCIAL GROWTH

TZS 20.2 bn
Profit After Tax

+31%
Profit After Tax YoY Growth

TZS 493 bn
Loans & Advances (+54%)

TZS 764 bn
Liabilities (+49%)

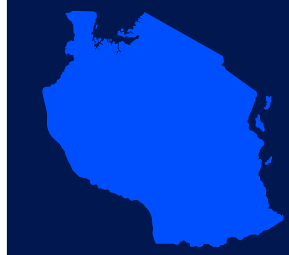
TZS 616 bn
Total Disbursements (+84%)

GROWING WITH OUR CLIENT

1,269
New Clients Acquired

69%
Net Promoter Score

DRIVING TANZANIA'S GROWTH



TZS 312 bn
Ecosystem Financing

Energy, Mining, FMCG, Agriculture and Public Sector

INCLUSIVE GROWTH

€250,000
GIZ grant secured

250
Women-led green businesses supported

2,700
Entrepreneurs reached

286
Businesses incubated

262
Cross-border traders trained

We expanded our footprint with new branches in Geita, Zanzibar, Kahama, and Karatu, alongside premium suites in Dar Village, Tegeta, and KwaMrombo, acquiring 1,297 new customers.

RISK GOVERNANCE

"As Head of Risk, I am pleased to present the Bank's risk management perspective for the year ended 2025.

During the year, Stanbic Bank Tanzania continued to strengthen its risk management framework, ensuring resilience in an increasingly complex operating environment shaped by evolving regulation, rapid technological change, and shifting macroeconomic conditions

Wilmot Ishengoma
Head of Risk, Stanbic Bank Tanzania

A key milestone was the adoption of sustainability reporting standards issued by the International Sustainability Standards Board (ISSB). In response, the Bank integrated environmental, social, and governance (ESG) considerations into its Enterprise Risk Management (ERM) framework, recognising the growing materiality of sustainability risks to long-term performance and stakeholder confidence. Our enhanced ERM framework integrates sustainability across all key risk categories, ensuring ESG risks are assessed alongside traditional risks and supporting better decision-making, transparency, and alignment with evolving global standards.

Our risk management approach remains anchored in proactive identification, rigorous assessment, and effective mitigation of risks across all key domains, including credit, market, liquidity, operational, compliance, and sustainability risk.

During the year, asset quality remained strong, supported by disciplined underwriting standards, effective portfolio diversification, and active monitoring processes.

Digital Risk and Cyber Resilience

With the continued expansion of our digital platforms and services, digital risk management remained a key priority in 2025. The Bank faced an increasingly sophisticated threat landscape, including cyberattacks, fraud, and data-related risks, requiring a more integrated and forward-looking response.

Our approach focused on strengthening resilience across five critical areas:

- **Cybersecurity:**
  We enhanced real-time threat monitoring, vulnerability assessments, and incident response capabilities to mitigate risks such as phishing, ransomware, and system intrusions.
- **Data Protection and Privacy:**
  Stronger data governance practices, including encryption, access controls, and regulatory compliance, were implemented to safeguard sensitive customer information.
- **Digital Fraud Risk:**
  Advanced fraud detection tools using behavioural analytics improved our ability to identify and prevent fraudulent transactions across digital channels.
- **System Resilience:**
  Investments in infrastructure, redundancy, and disaster recovery capabilities ensured high availability of systems and uninterrupted service delivery.
- **Third-Party Risk:**
  Strengthened oversight and due diligence of technology vendors ensured alignment with the Bank's security and compliance standards.

Our enhanced **ERM framework** embeds sustainability across key risk categories, improving ESG risk management and aligning with evolving global standards

In addition, employee awareness programmes and simulated cyber exercises were expanded to reinforce a strong risk-aware culture, recognising that human factors remain a critical line of defence. The Bank maintained strong capital and liquidity buffers throughout the year, reflecting a prudent approach to balance sheet management and ensuring resilience in the face of potential shocks. Embedding a strong risk culture across the organisation remains a priority. In 2025, we continued to reinforce accountability at all levels through training, clear risk ownership, and alignment of performance with risk outcomes.

Looking ahead, our focus will be on deepening the integration of ESG and climate risk, strengthening data-driven risk insights, and enhancing cross-functional collaboration. We will also continue to monitor regulatory developments, particularly in sustainability and digital risk, to ensure continued compliance and readiness.

Ultimately, our objective is to balance risk and opportunity effectively, ensuring that risk management serves as a strategic enabler of sustainable growth. Stanbic Bank Tanzania remains committed to upholding high standards of governance, transparency, and resilience, while supporting clients responsibly and contributing to Tanzania's economic development.

OUR PEOPLE AND CULTURE

2025 was a year of cultural transformation for our Bank. Guided by our People Promise, we invested in our leaders, launched the Habits Work framework and deepened our commitment to growing our people, because a capable, engaged and inclusive workforce is what turns our strategy into results.

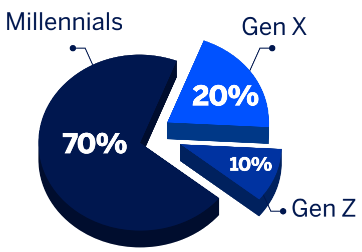
As we look to 2026, our focus is clear: creating an environment where every colleague feels safe, recognized and able to grow, positioning Stanbic Bank Tanzania as an employer of choice in Tanzania's financial sector

Rabina Masanja,
Head, People and Culture, Stanbic Bank Tanzania

Our People Promise enabling our employees to achieve their dreams while driving Tanzania's growth, underpins our people strategy and informs how we attract, develop and retain talent. Our people are fundamental to strengthening client relationships, expanding access to financial services, sustaining a robust risk culture and delivering long-term value for all stakeholders. As a material strategic priority, our people, capability and culture agenda remains central to the Bank's sustainable growth, with employee engagement serving as a key driver of organisational performance.

During 2025, our workforce increased by 4.4% to 638 employees, supporting the expansion of our national footprint through the opening of five new branches. Approximately 80% of the resulting vacancies were filled through internal appointments, reflecting the strength of our succession pipeline and our commitment to creating meaningful career opportunities for our employees. We continued to invest in leadership capability, organisational culture, financial advisory expertise and client experience. Insights from employee feedback particularly on psychological safety, recognition and career development have informed targeted actions within our 2026 people agenda, reinforcing our commitment to building an inclusive, high-performing workplace where our people can thrive

Our human capital at a glance



Average tenure is between **10-15 years**

Measure	2025	2024
Total headcount	638	611
Female employees	289 (45.3%)	274 (44.8%)
Male employees	349 (54.7%)	337 (55.2%)
Employee net promoter score (eNPS)	+47	+50
'Are You a Fan' survey participation		
Total employee turnover	95%	94%
Female representation at senior management level	5.73%	6.42%
Women in management roles	33%	33%
Average hours spent on learning per employee	38%	36%
Learning Investment Spend	38.3 hrs	18.1 hrs
Workforce return on investment	3 442 397 185.35	2 967 464 436.41
(ROI) (times)	3.3	3.7

Employee engagement and culture

Our annual "Are You a Fan?" employee engagement survey provides a valuable opportunity for colleagues to share their experiences, celebrate what enables them to thrive and identify opportunities to further enhance our workplace. Listening to our peopleand acting on their feedback, remains central to our commitment to building a high-performing, inclusive and engaging culture.

In 2025, we achieved a 95% participation rate, reflecting a high level of trust and willingness among employees to shape the future of our organisation. We recorded an Employee Net Promoter Score (eNPS) of +47, underscoring strong employee advocacy and engagement. Our Leadership Effectiveness Index of 83% highlights the confidence employees have in their leaders and reinforces the critical role leadership plays in creating a positive employee experience. The culture fostered by our leaders continues to be one of the strongest reasons employees recommend Stanbic Bank Tanzania as a great place to work.

Insights from the survey have been translated into targeted country action plans, with particular focus on sustaining our strengths and addressing identified opportunities. These actions reinforce our commitment to creating an environment where employees feel valued, supported and empowered to grow, while strengthening the organisational culture required to deliver our strategic ambitions.

Culture as a strategic enabler

In 2025, we scaled our Leadership Habits Framework, marking a significant milestone in our culture transformation journey. Grounded in neuroscience and behavioural science principles, the framework strengthens the connection between culture, leadership behaviours and strategic execution. By providing a shared language for the behaviours that drive performance, it enables our leaders to model what it means to act with courage, inspire excellence and deliver with purpose. The framework also helps identify and address behavioural barriers to execution, strengthening leadership effectiveness and embedding a high-performance culture across the Bank.

To reinforce these behaviours, we facilitated culture sense-making sessions and leadership coaching circles across business functions. These engagements encouraged reflection, strengthened leadership accountability, fostered greater collaboration and aligned leaders around the behaviours required to translate strategy into consistent business outcomes.
We also brought together 155 senior leaders at our annual Leadership Summit, held under the theme "The Next Frontier." The summit focused on building future-ready leadership capabilities, accelerating innovation, enhancing client experience and driving sustainable growth. By creating a shared understanding of the strategic priorities ahead, the forum strengthened alignment and equipped leaders to lead confidently through an increasingly dynamic operating environment.

WE ARE UNDERPINNED BY STRONG VALUES

Deeply committed
We are dedicated to our purpose and to the people we serve.

Boldly pioneering
We set the standard through determination and resilience.

Trusted stewards
The mark of our success is the legacy we leave.

Guided by empathy
We treat people with respect, consideration and kindness.

Unfailingly honourable
The choices we make are always ethical.

Building capabilities for the future

Our people remain the cornerstone of our ability to execute strategy, deepen client relationships, strengthen risk culture, and sustain growth. In 2025, we advanced our learning agenda beyond programme delivery to focus on the critical capabilities required for the Bank's next phase of growth: leadership effectiveness, client value creation, trusted financial advisory, enterprise mobility, and succession readiness. Guided by our People Promise and anchored in the 70-20-10 development model, we combined formal learning with coaching, exposure, and cross-border experiences to embed development into everyday work. An average of 36.5% of learning hours was invested in Future Skills for all employees, with 51% of all leaders attending signature leadership programmes in the year. Anchored in our philosophy of creating the right conditions for learning, building capabilities, and delivering innovative solutions, we focused on empowering our people and driving value for clients. Our efforts cantered on strengthening leadership capability, enhancing technical expertise, and fostering a culture of continuous learning and excellently critical to positioning Stanbic Bank for sustainable growth and future readiness.

Future-ready talent and internal mobility

We continued to strengthen enterprise-wide capability through talent mobility and developmental exposure. During the year, 10 colleagues, equally represented by women and men, undertook international secondments across South Africa, Namibia, Kenya and Nigeria. These assignments broadened cross-functional expertise, strengthened regional collaboration and networks, and enhanced readiness for future leadership and specialist roles.

Collectively, these development interventions strengthened the Bank's succession pipeline by creating clear pathways for employees to broaden their experience, assume greater responsibilities and progress into critical roles. This supports leadership continuity, organizational resilience and the development of future-ready talent.

Diversity and inclusion

Stanbic Bank Tanzania is an equal opportunity employer. We believe that a diverse and inclusive workforce is fundamental to our success, fostering innovation, strengthening client relationships and reflecting the diversity of the communities we serve across Tanzania. Our commitment is reinforced through our Diversity and Inclusion Policy, which promotes equitable employment practices and explicitly provides for non-discrimination, equal opportunity, fair recruitment, equitable career progression, reasonable accommodation and inclusive workplaces, ensuring all employees have fair and equal access to opportunities regardless of gender, age, disability, ethnicity, religion or other protected characteristics.

Developing a pipeline of women leaders

We continued to make meaningful progress in advancing gender diversity across our leadership pipeline. Female representation at Middle Manager and Junior Manager level increased by 6% to 45.3%, reflecting our ongoing commitment to building a balanced and inclusive leadership cadre.

Women accounted for 50% of all promotions and secondments during 2025, creating opportunities to broaden cross-functional experience, strengthen leadership capability and accelerate readiness for future critical roles. As part of our talent mobility agenda, five high-potential female employees were seconded to South Africa, Nigeria and Namibia, providing valuable international exposure and enhancing leadership capability across the organisation.

Our flagship Ignite Women Leadership Programme continues to build a sustainable pipeline of female leaders by equipping women with the confidence, capability and experience to progress into increasingly senior leadership roles. In 2025, we celebrated the graduation of the programme's fourth cohort. Since its inception, the programme has made a significant contribution to strengthening gender diversity across our leadership pipeline, with:

- **62 women** have participated in the programme.
- **54% of alumnae** have been promoted or moved into more challenging roles.
- **33%** have progressed into senior leadership positions, including executive roles.
- **38%** of management positions were held by women at year-end.

The programme remains an important component of our broader commitment to gender diversity, inclusive leadership and succession planning.

Employee wellness

Our holistic employee wellness programme supports physical, mental and financial wellbeing, recognizing that employee health is fundamental to sustainable performance and organizational resilience. During the year, initiatives included chronic disease management, cancer screening, blood donation drives, counselling and critical incident support, stress and life management, nutrition education, and the introduction of employee sports clubs. Collectively, these interventions foster a healthier, more engaged and productive workforce while reinforcing our commitment to creating a supportive and inclusive workplace.

Looking ahead: 2026 priorities

Aligned to our five-year business strategy and our ambition to remain the employer of choice in Tanzania, we are focused on six strategic people priorities that will strengthen organizational capability, enhance employee experience and enable sustainable business growth.

- Ensuring that our leaders at all levels are exceptional at inspiring and empowering our people to perform for greater strategic impact.
- Focusing on strategic workforce development and deployment in line with our growth aspirations.
- Strengthening our already competitive value proposition for existing and prospective employees.
- Driving holistic organizational health to ensure a high-performance and resilient workforce in a fast-changing, unpredictable world.
- Enhancing our solutions and services to enable a world-class employee experience.
- Leveraging integrated insights from our comprehensive people data to assist leaders to diagnose and respond to people-related opportunities and challenges.

BRAND & MARKETING

Stanbic Bank Tanzania continues to be recognised as a strong, trusted international brand, underpinned by our association with the Standard Bank Group, Africa's largest banking group by assets.

This regional and global presence reinforces our credibility, resilience, and ability to deliver world class solutions tailored to the Tanzanian market

Neemarose Singo,
Head, Brand & Marketing, Stanbic Bank Tanzania

Growing with Tanzania for 30 years

For three decades, Stanbic Bank Tanzania has grown alongside the people, businesses and institutions shaping the country's future.

Our journey has mirrored Tanzania's own transformation. As the economy has evolved, so too has the role of the Bank. We have supported businesses as they expanded into new markets, financed infrastructure that connects communities, enabled trade across borders, strengthened critical industries and broadened access to financial services for thousands of individuals and entrepreneurs.

What began as a banking business has become a long term partnership with Tanzania's development.

Over the past 30 years, we have remained guided by one belief. Sustainable growth is created when businesses thrive, people prosper and communities are empowered to participate fully in the economy.
Today, as one of Tanzania's leading financial institutions and a member of Standard Bank Group, we continue to connect local ambition with regional opportunity, bringing together deep market knowledge, international expertise and a long term commitment to the country's future.
As we celebrate this milestone, we do so with gratitude for the trust our clients have placed in us and confidence in the opportunities that lie ahead.

Tanzania is our home. We drive her growth.

Our journey in Tanzania

Our story in Tanzania began during a period of significant economic reform, as the financial sector opened to greater private sector participation and new opportunities for investment emerged.

In 1995, Stanbic acquired the local banking business, marking the beginning of a long term commitment to Tanzania. While the ownership changed, our purpose quickly became clear. We would build a bank that supported economic development by financing enterprise, facilitating investment and creating opportunities for individuals and businesses to grow.

Over the years, our business has evolved alongside the changing needs of the market.

We expanded from a predominantly corporate banking institution into a full service financial services provider serving retail customers, entrepreneurs, commercial businesses, multinational companies, development partners and government institutions.
As Tanzania embraced new technologies, we invested in digital banking platforms that made financial services more accessible and convenient. As businesses expanded across borders, we strengthened our regional capabilities to connect clients with opportunities across Africa and international markets. As new industries emerged, we continued providing the capital, expertise and advisory services needed to support long term growth.

Thirty years of shared progress
Thirty years represent far more than longevity.

They represent relationships built over time, businesses supported through different stages of growth, investments that continue to deliver value and communities that have benefited from greater financial inclusion.

Today, Stanbic Bank Tanzania serves more than **50,000** clients across personal, business, commercial and corporate banking

More than **TZS 2 Trillion** has been deployed into sectors that are fundamental to Tanzania's economic development, supporting investment, trade, enterprise and job creation

Our national presence has continued to expand, bringing financial services closer to individuals, businesses and communities across the country

Our commitment to excellence has also been recognised internationally, including being named Best Bank in Tanzania by The Banker eight times

While these achievements reflect important milestones, they represent something far more significant than numbers. They reflect the confidence that generations of Tanzanians have placed in Stanbic Bank as their financial partner

TANZANIA
MABEGANI
30 years of Growing Together

Connecting Tanzania to Africa and the world

As part of Standard Bank Group, Africa's largest banking group by assets, Stanbic Bank Tanzania connects people, businesses, and markets to opportunities across the continent and beyond. Through its regional network, the Bank facilitates trade, mobilises investment, and supports business expansion into new markets.

Clients benefit from access to capital, sector expertise, market insights, and strategic relationships, strengthening Tanzania's competitiveness while enabling local businesses to participate more effectively in regional and global value chains.

Supporting the sectors that power Tanzania

Over the past three decades, Stanbic Bank has focused on sectors that create employment, stimulate investment and strengthen Tanzania's long term economic resilience.

01. **Agriculture:**
Supporting farmers, agribusinesses and value chains that contribute to food security and export growth.

02. **Trade and Commerce:**
Facilitating domestic and international transactions that help businesses access new markets and strengthen supply chains.

03. **Manufacturing:**
Providing financing that enables businesses to expand production, increase competitiveness and create jobs.

04. **Mining, Energy, and Infrastructure:**
Supporting projects that improve connectivity, increase productivity and strengthen the country's economic foundations.

05. **SMEs and Enterprises:**
Providing financing, advisory services and ecosystem partnerships that help small and medium sized enterprises grow.

06. **Transport and Logistics:**
Supporting businesses that improve the efficient movement of goods and services across Tanzania and regional markets.

07. **Technology, Media, and Telecommunications (TMT):**
Backing businesses that drive innovation, improve connectivity and accelerate Tanzania's digital economy.

> Every investment reflects our belief that sustainable banking contributes directly to sustainable national development

Looking to the next chapter

Celebrating 30 years is an opportunity to reflect on the journey behind us. It is also an opportunity to consider the future we are helping build.
Tanzania continues to present significant opportunities through population growth, industrialisation, regional integration, technological advancement and increasing private sector investment.

Stanbic Bank remains committed to supporting that future by expanding financial inclusion, accelerating digital innovation, strengthening regional trade, financing priority sectors and embedding sustainability across everything we do.

The next chapter of our story will continue to be shaped by the same values that have guided us for the past three decades. Long term partnership. Responsible growth. Innovation. Integrity. A commitment to creating shared value.

Our commitments
- Deepen financial inclusion through digital innovation.
- Expand financing to sectors that support Tanzania's development.
  Strengthen regional and international connectivity.
- Continue investing in people, technology and client experience.
- Advance sustainable and inclusive growth.

Our purpose remains unchanged. Tanzania is our home. We drive her growth.

As part of Standard Bank Group, we will continue connecting Tanzania to opportunity across Africa while helping build a stronger, more inclusive and more prosperous future for generations to come.

OUR SUSTAINABILITY STORY

How governance, risk, people, and community come together to drive Stanbic Bank Tanzania's sustainability agenda for year 2025.

For 30 years, Stanbic Bank Tanzania has grown alongside the people, businesses, and communities shaping the nation's future. That growth has never been measured by financial performance alone. In 2025, sustainability moved further into the centre of how the Bank creates value not as a separate initiative reported on the side, but as a thread running through governance, risk management, community investment, entrepreneurship, and the everyday work of nearly 600 employees. This is that story, told as one narrative rather than a set of separate departmental updates.

TZS 760 M
Deployed in 2025 SEE investment **(1% of profit after tax)**

500,000+
People reached through healthcare initiatives

50,000+
Trees planted across **11 regions**

592
Employees, **45% of whom are women**

TZS 500 M
Committed to early childhood development

747.3 tCO2e
Total Scope 1 & 2 carbon footprint

TZS 2.3 Bn
In loans to renewable energy projects

1st
Sustainability report, published in 2025

Governance sets the tone

Sustainability at Stanbic Bank Tanzania is directed from the top. The Board holds Environmental, Social, and Governance (ESG) priorities to account, with oversight of sustainability-related and climate-related financial risk delegated to the Board Risk Committee. Day-to-day implementation is led by the Head of Risk, supported by a dedicated Sustainability Manager and the SEE Forum, ensuring that ESG considerations are embedded in credit decisions, not bolted on afterward.

2025 marked a milestone for that governance structure: the Bank adopted sustainability reporting standards issued by the International Sustainability Standards Board (ISSB) and integrated ESG considerations into its Enterprise Risk Management framework culminating in the publication of Stanbic Bank Tanzania's first standalone sustainability report, published in line with new Bank of Tanzania regulatory requirements. Ethics and compliance work hand in hand with this structure: the Chief Executive and the People and Culture function are the formal custodians of the Group's code of ethics, backed by financial-crime controls, whistle-blowing channels, and mandatory conflict-of-interest disclosures for every director.

Our people, our advantage

None of this happens without the people delivering it. Stanbic Bank Tanzania's workforce grew to 592 permanent employees in 2025 (up from 553 in 2024), with women now making up 45% of staff, up from 44% the prior year. Employee engagement is tracked through five key metrics workforce diversity, engagement, retention, future-readiness, and productivity with the Bank surpassing its own employee Net Promoter Score target for the year.

Through the My Learning platform, employees take ownership of their professional development by accessing personalised learning opportunities aligned with global skills research and the Bank's evolving future-readiness priorities. Leadership capability is further strengthened through 360-degree feedback for the Executive Committee and their direct reports, complemented by monthly engagement sessions and psychological-safety training for managers. The Bank's most prestigious internal honour, the Mark of Excellence, recognised employees in 2025 whose outstanding contributions most significantly advanced strategic objectives, reinforced collaboration, and created lasting value across the organisation.

Protecting the environment, preparing for climate risk

Environmental stewardship is treated as both a risk to be managed and an opportunity to support sustainable financing. The Bank screens all lending to legal entities for climate risk, classifying exposures as high, medium, or low, and applies sector exposure limits across climate-sensitive industries such as agriculture, transport, construction, and manufacturing. Comprehensive stress testing and scenario analysis covering droughts, heavy rainfall, and evolving regulatory shifts confirmed that the Bank remains resilient under baseline, adverse, and severe climate scenarios while strengthening long-term portfolio sustainability.

On its own footprint, the Bank tracked a total Scope 1 and 2 carbon footprint of approximately 747.3 tCO2e in 2025, with a stated ambition of net-zero emissions by 2050, supported by LED lighting, motion sensors, automated energy management, and systematic waste recycling partnerships. Beyond its own walls, the Bank planted 50,000+ trees across 11 regions and extended TZS 2.3 billion in loans to renewable energy investments part of a broader push, aligned with Standard Bank Group's continent-wide mobilisation of R3.45 billion in climate-smart agri-finance and a 19% reduction in the Group's own emissions footprint.

"These actions are measured through our SEE framework, where environmental impact serves as the primary indicator of climate-related financial risk management performance."

Investing in people and communities

In line with its commitment to responsible corporate citizenship, Stanbic Bank Tanzania allocates 1% of profit after tax to Social, Economic, and Environmental (SEE) initiatives over TZS 760 million in 2025, reaching communities in healthcare, education, environmental conservation, and early childhood development.

That investment took tangible form across the country. At Tumbi Regional Referral Hospital in Pwani, TZS 60 million funded hospital beds, wheelchairs, computers, and other critical equipment. A partnership with AfyaCheck delivered free medical services across four regions, contributing to more than 500,000 cumulative beneficiaries. In Zanzibar, TZS 500 million went toward an Early Childhood Development centre integrating education, health, and nutrition for children aged 0–6 and their caregivers. And through the Twende Butiama initiative, TZS 100 million provided over 300 school desks alongside 10,000 trees improving both classrooms and climate resilience in the same programme.

Biashara Incubator - Empowering Entrepreneurs

Small and medium enterprises (SMEs) are the backbone of Tanzania's economy, contributing significantly to job creation, innovation, and inclusive growth. Yet, many entrepreneurs face persistent challenges such as limited access to finance, inadequate business skills, and weak market linkages. Recognising this, Stanbic Bank Tanzania established the Biashara Incubator as a flagship initiative to nurture entrepreneurship and accelerate SME growth.

The incubator is designed as a holistic platform that provides entrepreneurs with the tools, networks, and resources they need to thrive:

- **Capacity development:**
  Tailored training programmes equip entrepreneurs with practical skills in financial literacy, digital adoption, business planning, and compliance. Workshops and masterclasses cover topics such as cash flow management, marketing strategies, and leveraging technology for growth.
- **Access to finance:**
  Participants benefit from advisory services and linkages to affordable credit solutions, including innovative lending models that reduce barriers for youth, women, and informal businesses.
- **Market linkages:**
  The incubator connects SMEs to broader supply chains, corporate procurement opportunities, and export markets, enabling them to scale beyond local boundaries.
- **Mentorship and networking:**
  Entrepreneurs are paired with experienced mentors and industry experts who provide guidance, while networking events foster collaboration and peer learning.
- **Digital enablement:**
  Recognising the importance of technology, the incubator supports SMEs in adopting digital tools for payments, e-commerce, and customer engagement.

Impact of the Biashara Incubator in Tanzania

The Biashara Incubator builds on Standard Bank Group's extensive continental SME support, which in 2025 reached more than 802,220 SME clients across 16 African countries. During the year, over 28,800 enterprises accessed lending valued at R31.8 billion, while 174,150 entrepreneurs participated in business incubation, mentorship, and skills development programmes.

By localising this proven model, Stanbic Bank Tanzania is strengthening entrepreneurial capacity, fostering innovation, improving access to finance and markets, and creating a sustainable pipeline of resilient businesses that will drive inclusive economic growth and national development.

In Tanzania, the incubator has already:

- Supported hundreds of entrepreneurs in sectors such as agribusiness, retail, and services.
- Enabled women-led enterprises to access tailored financing and training, addressing gender gaps in entrepreneurship.
- Partnered with universities and innovation hubs to reach young entrepreneurs, fostering a culture of innovation and job creation.
- Facilitated linkages with corporate clients and government programmes, opening new markets for SMEs.

Strategic Role of the Biashara Incubator in Inclusive Growth

The Biashara Incubator is more than a training programme- it is a catalyst for systemic change. By addressing structural barriers to SME success, it contributes to:

- **Job creation:**
  SMEs supported through the incubator generate employment opportunities, particularly for youth.
- **Financial inclusion:**
  By integrating SMEs into formal banking systems, the incubator expands access to credit and financial services.
- **Economic diversification:**
  SMEs are empowered to innovate and expand into new sectors, reducing reliance on traditional industries.
- **Community resilience:**
  Stronger SMEs mean stronger local economies, with ripple effects on household incomes and community development.

Looking ahead

Taken together, 2025 reflects a sustainability agenda that is no longer a collection of separate initiatives but an increasingly integrated approach spanning governance, environmental risk management, community investment, entrepreneurship, and people development. As climate-related risks become more pronounced, Stanbic Bank Tanzania has committed to strengthening its capabilities in risk assessment, scenario analysis, emissions measurement, and sustainable finance, while helping clients transition to more resilient, lower-carbon business models.

"Stanbic Bank Tanzania will continue to play a meaningful role in building a resilient, inclusive, and sustainable future for the country ensuring that sustainability is not only an outcome, but a driver of long-term value creation."

OVERSEEING AND REWARDING OUTCOMES

Strong governance practices underpin the effective delivery of our strategy, with our remuneration outcomes closely aligned to how we execute and achieve our strategic objectives.

CORPORATE GOVERNANCE REPORT

OVERVIEW

Stanbic Bank Tanzania Limited upholds high standards of corporate governance and is committed to advancing the principles and practice of sustainable development. The Bank's governance practices are designed to ensure integrity, transparency, strong oversight, and long term value creation for all stakeholders. The Board provides strategic direction and has ultimate responsibility for the functioning of the Bank, including oversight of performance, risk management, internal controls, and compliance.

Our governance philosophy

The Bank's governance philosophy is anchored on responsible leadership, ethical conduct, and sound decision making. It ensures that the Bank meets its purpose, strategic goals, compliance obligations, and stakeholder expectations.

OUR GOVERNANCE PHILOSOPHY

Executing creating Strategic value drivers

Ensuring compliance with Policies, Laws and Regulations

Establishing strategic governence direction

VISION | PURPOSE | VALUES | STRATEGIC PRIORITIES | STRATEGIC VALUE DRIVERS

- Values-based strategic and ethical leadership
- Stakeholder engagement
- Board and board committee oversight
- Compliance with legal and regulatory requirements
- Implementation of relevant policies and procedures
- Ongoing organizational performance evaluation
- Transparency and accountability

Governance framework

The governance framework comprises the Board, its committees, senior management structures, and supporting control functions. It ensures effective oversight, clear accountability, and consistent application of governance standards.

CORE GOVERNANCE COMMITMENTS

Promoting
Transparency, accountability and empathy in managing our stakeholder relationships.

Delivering
A positive impact on society, the economy and the environment through our business activities.

Adhering
to applicable regulatory and governance standards.
To applicable regulatory and governance standards

Instilling
an ethical and risk conscious culture that recognizes that the trust our stakeholders have in us is the foundation of our legitimacy and the basis on which we can compete, collaborate and change.

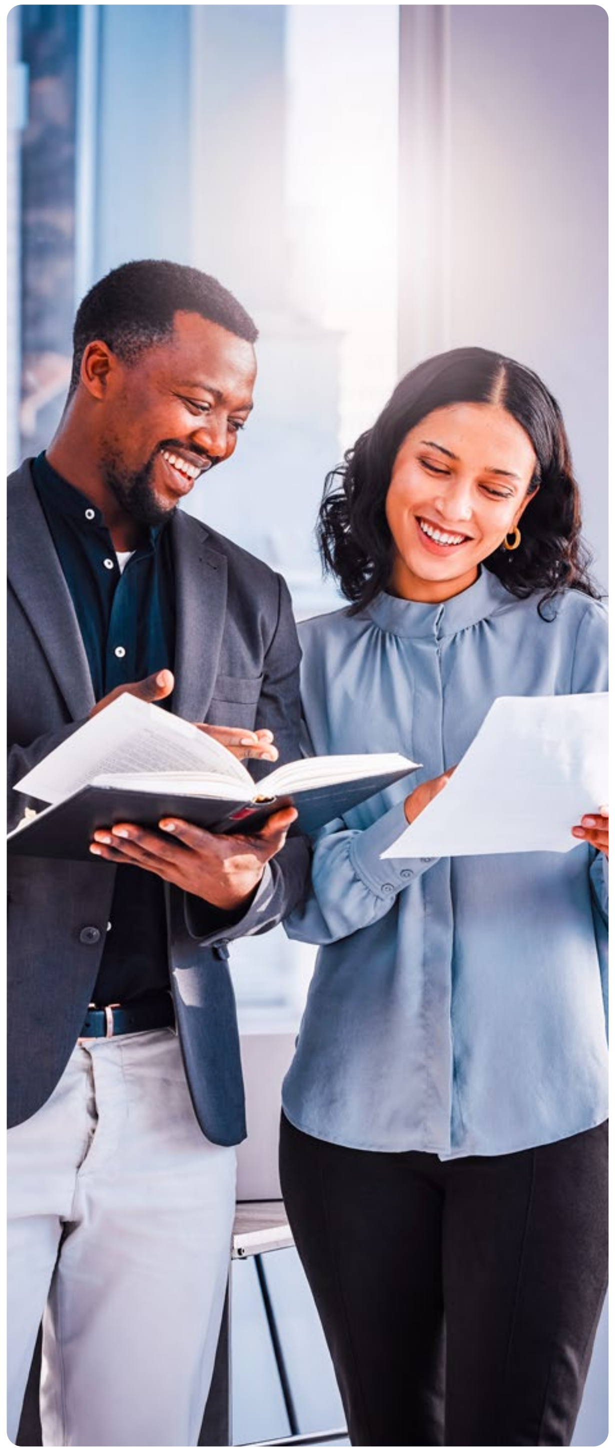
An ethical and risk conscious culture that recognizes that the trust our stakeholders have in us is the foundation of our legitimacy and the basis on which we can compete, collaborate and change.

This is achieved through the following mechanisms:

Ethical culture
Our values, and code of ethics and conduct, guide our decision-making, behaviours and interactions with stakeholders. Our values, and code of ethics and conduct, guide our decision-making, behaviors and interactions with stakeholders.

Internal controls
Adherence to frameworks, standards, mandates and policies, and the articles of association which cover all aspects of the group's activities Adherence to frameworks, standards, mandates and policies, and the articles of association which cover all aspects of the group's activities.

External regulations
Compliance with all applicable regulatory requirements.



Ethics and organizational integrity

The group's code of ethics is designed to empower employees and leaders to drive the highest levels of ethical business conduct. It establishes the principles, responsibilities, and behaviours expected of all employees. It also aims to ensure that senior leadership within the group adheres to the highest standards of responsible business conduct.

Entrenching an ethical culture

The chief executive and the People and Culture function are the formal custodians of the group code of ethics and its supporting policies, and are ultimately responsible for their implementation.

Ethics governance structures

The Bank maintains systems, policies, and monitoring mechanisms that reinforce ethical behaviour. These include leadership tone setting, ongoing training, compliance oversight, and structured reporting lines that ensure accountability for ethical conduct.

Conflicts of interest and obligations of directors

Directors are required to disclose any personal or professional interests that may conflict with the Bank's business. The Bank maintains clear procedures requiring directors to declare outside interest prior to appointment and to update these declarations regularly. Conflicted directors must recuse themselves from deliberations where appropriate. These requirements align with the Banking and Financial Institutions (Corporate Governance) Regulations, 2021.

Codes, regulations and compliance

The Bank continuously updates compliance practices to reflect evolving regulatory expectations. It ensures that its operations align with applicable laws, including the Banking and Financial Institutions Act, Companies Act, Bank of Tanzania directives, and internal policies. Training and monitoring activities help employees maintain awareness and exercise good conduct in line with the Bank's compliance obligations.

Combating financial crime

The Bank implements strong control measures to prevent and detect money laundering, fraud, bribery, corruption, and other financial crimes. These controls are complemented by employee training, vigilance mechanisms, whistle blowing channels, and a disciplinary framework addressing misconduct.

We are committed to a values driven culture. These values guide conduct and decision making at all levels of the organisation and align with the expectations of Standard Bank Group.

WE ARE

01. **Deeply Committed**
We are dedicated to our purpose and to the people we serve.

02. **Boldly Pioneering**
We set the standard through determination and resilience.

03. **Trusted Stewards**
The mark of our success is the legacy we leave.

04. **Guided by Empathy**
We treat people with respect, consideration, and kindness.

05. **Unfailingly Honourable**
The choices we make are always ethical.

BOARD OF DIRECTORS

The Board is the Bank's highest decision making body and is ultimately responsible for governance. The Board provides strategic leadership, ensures appropriate oversight of management, and upholds accountability to shareholders and regulators. Directors operate under approved mandates and are required to always act in the best interests of the Bank.

BOARD MEMBERS

EXECUTIVE DIRECTORS

Mr. Manzi Rwegasira
Executive Director and Chief executive

TENURE
5 years and 3 months

QUALIFICATIONS
Financial Adviser license – Financial Conduct Authority (FCA), UK (2007)
CISI UK Level 3 Certificates: Financial Regulations, Securities & Derivatives (2007)
Investment Adviser license – Capital Markets & Securities Authority (CMSA) Tanzania (2016)
MSc Finance & Investments (First Class Hons), Erasmus University / Rotterdam School of Management (2007)
BSc International Business Administration (Upper Second Class Hons) (2005)

EXPERIENCE BROUGHT TO THE BOARD
Finance, investment banking, corporate banking, capital markets, mergers & acquisitions, strategy, investor relations, leadership.

NATIONALITY
COMMITTEE MEMBERSHIP

APPOINTED **2020**

Ms. Ester Manase
Executive Director

TENURE
1 year

QUALIFICATIONS
Bachelor of Science in Economics (Honours)
Ongoing MBA – Eastern and Southern African Management Institute
Certificate for Board Directorship – Tanzania Institute of Directors (May 2021)

EXPERIENCE BROUGHT TO THE BOARD
Banking, corporate & investment banking, global markets, foreign exchange, client solutions, sales, economics, leadership, governance.

NATIONALITY
COMMITTEE MEMBERSHIP

APPOINTED **2025**

NON-EXECUTIVE DIRECTOR

Mr. Patrick Rutabanzibwa
Chairman and independent non-executive Director

TENURE
XXX years

QUALIFICATIONS
Advanced Management Programme – Templeton College, Oxford University, UK (October 2001)
Design and Operation of Ammonia and Urea Production Processes – Delft Technical University, The Netherlands (1984–1985)
UNIDO Training Course on the Fertiliser Industry – USSR (1983)
(Engineering/Energy Economics background based on senior engineering and Permanent Secretary roles)

EXPERIENCE BROUGHT TO THE BOARD
Energy, petroleum, mining, public policy, negotiation, governance, law & regulation, strategy, leadership, directorship, public administration.

NATIONALITY
COMMITTEE MEMBERSHIP

APPOINTED **2023**

Ms. Farzana Karimjee
Independent Non-Executive Director

TENURE
XXX years

QUALIFICATIONS
Master of Laws in Commercial Law
Bachelor of Laws; Bachelor of Commerce
Diploma in Information Systems and Management
Member, ACCA; Member, ICSA

EXPERIENCE BROUGHT TO THE BOARD
Law, finance, accounting, tax, banking, advisory, compliance, company secretarial services, governance.

NATIONALITY
COMMITTEE MEMBERSHIP

APPOINTED **2016**

Mr. Clive Tasker
Independent Non-Executive Director

TENURE
3 months

QUALIFICATIONS
BA LLB
Advanced Management Programme – Wharton (AMP-V)

EXPERIENCE BROUGHT TO THE BOARD
Banking, finance, retail & corporate banking, risk, strategy, leadership, executive management, governance, directorship, Africa markets.

NATIONALITY
COMMITTEE MEMBERSHIP

APPOINTED **2026**

Ms. Mary Githiaka
Non-executive Director

TENURE
3 months

QUALIFICATIONS
Ongoing MBA, Strathmore University
Certified Public Accountant (CPA) Kenya
Bachelor of Commerce – Accounting, University of Nairobi

EXPERIENCE BROUGHT TO THE BOARD
Finance, accounting, audit, risk, investment, insurance, corporate governance, directorship, strategy, leadership.

NATIONALITY
COMMITTEE MEMBERSHIP

APPOINTED **2026**

Mr. Patrick Mweheire
Independent Non-Executive Director

TENURE
6 years

QUALIFICATIONS
Master's in business administration (MBA)

EXPERIENCE BROUGHT TO THE BOARD
Business administration, leadership, strategy, management.

NATIONALITY
COMMITTEE MEMBERSHIP

APPOINTED **2026**

Mr. Davith Kahwa
Independent Non-Executive Director

TENURE
6 years

QUALIFICATIONS
B. Comm (Hons), University of Dar es Salaam
Certified Information Systems Auditor (CISA)
International Certificate in Company Direction
Certificate – Leading in a Digital Economy, GIBS Business School

EXPERIENCE BROUGHT TO THE BOARD
Financial services, entrepreneurship, technology, digital economy, credit reference, audit, governance, leadership, strategy.

NATIONALITY
COMMITTEE MEMBERSHIP

APPOINTED **2022**

Mr. Godfrey Mramba
Independent Non-Executive Director

TENURE
4 years

QUALIFICATIONS
Certified Public Accountant (CPA), Washington State, USA
Certified Public Accountant in Public Practice (CPA-PP), Tanzania
Registered Tax Consultant, Tanzania
Chartered Global Management Accountant (CGMA), USA
Master of Accountancy, University of Idaho, USA
Bachelor of Arts in Business Administration, Lewis Clark State College

EXPERIENCE BROUGHT TO THE BOARD
Accounting, finance, audit, risk, tax, banking, mining & extractives, insurance, leadership, governance.

NATIONALITY
COMMITTEE MEMBERSHIP

APPOINTED **2022**

Ms. Violet Mordichai
Non-Executive Director

TENURE
4 years

QUALIFICATIONS
Bachelor of Business Administration – University of South Wales
Executive Leadership Management (SMDP) – University of Stellenbosch Business School
Adv. Dip. in Business Studies – ICM London
Diploma in Risk and Insurance – ICM London
Diploma in Business Administration – CBE Tanzania
COP in Life and Pension – College of Insurance, Nairobi
Member, IoDT; Member, The Boardroom Africa

EXPERIENCE BROUGHT TO THE BOARD
Insurance, finance, risk, operations, strategy, leadership, corporate governance & ethics, stakeholder management, business turnaround.

NATIONALITY
COMMITTEE MEMBERSHIP

APPOINTED **2022**

Mr. David Tarimo
Non-Executive Director

TENURE
1 year

QUALIFICATIONS
Member of Chartered Institute of Taxation (UK) ("CTA")
Fellow of Institute of Chartered Accountants in England & Wales ("FCA")
Bachelor of Laws (Hons) (LLB), Kings College, University of London

EXPERIENCE BROUGHT TO THE BOARD
Tax, law, finance, advisory, policy & legislation, extractives, banking & financial services, energy, manufacturing, telecoms, leadership, governance.

NATIONALITY

COMMITTEE MEMBERSHIP

APPOINTED **2025**

Mr. Martin Baumgartner
Non-executive Director

TENURE
1 year

QUALIFICATIONS
MBA, Wits Business School (with distinction)
Diploma in Insolvency Law and Practice, Rand Afrikaans University (with distinction)
Associate Diploma, Institute of Bankers in South Africa
BCom, University of the Witwatersrand

EXPERIENCE BROUGHT TO THE BOARD
Banking, credit risk, corporate & investment banking, insolvency & recoveries, distressed debt, risk governance, law, leadership.

NATIONALITY

COMMITTEE MEMBERSHIP

APPOINTED **2025**

Mr. Gregroy Brackenridge
Non-Executive Director

TENURE
9 Years

QUALIFICATIONS
Associate Institute of Bankers – South Africa University Exemption.

EXPERIENCE BROUGHT TO THE BOARD
Banking, finance, retail & corporate banking, strategy, leadership, executive management, governance, Africa markets.

NATIONALITY

COMMITTEE MEMBERSHIP

APPOINTED **2015**

BOARD COMPOSITION

A. INDEPENDENCE

Category	Number of Directors	% of Board
Independent / Non Executive Directors	11	84.62%
Executive Directors	2	15.38%

B. GENDER REPRESENTATION (BOARD LEVEL)

Gender	Number	% of Board
Female	4	30.77%
Male	9	69.23%

C. TENURE

Tenure Bracket	Number of Directors
0–1 year	4
2–4 years	6
5+ years	3

D. NATIONALITY

Nationality	Number of Directors	% of Board
Tanzanian	7	53.85%
South African	3	23.08%
Kenyan	1	7.69%
British	1	7.69%
Ugandan	1	7.69%

E. AGE DISTRIBUTION

Age Range	Number of Directors	% of Board
40–49	2	15.38%
50–59	7	53.85%
60–69	2	15.38%
70+	2	15.38%

BOARD FOCUS AREAS

Balancing our value outcomes and providing effective oversight.

OUR VALUE DRIVERS

STRATEGY OVERSIGHT	▪ Reviewed and approved the long term strategy. ▪ Monitored performance against approved plans.
RISK MANAGEMENT	▪ Oversaw enterprise wide risk exposures. ▪ Reviewed credit, market, liquidity, operational, legal, and climate related risks.
INTERNAL CONTROLS	▪ Assessed the effectiveness of internal controls and audit findings. ▪ Ensured IFRS compliant reporting.
REGULATORY & COMPLIANCE	▪ Ensured alignment with the Banking and Financial. ▪ Institutions Act, Companies Act, and BoT regulations.
SUCCESSION PLANNING	▪ Reviewed leadership bench strength and succession pipelines for board and executive roles.
SUSTAINABILITY / ESG	▪ Monitored ESG integration, climate risk management, and sustainability reporting evolution.
PERFORMANCE & CULTURE	▪ Evaluated organisational culture, leadership behaviour, and alignment with values.

Looking forward

The following themes are among those that will receive continued and heightened focus in 2025.

- Defend and grow our core business.
- Win in our chosen three growth sectors.

Specific governance matters considered by the board and its committees

Ensuring full compliance with local legislation, inclusive implementation of the revised Banking Institutions Determination 1 (BID-1) amendments as well as the new Banking Institutions Act provisions.

The board and its committees considered the following key items, in addition to the standard agenda items, according to their respective mandates.

Strategy

Stanbic Bank's strategy is guided by its purpose **"Tanzania is our home, we drive her growth"**. The Board focuses on strengthening client experience, enhancing digital enablement, managing risk responsibly, and delivering sustainable long term value.

Board meetings

The Board held six (6) meetings during 2024, and all directors (except those retiring) met the attendance expectations.

BOARD ATTENDANCE 2025

Director	Q1	Q2	Q3	Q4	Total Attendance
Mr. Patrick Rutabanzibwa (Chairman)	✓	✓	✓	✓	4/5
Mr. Clive Tasker	✓	✓	✓	✓✓	5/5
Ms. Farzana Karimjee	✓	✓	✓	✓✓	5/5
Mr. Manzi Rwegasira	✓	✓	✓	✓✓	5/5
Mr. Patrick Mweheire	✓	✓	✓	✓✓	5/5
Mr. Davith Kahwa	✓	✓	✓	✓✓	5/5
Mr. Gregroy Brackenridge*	✓	-	-	-	1/5
Mr. Godfrey Mramba	✓	✓	✓	✓✓	5/5
Ms. Violet Mordichai	✓	✓	✓	✓✓	5/5
Ms. Ester Manase	-	-	✓	✓✓	3/5
Mr. David Tarimo	-	-	✓	✓	2/5
Mr. Martin Baumgartner	-	-	-	✓	1/5

Key ✓ Attended. - Not Available. *Retired 13 March 2025

Changes to the board

Succession planning remains an ongoing priority under the Board Nomination and Remuneration Committee.

During the year, the following changes to the composition of the board occurred:

Board member	Date	Nature of change	Impact on committees
Mr. Gregroy Brackenridge*	13 March 2025	Retired from the Board	
Ms. Mary Githiaka	26th January 2026	Appointed	

HOW THE BOARD FUNCTIONS

Board responsibilities

The Board is responsible for providing effective leadership and oversight to enhance the long term value of the Bank for shareholders and other stakeholders. Key responsibilities include:

- Setting the Bank's strategic objectives and ensuring necessary resources are in place to achieve them.
- Overseeing the adequacy of internal controls, risk management, financial reporting, and compliance systems.
- Monitoring the performance of senior management in line with approved strategies and ensuring effective succession planning.
- Reviewing and approving the Bank's policies, standards, and ethical leadership expectations.
- Considering sustainability factors (environmental, social, governance) as part of strategic formulation.
- Ensuring accountability to shareholders, regulators, and other stakeholders.

Delegation of authorities

The Board delegates day to day management to the Chief Executive Officer, who is supported by the Country Leadership Council (CLC). Despite this delegation, the Board retains ultimate oversight and ensures that delegated powers are exercised appropriately.

The Board further delegates specific responsibilities to its committees, each operating under Board approved mandates that define their roles, authority, and reporting obligations.

Committees and reporting lines

STANBIC BANK TANZANIA BOARD

BOARD COMMITTEES

- Board Audit Committee (BAC)
- Board Audit Committee (BAC)
- Board Risk Committee (BRC)
- Board Information Technology Committee (BIT)
- Board Nomination and Remuneration Committee (BNRC)

MANAGEMENT COMMITTEES

CLC: Country Leadership Council	**RMC:** Risk management committee
ALCO: Asset and liquidity management committee	**CRMC:** Credit Risk management committe

BOARD GOVERNANCE PRACTICES

Board and committee agendas

Board and committee work plans are structured to ensure comprehensive oversight of all governance, risk, financial, and strategic matters. Agendas cover performance updates, policy approvals, audit outcomes, risk reports, compliance monitoring, transformation initiatives, ESG matters, and regulatory requirements.

Access to information and resources

Directors receive timely, complete, and relevant information to support informed decision making. Senior executives and the Company Secretary ensure that Board members have unrestricted access to management, records, professional advice, and training resources.

Composition, tenure and skills

The Board comprises individuals with diverse professional backgrounds, including finance, law, economics, engineering, accounting, and risk management. Tenure is monitored to ensure a balance of experience and renewal. Skills assessments are conducted periodically to ensure alignment with emerging governance, regulatory, and industry expectations.

Independence

The Board includes a strong majority of independent non executive directors. Independence assessments are undertaken annually and reported to the Bank of Tanzania. Directors are required to declare conflicts of interest and recuse themselves where necessary.

Skills, knowledge, experience and attributes of directors

The board ensures that directors possess the skills, knowledge and experience to fulfil their duties.
The directors bring a balanced mix of attributes to the board, including:

- Domestic and international experience
- Operational experience.
- Understanding of macroeconomic and microeconomic factors affecting the group.
- Financial, legal, entrepreneurial and banking skills.
- Expertise in risk management and internal financial control.

Succession planning

Annual succession reviews ensure that the Board and senior management have appropriate continuity in leadership. This includes identifying future leaders, ensuring a pipeline of skills, and maintaining an appropriate balance between experience and renewal.

Separation of roles and responsibilities

CHAIRMAN

- Provides overall leadership to the Board.
- Ensures effectiveness of the Board and its committees.
- Promotes a culture of integrity and ethical conduct.
- Ensures directors receive accurate and timely information.
- Facilitates constructive relationships among directors and between the Board and management.

CHIEF EXECUTIVE

- Leads the execution of Bank strategy.
- Manages day to day operations and performance.
- Ensures effective implementation of Board decisions.
- Promotes strong organizational culture, compliance, and risk aware behavior.
- Oversees senior management and organizational capabilities.

COMPANY SECRETARY

- Supports the Board by ensuring adherence to governance standards.
- Coordinates Board and committee meetings and information flows.
- Guides directors on legal, regulatory, and procedural matters.
- Oversees director induction, continuous development, and governance reporting.

Company secretary

The role of the company secretary is to ensure the board remains cognizant of its duties in addition to guiding the board on discharging its responsibilities, she keeps the board abreast of relevant changes in legislation and governance best practices.

The company secretary also oversees the induction of new directors, inc luding directors of subsidiary companies, as well as the ongoing education of directors. To enable the board to function effectively, all directors have full and timely access to information that may be relevant to the proper discharge of their duties. This includes information such as corporate announcements, investor communications and other developments which may affect the group and its operations. All directors have access to the services of the company secretary.

Board effectiveness and evaluation

The Board conducts an annual performance evaluation to assess its effectiveness, governance practices, and the performance of its committees and individual directors. The 2023 evaluation was completed and submitted to the Bank of Tanzania in early 2024, while the 2024 evaluation is scheduled for completion in the first quarter of 2025. The evaluation covers:

- Quality of Board deliberations and decision making.
- Independent judgment exercised by directors.
- Committee effectiveness.
- Oversight of management performance.
- Risk governance and internal controls.
- Strategic guidance and stewardship responsibilities.

The outcome of these assessments supports continuous improvement in Board performance and governance maturity.

Education and induction

All new directors undergo a formal induction programme, which includes a governance pack outlining the Bank's governance structures, regulatory environment, strategic priorities, and key policies. Ongoing director education ensures familiarity with legislation, regulatory developments, and industry trends. Training provided in 2024 included:

- Compliance training.
- Credit risk training.
- ESG and climate risk masterclasses.
- Technology programmes covering AI, cybersecurity, and digital resilience.
- Audit and risk training.
- Climate risk scenario understanding and regulatory expectations.

The Company Secretary is responsible for coordinating induction and continuous capacity building for all directors.

Our stakeholders

Relationship with our stakeholders

The Board recognizes that strong stakeholder engagement is essential for sustainable performance. The Bank's governance practices emphasize transparency, responsibility, and responsiveness to stakeholder needs. Stakeholders include:

- Customers.
- Shareholders.
- Employees.
- Regulators.
- Government and communities.
- Partners and suppliers.

The Bank strengthens its stakeholder relationships through open communication channels, community investment initiatives, responsible lending practices, inclusive economic development, and transparent disclosures.

Connecting with our stakeholders

The Bank maintains ongoing engagement through:

- Regular customer interactions and feedback mechanisms.
- Regulatory consultations and meetings.
- Employee engagement programmes such as the "Are You a Fan" survey (2024 eNPS: +50).
  SME development initiatives, including the
- Biashara Incubator, which supported 3,600+ entrepreneurs, 1,500+ women, and hosted 50+ training sessions in 2024 .
- Community investments in health, education, and environmental sustainability.

EXECUTIVE COMMITTEE

Mr. Manzi Rwegasira
Chief Executive

QUALIFICATIONS

MSc Finance and Investments; BSc International Business Administration; investment and advisory certifications (UK, Netherlands).

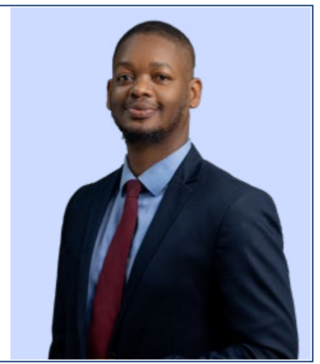
JOINED THE BANK **2017** APPOINTED **2023**

Ives Senga
Company Secretary

QUALIFICATIONS

Governance specialist; responsible for Board processes, director induction, and governance compliance.

JOINED THE BANK **2022** APPOINTED **2022**



Ester Manase
Head – Corporate and Investment Banking (CIB)

QUALIFICATIONS

Banking and finance background with sector specialised leadership expertise.

JOINED THE BANK **2010** APPOINTED **2023**

Omari Mtiga
Head – Personal and Private Banking (PPB)

QUALIFICATIONS

Banking and client proposition leadership experience across retail banking.

JOINED THE BANK **2020** APPOINTED **2020**

Fredrick Max
Head – Business and Commercial Banking (BCB)

QUALIFICATIONS

SME, commercial, and trade finance experience; strategic portfolio management.

JOINED THE BANK **2012** APPOINTED **2020**

Derick Lugemala
Chief Finance and Value Officer

QUALIFICATIONS

NBAA–certified accountant (ACPA 6350); responsible for financial reporting, planning, capital, and value management.

JOINED THE BANK **2025** APPOINTED **2025**

Shanzo Mwale
Head – Credit

QUALIFICATIONS

Credit risk governance, portfolio management, and underwriting leadership.

JOINED THE BANK **2021** APPOINTED **2021**

Rabina Masanja
Head – People and Culture

QUALIFICATIONS

HR leadership expertise with focus on engagement, talent development, and organisational culture.

JOINED THE BANK **2023** APPOINTED **2023**

Neemarose Singo
Head – Brand and Marketing

QUALIFICATIONS

Strategic marketing expertise, brand development, and corporate communications.

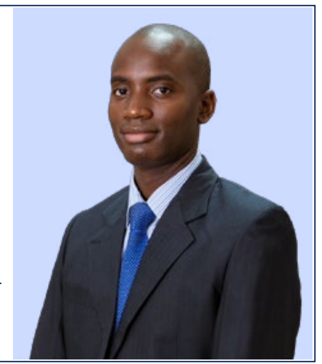
JOINED THE BANK **2022** APPOINTED **2022**

Wilmot Ishengoma
Head – Risk

QUALIFICATIONS

Enterprise-wide risk management, credit governance, and regulatory compliance expertise.

JOINED THE BANK **2013** APPOINTED **2013**



Rose Otaigo
Head – Compliance

QUALIFICATIONS

Regulatory compliance, conduct risk, monitoring frameworks, and control assurance.

JOINED THE BANK **2017** APPOINTED **2023**

Lydia Kokugonza
Head – Operations

QUALIFICATIONS

Operations optimisation, service delivery, and process efficiency leadership.

JOINED THE BANK **2011** APPOINTED **2011**

Eric Rwelamira
Head – Legal

QUALIFICATIONS

Corporate legal advisory, regulatory interpretation, and contract governance.

JOINED THE BANK **2014** APPOINTED **2014**

Nelson Swai
Head – Information Technology

QUALIFICATIONS

IT leadership, digital transformation, systems stability, cybersecurity.

JOINED THE BANK **2024** APPOINTED **2024**

Jonathan Ngoma
Head – Internal Audit

QUALIFICATIONS

Audit, controls assurance, governance oversight; reports directly to the Board Audit Committee.

JOINED THE BANK **2014** APPOINTED **2014**

BOARD COMMITTEES

Board IT Committee

Mr. Davith Kahwa,
Chairman

The Board IT Committee (BITC) supports the Board by overseeing all information technology and operations related matters. It reviews the adequacy of the Bank's IT governance, system stability, cybersecurity capabilities, operational resilience, and the effectiveness of technology investments.

The committee is responsible for:
- Reviewing quarterly technology and operations management reports.
- Monitoring progress of major technology programmes and transformation initiatives.
- Overseeing the adequacy of system stability, availability, and performance.
- Ensuring effective management of technology related risks, including cybersecurity.
- Reviewing resource utilization, vendor performance, and cost optimization within IT and Operations.
- Ensuring alignment between IT strategy and the Bank's overall business strategy.

BOARD AUDIT COMMITTEE ATTENDANCE	Q1	Q2	Q3	Q4
Mr. Davith Kahwa (chairperson)	✓	✓	✓	✓
Mr. Gregroy Brackenridge	✓	-	-	-
Ms., Violet Mordichai	✓	✓	✓	✓
Mr. Patrick Mweheire	✓	✓	✓	✓

Key ✓ Attended. - Not Available.

INVITED ATTENDEES
- Head Information and Technology
- Head of Operations
- Chief Financial and Value Officer
- Head of Risk
- Head of Compliance
- Internal Audit, where relevant

2025 and Future Focus Areas
- Improved cybersecurity maturity.
- Enhancement of IT controls and governance processes.
- Strengthening digital platform stability and resilience.
- Optimising technology investment and transformation outc

Board Credit Committee

Mr. Clive Tasker,
Chairman

The purpose of the Board Credit Committee (BCC) is to ensure that effective credit governance is in place across the Bank. The committee provides oversight of the aggregation, measurement, monitoring, and control of credit risk, including country risk.

The BCC performs oversight into the Bank's credit related activities and ensures that credit governance structures operate effectively. Its responsibilities include:
- Reviewing credit risk appetite, sector and portfolio limits, and ensuring alignment with regulatory requirements.
- Considering and approving large credit exposures in line with delegated authorities.
- Overseeing portfolio quality, credit risk trends, and the adequacy of credit impairment provisioning.
- Reviewing insider-related credit applications and ensuring compliance with central bank regulations.
- Monitoring credit concentrations, risk migration patterns, and early warning indicators.
- Reviewing quarterly portfolio reports, impairment adequacy, and performance against credit risk appetite.

BOARD AUDIT COMMITTEE ATTENDANCE	Q1	Q2	Q3	Q4
Mr. Clive Tasker (chairperson)	✓✓	✓✓	✓✓✓	✓✓
Mr. Davith Kahwa	✓✓	✓✓	✓✓✓	✓✓
Ms. Violet Mordichai	✓✓	✓✓	✓✓✓	✓✓

Key ✓ Attended. - Not Available.

INVITED ATTENDEES
Representatives from executive and risk functions attend meetings when required, including:
- Chief Executive
- Chief Financial and Value Officer
- Chief Risk Officer
- Head of Credit
- Head of Compliance
- Other relevant specialists from the risk and credit functions

2025 and Future Focus Areas
The BAC will continue to strengthen financial governance and assurance by focusing on:
- Strengthening credit management and oversight.
- Enhancing monitoring of large exposures and sector concentrations.
- Reviewing climate related credit risks and ESG linked credit considerations.
- Continued refinement of credit underwriting standards and impairment methodologies.

Board Risk Committee

Ms. Violet Mordichai,
Chairman

BRC is responsible for reviewing and recommending risk policies and for overseeing the adequacy and effectiveness of the Bank's risk management framework. It provides oversight of strategic, credit, liquidity, market, operational, legal, compliance, reputational, conduct, and climate related risks.

The committee assists the Board by:

- Ensuring the Bank has a comprehensive risk management programme covering key risk types.
- Overseeing policies and standards that guide risk identification, assessment, monitoring, and mitigation.
- Ensuring risk matters raised by management, internal audit, ALCO or other governance forums are addressed.
- Providing independent and objective oversight of risk information presented by management.
- Monitoring the Bank's performance against the Board approved risk appetite and tolerance levels.
- Reviewing the integrity of the Bank's risk control systems and the effectiveness of internal processes.
- Keeping abreast of external developments that influence risk management practices.

BOARD AUDIT COMMITTEE ATTENDANCE	Q1	Q2	Q3	Q4
Ms. Violet Mordichai (chairperson)	✓	✓	✓	✓
Mr. Clive Tasker	✓	✓	✓	✓
Mr. Gregroy Brackenridge	✓	-	-	-
Mr. Patrick Rutabanzibwa	✓	✓	-	✓

Key ✓ Attended. - Not Available.

INVITED ATTENDEES

- Chief Executive
- Chief Financial and Value Officer
- Head of Risk
- Head of Compliance
- Head of Internal Audit
- Other senior executives, depending on the agenda

2025 and Future Focus Areas

- Further enhancement of risk governance and controls.
- Strengthening climate risk integration.
- Continued monitoring of regulatory developments.
- Strengthening operational risk resilience.

Board Audit Committee

Godfrey Mramba,
Chairman

The Board Audit Committee (BAC) assists the Board in safeguarding assets and evaluating the adequacy and effectiveness of internal control frameworks across the Bank and its subsidiaries. The BAC reviews and assesses the integrity and effectiveness of accounting, finance, compliance and other control systems.

Some of the duties and responsibilities assigned to the audit committee are as follows:

- Reviewing the audit plan and ensuring it is aligned with the Bank's risk areas.
- Overseeing the independence and performance of external auditors.
- Monitoring the adequacy of internal controls and assessing internal audit findings.
- Ensuring financial statements comply with IFRS and regulatory requirements.
- Reviewing the Bank's accounting policies, provisioning levels, and financial reporting processes.
- Confirming that corrective actions for control weaknesses are implemented.
- Considering reports from management on material audit matters and recommending improvements.
- Financial management systems are adequate and effective.
- Internal audit is functioning independently and efficiently.
- Risk management systems support the Bank's strategic and operational activities.

The Bank confirms compliance with all applicable regulatory and governance obligations, including listing requirements and audit related obligations.
The group has complied with the debt listing requirements of the JSE, and paragraph 7(g)

BOARD AUDIT COMMITTEE ATTENDANCE	Q1	Q2	Q3	Q4
Godfrey Mramba (Chairperson)	✓✓	✓	✓	✓
Ms. Farzana Karimjee	✓✓	✓	✓	✓
Mr. David Tarimo	-	-	✓	✓

Key ✓ Attended. - Not Available.

INVITED ATTENDEES

Management and specialist functions attend committee meetings as required. Typical attendees include:

- Chief Executive
- Chief Financial Value Officer
- Head of Internal Audit
- Chief Risk Officer
- Chief Compliance Officer
- Chief Operations Officer
- Head of IT
- Head of Legal

These representatives provide input on operational, financial, risk, compliance, and audit matters.

2025 and Future Focus Areas

The BAC will continue to strengthen financial governance and assurance by focusing on:

- Enhancing internal controls across all business units. Strengthening IT governance, cybersecurity, and
- digital risk oversight. Monitoring the implementation of audit
- recommendations. Ensuring robust financial reporting processes.
- Enhancing audit quality and assurance standards.
- Deepening oversight of compliance, regulatory
- reporting, and control remediation activities.

Board Nomination and Remuneration Committee

Mr. Clive Tasker,
Chairman

The Board Nomination and Remuneration Committee (BNRC) is responsible for overseeing matters related to board composition, director nominations, executive appointments, remuneration, and people & culture strategy. The Committee is required to meet at least twice a year, and during the year under review, the BNRC met twice.

The main roles of the BNRC include:

- Review and evaluation of director candidates for the Bank in accordance with the policy on selection and recruitment of Directors.
- Review and evaluation of candidates for the Chief Executive and other executive director appointments.
- Review the Board structure, size, composition including Chairpersons and members of Board committees.
- Establish and make recommendations to the Board regarding succession plans for non- executive Directors, executive Directors and executive management considering the Board skills and expertise required both present and future.
- Review the recruitment process for executives and key senior staff.
- Periodically review and recommend to the Board for approval the remuneration of the Board Chairperson and non-executive Directors, including the members of committees.
The Committee reviews gender diversity on the
- Board with the aim of having at least one-third female representation.
- Review the People and Culture strategy for relevance and effectiveness and provide oversight on the formulation and implementation of effective and efficient People & Culture practices, strategy, policies and stakeholder engagement.

BOARD AUDIT COMMITTEE ATTENDANCE	Q1	Q4
Mr. Clive Tasker (chairperson)	-	✓
Mr. Gregroy Brackenridge	✓	-
Mr. Patrick Rutabanzibwa	✓	✓
Mr. Patrick Mweheire	✓	-

Key ✓ Attended. - Not Available.

INVITED ATTENDEES

Attendees may include:

- Company Secretary
- Head People and Culture

These individuals provide input related to governance, controls, financial stewardship, and regulatory compliance.

2025 and Future Focus Areas

- Continued strengthening of Board composition and succession planning.
- Oversight of diversity, equity, and inclusion beyond gender representation.
- Enhancement of annual Board and committee evaluation processes.
- Improved monitoring of ESG and sustainability governance obligations.
- Review of digital and technology competence frameworks for Board members.
- Strengthening of regulatory compliance and risk governance frameworks.

REMUNERATION

Remuneration philosophy

The group's remuneration philosophy aligns with its core values, including growing its people and delivering value to shareholders. It emphasizes the importance of the sustainable value of people and their role in ensuring long term growth. Philosophy is applied in an environment where skills remain scarce.

The group's Board of directors aligns remuneration principles with the interests of stakeholders by ensuring a balance between employee value, sustainable performance, and the Bank's ability to attract, retain and motivate the talent required to achieve its strategic and operational objectives.

Remuneration governance

Implementation of remuneration practices is guided by the following key factors:

- Provision of rewards that enable attraction, retention and motivation of employees, supporting a high-performance culture.
- Maintaining competitive remuneration aligned with market benchmarks.
- Ensuring practices reflect regulatory requirements.
- Recognising and rewarding meaningful employee contributions.
- Allowing flexibility in remuneration processes and benefits.
- Educating employees on the overall employee value proposition.

Board remuneration structure

Non-executive directors

Terms of service

Independent non executive directors receive appointment letters outlining the terms of their engagement. Directors are appointed by shareholders at the Annual General Meeting (AGM). Those appointed between AGMs hold office until the next AGM, at which point they present themselves for reelection.

All non executive directors must retire at each AGM and may offer themselves reappointment. They are responsible for ensuring adequate time commitment to discharge their duties and act in the best interests of shareholders.

Fees

Fees payable to non-executive directors are reviewed by the Board and recommended to shareholders for approval at the AGM.

Non-executive directors receive no short-term incentives or employment linked benefits.

Remuneration levels consider:

- Market comparisons.
- Committee responsibilities.
- Time commitments.
- Complexity of oversight roles.

Executive directors

Executive directors are remunerated according to the Bank's broader remuneration framework, which includes:

- **Fixed remuneration:** aligned to role complexity, market benchmarks and individual capability.
- **Short-term incentives:** reward achievement of financial and non-financial performance targets.
- **Long term incentives:** aligned with sustainable performance and shareholder value creation.
- **Benefits:** retirement contributions, medical cover and other applicable benefits.
- **Share based incentives:** designed to reward long term value creation.
- **Post retirement benefits:** where applicable.

Executive directors are not subject to retirement arrangements applicable to non-executive directors.

ANNUAL FINANCIAL STATEMENTS

STANBIC BANK TANZANIA LIMITED

CORPORATE INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2025

REGISTERED OFFICE

Stanbic Bank Tanzania Limited
Stanbic Head Office
Ali Hassan Mwinyi Road/Kinondoni Road
P. O. Box 72647
Dar es Salaam
Tanzania

COMPANY SECRETARY

Ives Mlawi
Stanbic Head office
Ali Hassan Mwinyi Road/Kinondoni Road
P. O. Box 72647
Dar es Salaam
Tanzania

AUDITOR

Deloitte & Touche
3rd Floor, ARiS House
Plot No. 152, Haile Selassie Road
Oysterbay
P. O. Box 1559
Dar es Salaam, Tanzania
TIN 100-148-692
VAT REG No. 10006148L
NBAA Reg. No. PF 025

LAWYERS

Arbogast Mseke Advocates
Crb Africa Legal
ARS Law & Advisories
Velma Law
Kilindu Giattas & Partners
Locus Attorneys
Dentons East African Law Chambers
Clyde & Co. Tanzania
Fb Attorneys
Amicus Attorneys
A&K Tanzania (Formerly Known As, Respectively
Atz Law Chambers And Adept Chambers)
Bowmans Tanzania Limited
Vertex Law Chambers
Galati Law Chambers
Tanscar Attorneys
Moreh Attorneys

TAX CONSULTANTS

PWC Tanzania
Pemba House
Toure Drive, Oyster Bay
P. O. Box 45
Dar es Salaam, Tanzania

STANBIC BANK TANZANIA LIMITED

CORPORATE INFORMATION (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

Stanbic Bank Tanzania Limited is a subsidiary of Standard Bank Group Limited, its ultimate holding company, which is listed on the Johannesburg Stock Exchange (JSE) in South Africa.

Founded in 1862 in South Africa's Eastern Cape, Standard Bank is one of the continent's oldest companies. In 2025, the Group celebrated 163 years of driving economic progress and development across South Africa and the African continent.

Today, Standard Bank Group is a global bank with African roots and the largest African bank by assets and earnings. The Group operates in 20 countries across Africa, as well as in selected emerging markets globally.

With over 30 years of presence in Tanzania, Stanbic Bank Tanzania is well positioned as a Tanzania-focused, client-centric, digitally enabled, integrated financial services institution, underpinned by strong and sustainable competitive advantages.

The Bank's vision is to be the leading financial services organization in Tanzania, driven by passionate and empowered people who deliver exceptional client experiences and superior value. This vision is anchored by the Group's purpose, **"Africa is our home, we drive her growth"**, which together set a clear standard of excellence and guide the Bank's strategic priorities.

Stanbic Bank Tanzania operates as a universal bank, offering a comprehensive range of financial services, including transactional banking, savings, lending and borrowing, investment solutions, insurance, risk management, wealth management, and advisory services. These services are delivered through three core business segments: Personal and Private Banking, Business and Commercial Banking, and Corporate and Investment Banking.

The Bank upholds high standards of corporate governance and is committed to advancing the principles of sustainable development. Its long-term success is built on creating meaningful impact in the communities in which it operates.

In line with the Group's social compact, Stanbic Bank Tanzania is committed to contributing to the socioeconomic development of Tanzania in a manner consistent with the scale and nature of its operations. The Bank continues to provide financial services responsibly, taking into account the needs of society, customers, employees, shareholders, the environment, and future generations.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2025

1. INCORPORATION

The Directors are charged with governance of Stanbic Bank Tanzania Limited ("the Bank"). The Directors (also referred to as those charged with governance), have the pleasure in presenting their report together with the audited financial statements of the Bank for the year ended 31 December 2025 which disclose the state of affairs of the Bank. The report is prepared in compliance with Tanzania Financial Reporting Standards (TFRS) No. 1 – The Report by Those Charged with Governance issued by the National Board of Accountants and Auditors (NBAA). For the purpose of Companies Act, 2002, the Directors' Report is equivalent to the Report by Those Charged with Governance.

The Bank was incorporated in Tanzania on 8th February 1993 under the Companies Ordinance, 1932 (as later replaced by the Companies Act No. 12 of 2002) as a limited liability company.

2. VISION

To be the leading financial services organization in Tanzania, with passionate and empowered people delivering exceptional client experiences and superior value.

3. PURPOSE

Tanzania is our home, we drive her growth.

4. VALUES

Serving our customers

We do everything in our power to ensure that we provide our customers with the products, services and solutions to suit their needs, provided that everything we do for them is based on sound business principles.

Growing our people

We encourage and help our people to develop to their full potential and measure our leaders on how well they grow and challenge the people they lead.

Delivering to our shareholders

We understand that we earn the right to exist by providing appropriate long-term returns to our shareholders through disciplined execution, strong governance, and responsible growth.

Being proactive

We strive to stay ahead by anticipating rather than reacting, but our actions are always carefully considered.

Working in teams

We, and all aspects of our work, are interdependent. We appreciate that, as teams, we can achieve much greater things than as individuals. We value teams within and across business units, divisions and countries.

Constantly raising the bar

We have confidence in our ability to achieve ambitious goals and we celebrate success, but we must never allow ourselves to become arrogant.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

4. VALUES (CONTINUED)

Respecting each other

We have the highest regard for the dignity of all people. We respect each other and what Stanbic Bank stands for. We recognize that there are corresponding obligations associated with our individual right.

Upholding the highest levels of integrity

Our entire business model is based on trust and integrity as perceived by our stakeholders, especially our customers.

5. PRINCIPAL ACTIVITIES

Stanbic Bank Tanzania Limited is a limited liability company incorporated in the United Republic of Tanzania, under the Companies Act No 12 of 2002. It is licensed to operate as a Bank under the Banking and Financial Institutions Act 2006. We are a universal Bank, offering a full range of financial products and services. The principal activities of the Bank are transactional banking, saving, lending, investment, risk management, wealth management and advisory services.

6. OPERATING MODEL AND STRUCTURE

Stanbic Bank Tanzania is a leading financial services organisation with over 30 years of presence in Tanzania, offering a comprehensive range of solutions across Personal and Private Banking, Business and Commercial Banking, and Corporate and Investment Banking. The Bank operates across 10 regions, with 14 branches, including one in Zanzibar, and five business centres strategically located within key SME hubs. As part of its growth strategy, the Bank continues to expand its physical footprint while prioritising the enhancement of its digital capabilities, including agency banking, Scan to Pay solutions such as TANQR, and strategic partnerships to improve accessibility and customer reach. Stanbic Bank serves individuals, businesses, institutions, and corporates, supporting inclusive and sustainable financial services delivery across Tanzania.

Client Segments

The Bank operates three key segments: Personal and Private Banking, Business and Commercial Banking and Corporate and Investment Banking. These segments hold the relationship which create customer experiences that address clients' different life stages. It's through these pillars that we execute our business strategy.

- **Personal and Private Banking;** This segment provides banking solutions for individual clients, including high net worth individuals. Our various client platforms provide access to a variety of personal banking and wealth management solutions, including investments and advisory capabilities.

- **Business and Commercial Banking;** Our comprehensive banking solutions, designed to address the needs of Small and Medium Enterprises (SMEs) as well as commercial banking clients ensure our clients are able to access a variety of products and services to transact, trade and fund their businesses.

- **Corporate and Investment Banking;** We provide large corporations (multinational, regional and domestic) and institutional clients, with wholesale (corporate and investment banking) services and access to our in-depth sector and regional expertise, our specialist capabilities, and our access to global capital markets for advisory, transactional, trading and funding support.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

6. OPERATING MODEL AND STRUCTURE (CONTINUED)

Bank's Employees

Employees are the cornerstone of the Bank's success. Their commitment, skills, and engagement play a critical role in driving the Bank's long term performance and sustainability. The Bank values its employees as key partners in achieving its strategic objectives and delivering value to stakeholders.

The Bank's employee focus is centred on creating an inclusive, supportive, and high performance work environment. This is achieved through continued investment in learning and development, promotion of employee well being, fostering high levels of engagement, and strengthening diversity and inclusion across all levels of the organisation. Through these initiatives, the Bank seeks to attract, develop, and retain talent while ensuring a motivated workforce aligned to the Bank's values and strategic priorities.

Management and employee relationship

For the year ended 31 December 2025, management continued to maintain strong and positive relations with employees, with no pending or unresolved grievances during the year. The Bank remains an equal opportunity employer, committed to providing a business environment that is free from discrimination. Every employee has a moral and legal obligation to uphold this principle.

The Bank remain deeply committed to nurturing talent from within and fostering a culture where people are empowered to learn, grow, and thrive. It is through this commitment that 64% of all vacancies were sourced internally, enabling career progression for our internal talent. To foster a conducive environment for our people to thrive, we also conducted training sessions on workplace discrimination and inclusivity, reinforcing our commitment to diversity and fairness.

Furthermore, during the year, we reviewed all Employment Contracts and People & Culture policies and procedures to ensure alignment with current market demands and compliance with prevailing labor laws.

In 2025, our Employee Net Promoter Score (eNPS) declined slightly from +50 in 2024 to +47. However, employee participation in the annual "Are You a Fan" survey marginally improved from 94% in 2024 to 95% in 2025, demonstrating continued commitment to sharing feedback and shaping our workplace culture.

The top three areas of opportunity identified were:

- Psychological safety
- Recognition
- Career growth opportunities

These priorities are embedded in our People Plans for 2026, reinforcing our commitment to creating an environment where employees feel valued, supported, and empowered to grow.

Additionally, the Group introduced a new metric—the Engagement Index, replacing the previous Emotional Promoter Score (EPS). Stanbic Bank Tanzania recorded an Engagement Index of 48.4, which will serve as a baseline for tracking progress going forward.

Looking ahead, we remain focused on driving engagement through initiatives that foster trust, recognition, and career development. These efforts align with our strategic goal of enhancing employee experience to boost productivity, attract top talent, and position Stanbic Bank Tanzania as an employer of choice.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

6. OPERATING MODEL AND STRUCTURE (CONTINUED)

Learning and Development

Guided by our People Promise enabling employees to achieve their dreams while driving Africa's growth 2025 was a transformative year for Learning and Development. An average of 36.5% learning hours was invested in Future Skills for all employees, with 51% of all leaders attending signature leadership programmes in the year.

Anchored in our philosophy of creating the right conditions for learning, building capabilities, and delivering innovative solutions, we focused on empowering our people and driving value for clients.

Our efforts cantered on strengthening leadership capability, enhancing technical expertise, and fostering a culture of continuous learning and excellently critical to positioning Stanbic Bank for sustainable growth and future readiness.

Key Highlights from 2025

I. Leadership Summit – "The Next Frontier"

We convened 155 of our top leaders for a strategic summit under the theme "The Next Frontier." The event provided a platform to challenge thinking, strengthen collaboration, and reinforce our shared vision. By focusing on strategic priorities and future readiness, the summit reaffirmed our commitment to building a leadership culture that accelerates Stanbic Bank's ambition to lead in innovation, client experience, and sustainable growth.

II. The Habits Work – Driving Culture as a Strategic Enabler

Launch of Habits Work Framework:

In 2025, the Bank launched the Habits Work framework – a pivotal moment in the cultural transformation. This was a strategic intervention to align its behaviors with the outcomes the strategy demands. The bank reflected on its core habits, shared real stories of impact across the bank, and celebrated how these behaviors translate into measurable performance.

Culture is the engine behind strategy. The Habits Work framework gives us a practical roadmap to build a shared cultural language, close gaps that hinder performance, and strengthen leadership effectiveness - creating an environment where colleagues feel empowered, valued, and committed to delivering results aligned to our 2025 ambitions.

III. Leadership Activation – Culture Reflection & Coaching Circles:

As part of our commitment to leadership development and cultural stewardship, we convened six Culture Reflection and Coaching Circles with MANCO members across business functions. These sessions created safe, structured spaces for leaders to explore cultural dynamics, share experiences and sharpen coaching capabilities aligned to our strategic direction.

Strategic role & impact:

- **Culture as a performance enabler** – Leaders surfaced the behaviours that accelerate strategic execution and those requiring a shift, reinforcing the link between culture and business outcomes.

- **Leadership alignment** – Reflective dialogue built a shared understanding of our cultural aspirations and clarified leadership responsibilities in modelling, enabling, and scaling the habits.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

6. OPERATING MODEL AND STRUCTURE (CONTINUED)

Key Highlights from 2025

III. Leadership Activation – Culture Reflection & Coaching Circles (Continued)

- **Coaching mindset** – The circles positioned coaching as a strategic leadership tool to unlock team potential, drive accountability, and build trust—embedding habits into day-to-day routines.

What's changing as a result:

- Clearer behavioural standards and expectations for teams, connected to strategic priorities.
- Stronger collaboration and accountability, with leaders committing to visible role-modelling and regular coaching touchpoints.
- Faster strategy-to-execution cycle, as habits are integrated into planning, performance conversations, and decision-making cadences.

By embedding these habits and activating leaders through Coaching Circles, we are turning strategy from intent into repeatable, high-performance practice. The launch united us as One Stanbic and reaffirmed that our culture is not a backdrop—it is a core enabler of growth and innovation.

IV. Certified Financial Educators (CFE) Programme

In 2025, we launched the Certified Financial Educators (CFE) Program in partnership with the Institute of Finance Management (IFM). This initiative was designed in alignment with the Bank of Tanzania's mandate to promote financial inclusion, integrity, and stability - critical pillars for a sound financial system as we drive Tanzania's growth.

Adhering to these regulatory standards is not just a compliance requirement; it is a strategic advantage. By equipping our staff with practical financial knowledge and advisory skills, we ensure that the Bank delivers trusted, compliant, and high-quality financial guidance to clients. This strengthens customer confidence, mitigates risk, and positions us as a responsible leader in Tanzania's banking sector.

The Bank celebrated the successful graduation of 26 colleagues who completed the inaugural program with dedication and excellence. This milestone represents a significant leap forward in our mission to become a truly comprehensive financial advisory bank—a key enabler of our ambition to rank among the top three private banks in Tanzania, with wealth and investment as one of our strategic focus areas.

Through the CFE program, the Bank is building a workforce that is not only compliant but also future-ready, capable of driving financial literacy, deepening client relationships, and unlocking new opportunities in wealth management and investment advisory.

V. Re-Ignite (Risers) Programme

In 2025, we proudly celebrated the graduation of Cohort 4 of the Ignite Women Leadership Programme, a flagship initiative for developing Future Female Leaders in the organisation. A total of 21 female leaders graduated from the programme.
The Ignite Programme is specifically designed to empower, elevate, and equip aspiring women leaders with the confidence, skills, and strategic mindset needed to thrive in leadership roles. Our core objective is to ignite the natural leadership potential within women across Stanbic Bank, fostering a culture of inclusion, innovation, and impactful leadership.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

6. OPERATING MODEL AND STRUCTURE (CONTINUED)

Key Highlights from 2025

V. Re-Ignite (Risers) Programme (Continued)

Through programs like Ignite, we are not only building a strong pipeline of women leaders within the Bank but also shaping the future of leadership in Tanzania's financial sector.

The results speak for themselves:

- 62% of alumnae have been promoted or taken onmore challenging roles
- 33% have advanced into senior leadership, with some transitioning into executive positions at other banks.
- 1 graduate is serving as an Executive Board Director

This program continues to be a catalyst for gender diversity and leadership excellence, reinforcing our commitment to creating opportunities for women to lead and succeed.

VI. Client Value Impact (CVI) Programme

We successfully enrolled our bankers into the Client Value Impact (CVI) programme that was launched in August 2025. The aim of the programme is to transform how our staff think about their client engagements and the value that they create within the role. The programme enables them to understand that enduring client value can only be unlocked when bankers embrace a truly client-centric approach in navigating client realities – thereby elevating sales, and the client experience.

The programme focuses in developing the following skills: client-centricity, solving client problems fast, creating suitable client value, and conducting value conversations. This concise and action-focused programme is designed to enhance the effectiveness of staff.

VII. Relationship Management (RM) Academy

The Relationship Management Academy successfully launched in Tanzania with two cohorts, bringing together 23 private bankers (17 women and 6 men). This transformative programme was designed to develop exceptional Relationship Managers and support our strategic goal of becoming the number one Private Banking – Building the Most Trusted Advisor and Partner.

The Academy focused on:

- Executive Presence: Building confidence, professionalism, and influence for high-stakes client interactions.
- Personal Branding: Elevating presence and credibility through alignment with corporate values, mastering grooming and communication, crafting impactful elevator pitches, and networking with purpose.
- Personal Mastery: Cultivating self-awareness, emotional intelligence, resilience, and decision-making skills to consistently perform at an executive level. Participants left with sharpened interpersonal skills, a stronger professional identity, and practical tools to deepen client trust, enhance influence, and deliver exceptional advisory experiences.

VIII. Brilliant Basics Sessions

As part of our ongoing effort to invest in leadership excellence, ensuring our senior leaders are equipped to drive both cultural and operational impact, the Brilliant Basics sessions focused on two core leadership practices: Meaningful Conversations and Performance to Potential.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

6. OPERATING MODEL AND STRUCTURE (CONTINUED)

Key Highlights from 2025

VIII. Brilliant Basics Sessions (Continued)

These sessions were designed to strengthen foundational leadership capabilities that directly impact team engagement, performance, and culture.

Key strategic outcomes:

- Enhanced leadership alignment on the importance of intentional, values-driven conversations that foster trust and clarity.
- Renewed focus on performance enablement, with leaders reflecting on how to unlock potential through coaching, feedback, and goal clarity.
- Commitment to embedding these practices into everyday leadership routines, reinforcing our cultural ambition and strategic priorities.
- Action planning to cascade learnings across teams and integrate Brilliant Basics into performance and development frameworks.

IX. Attachments and Regional Rotations

Our learning principles emphasize the 70-20-10 model, where 70% of learning happens on the job through developmental relationships such as peer collaboration and mentorship.

In 2025, we upheld this principle by enabling ten staff members (5 female, 5 male) from various business units to gain exposure through secondments, attachments, and regional rotations across Tanzania, South Africa, and Nigeria, strengthening cross-functional knowledge and readiness for future roles.

These experiences allow participants to work in different parts of the Bank and broaden their understanding of operations across geographies. This approach strengthens their capability, enhanced cross-functional knowledge, and supported career progression by building readiness for future roles.

Looking Ahead: In 2026, we will deepen our focus on digital learning, leadership pipeline development, and future skills to ensure Stanbic Bank remains agile and competitive in a rapidly evolving financial landscape.

Employees Benefit Plan

The Bank pays contributions to publicly administered pension plans on mandatory basis which qualifies to be defined benefits and Workers Compensation Fund. The total number of employees at the year-end was 638 (2024:611) of these, 289 (2024:274) were female and 349 (2024:337) were male employees.

Medical Assistance

The Bank provides medical services to all employees and up to a maximum of five dependents (beneficiaries being the legal spouse and children). These services continue to be provided by Strategis Insurance Tanzania Limited. In 2025, the reviewed cover was further enhanced to include critical benefit structures aligned with employee needs.

In addition, during the year, the Bank, in collaboration with Strategis Insurance Tanzania Limited, introduced an innovative and cost-effective package that enables employees to extend medical cover to their parents at their own cost. This initiative reflects our commitment to supporting the holistic well-being of our people and their families.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

6. OPERATING MODEL AND STRUCTURE (CONTINUED)

Financial assistance to staff

Confirmed employees have access to loans which are processed in line with the approved staff loan policy. Available loans include personal loans, car loans, study loans/bursary and mortgage loans. In 2025, personal loan threshold was enhanced by increasing the threshold amount and tenure, to give more financial access to the qualifying staff.

Employee Wellness

The Bank offers comprehensive wellbeing support to employees, their family members, and all members of their household, reinforcing our commitment to employee welfare as a driver of better health and productivity. In 2025, we strengthened this commitment by onBoarding two wellness providers, replacing the previous single-provider model, to cater to a wider audience and provide employees with more options for their wellbeing needs.

During the year, wellness interventions included chronic disease management programs, employee assistance initiatives such as cancer awareness and screening, blood donation drives, counselling and critical incident support, wellness coaching, life and stress management, nutrition and weight management, workplace hygiene and etiquette, personal relationship management, addiction support, optical health, and musculoskeletal disorder care.
These initiatives are closely aligned with the Bank's strategic goal of fostering employee engagement and enhancing productivity, ensuring that our people remain healthy, resilient, and empowered to perform at their best.

Disabled Persons

Applications for employment by people with disabilities are always considered, bearing in mind the aptitudes of the applicant concerned. In the event that a member of staff becomes disabled, every effort is made to ensure that their employment with the Bank continues, and appropriate training is arranged. The Bank also makes contributions to the Workers Compensation Fund (WCF) to safeguard employee welfare in the event of a workplace injury. It remains the policy of the Bank that employees with disabilities, once qualified to join based on their aptitudes, should not be discriminated against.

In 2025, Stanbic Bank Tanzania reaffirmed its position as an equal employment and opportunity employer, recognizing that a diverse and inclusive workforce is fundamental to our success—driving innovation, enhancing customer relations, and reflecting the richness of Tanzanian society. Diversity is not only a business imperative but also a core value of the Bank. To strengthen this commitment, we introduced a Diversity and Inclusion Policy, which explicitly includes provisions for people with disabilities, ensuring fairness and equal access to opportunities across the organization.

Equality, Diversity and Inclusion

As of 31st December 2025, female director composition at the Board level was 27%. The Bank is in the process of recruiting additional Directors, with the aim of improving female representation to at least one third in 2026. Female representation at the Country Leadership Council on 31st December 2025 was one third, which is in line with the Bank's target.

7. OPERATING ENVIRONMENT

Global Macro Landscape and Economic Overview

The global economic environment in 2025 demonstrated notable resilience despite heightened uncertainty arising from trade tensions, geopolitical risks, and financial market vulnerabilities. Strong technology related investment, particularly in artificial intelligence (AI) and digital infrastructure, alongside supportive monetary and fiscal policies, helped sustain growth and stabilize demand.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

7. OPERATING ENVIRONMENT (CONTINUED)

Global Macro Landscape and Economic Overview (Continued)

However, structural fragilities remain evident, and the outlook for the medium term is characterized by moderating growth and elevating downside risks.

This environment shaped financial conditions, cost structures, investment decisions, and risk management priorities across sectors. The Bank's financial performance in 2025 was therefore influenced by both supportive macroeconomic tailwinds and emerging constraints that will continue to affect operations and strategic planning in the coming years Global GDP growth remained relatively robust in 2025 at approximately 3.2%, reflecting stronger than anticipated economic activity earlier in the year. Growth was supported by front loading of trade and production ahead of higher tariff implementation, easing financial conditions, and strong demand for technology related capital investment.

Advanced economies experienced moderate growth, constrained by high interest rates earlier in the year and slowing consumer momentum, while emerging market economies—particularly in Asia—continued to act as key drivers of global expansion. Global trade volumes expanded in 2025, driven largely by ICT related goods and AI enabling technologies, although growth moderated in the second half of the year as tariff effects began to materialize.

For businesses, this environment translated into relatively stable revenue conditions during 2025, but with increasing variability across markets and sectors, especially those exposed to international trade and supply chains.

Global growth is projected to moderate to 2.9% in 2026 before recovering modestly to 3.1% in 2027. While easing inflation and supportive monetary policy should underpin demand, the full effects of higher trade barriers and fiscal tightening in some economies are expected to weigh on growth. In this context, strategic priorities should include:

- Maintaining financial flexibility and liquidity buffers.
- Enhancing operational efficiency and productivity to offset cost pressures.
- Diversifying supply chains and markets to reduce exposure to trade and geopolitical shocks.
- Aligning investment decisions with long term structural trends, particularly digitalization and technological transformation.

Inflation, Interest Rates, and Financial Conditions

Inflation continued to decline across most major economies in 2025, although progress was uneven. Global inflation remained above central bank targets in several jurisdictions, reflecting persistent services inflation, rising food prices, and the early pass through of higher trade costs. Nevertheless, inflation is projected to gradually return toward target levels by mid 2027.

In response, central banks in many advanced economies began easing monetary policy in 2025, contributing to improved financial conditions, lower borrowing costs, and renewed access to credit. However, long term sovereign yields increased in several economies due to fiscal sustainability concerns, resulting in a steeper yield curve.

For financial planning, this environment required careful management of interest rate exposure, refinancing strategies, and capital allocation decisions. While short term financing conditions improved, longer term funding costs remained sensitive to fiscal and market developments.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

7. OPERATING ENVIRONMENT (CONTINUED)

Key Risks and Uncertainties

The global economic outlook remains fragile, with several material risks that could affect financial performance going forward:

- **Trade Policy Uncertainty:** Further tariff increases or expanded restrictions on critical goods such as semiconductors, pharmaceuticals, and rare earth materials could disrupt supply chains and increase input costs.
- **Financial Market Vulnerabilities:** Elevated equity valuations, particularly in technology related sectors, raise the risk of abrupt market corrections, which could tighten financial conditions.
- **Fiscal Pressures:** High public debt levels and persistent fiscal deficits in many economies may push interest rates higher and constrain policy flexibility.
- **Geopolitical and Environmental Risks:** Ongoing geopolitical tensions, energy market volatility, and climate related disruptions continue to pose downside risks to growth and operational stability.

These risks necessitate prudent risk management, scenario planning, and continued balance-sheet resilience.

Africa Economic Performance

Africa's economic growth remains resilient but uneven across subregions, reflecting differences in commodity dependence, policy space, and exposure to global shocks. Regional GDP growth is projected to rise from 3.5 per cent in 2024 to 4.0 per cent in 2026 and 4.1 per cent in 2027, supported by improved macroeconomic stability in several large economies, stronger domestic demand, and the recovery of services exports.Nonetheless, high debt servicing costs, constrained fiscal space, still elevated inflation, declining official development assistance, and rising trade barriers continue to weigh on growth prospects amid an uncertain global trade and financial environment.

North Africa recorded a strong rebound, with growth estimated at 4.3 percent in 2025, driven by improved balance of payments conditions, greater exchange rate stability, and a revival of tourism, particularly in Egypt, Morocco, and Tunisia. Growth is expected to ease slightly in 2026 as external conditions tighten, even as Egypt's reform agenda continues to support medium term growth. West Africa's growth, estimated at 4.6 percent in 2025 and projected to moderate to 4.4 per cent in 2026, is largely driven by Nigeria, where macroeconomic reforms and increased refined oil production have supported activity, while high gold prices benefit metal exporters. Central Africa continues to lag, reflecting heavy reliance on extractive industries and the adverse effects of conflict, notably in the Democratic Republic of Congo. Southern Africa remains the weakest performing subregion, constrained by structural bottlenecks in South Africa, declining diamond prices, and heightened exposure to trade shocks.

East Africa continues to outperform other subregions, despite a slight slowdown from 5.6 per cent growth in 2024 to an estimated 5.4 per cent in 2025. Growth is projected to accelerate to 5.8 per cent in 2026, led by robust performance in Ethiopia and Kenya, supported by deepening regional integration, public investment, and the expansion of renewable energy, including the commissioning of the Grand Ethiopian Renaissance Dam. However, growth remains below the subregion's pre pandemic average, fiscal space is limited, and several countries face elevated debt distress. Persistent security challenges, particularly in South Sudan, pose additional downside risks.

Inflation has declined across most African countries, allowing some monetary easing, but food inflation remains high in many economies, highlighting ongoing structural ost-of-living challenges.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

7. OPERATING ENVIRONMENT (CONTINUED)

Domestic Economic Performance

The Tanzanian economy remained resilient in 2025, maintaining a solid growth trajectory despite emerging pressures toward year end. Mainland GDP is estimated to have grown by 5.9%, supported by continued investment, improved policy execution, and strong performance in key sectors such as agriculture, mining, construction, and financial services. While activities in communication, transport, and tourism softened in the fourth quarter, growth in mining, electricity generation, cement production, and tourism earnings provided continued support. Zanzibar also remained on track to achieve 6.8% growth, anchored by construction, manufacturing, and a robust tourism sector.

Inflation remained low and within target, averaging 3.5% in Q4, supported by earlier monetary policy actions, more stable global prices, and limited exchange rate pass through. Monetary conditions were accommodative, with broad money supply (M3) expanding by 24.6% and private sector credit growing by 18% to TZS 43.4 trillion (21% of GDP). Credit growth was particularly strong in agriculture, mining, trade, and construction, supported by targeted central bank interventions, including the TZS 1 trillion special loan facility.

The foreign exchange market remained broadly stable, helped by strong inflows from cashew exports, tourism, and gold. Policy measures—including the ban on foreign currency usage in domestic transactions and the requirement for miners to sell 20% of refined gold to the Central Bank—further eased pressure on the shilling. Foreign reserves rose to USD 6.7 billion, equivalent to 4.8 months of import cover.

The financial sector remained strong, with banks well capitalised, highly liquid, and maintaining improving asset quality as the NPL ratio declined to 3.1%. Payment systems operated efficiently, with continued growth in instant payments supported by broader interoperability and lower transaction charges. Public debt dynamics remained sustainable, with the debt to GDP ratio (PV terms) easing to 40.6%, well below regional and global thresholds. Domestic debt was stable, and treasury instruments continued to attract strong investor demand, resulting in oversubscriptions and moderating yields.

Overall, the macroeconomic environment in 2025 remained stable, resilient, and supportive of growth. A favorable outlook—underpinned by ongoing investment, financial sector strengthening, food system stability, and export performance—is expected to sustain momentum in the year ahead.

Vision 2050: Transformative Sector

By 2050, Tanzania aims to become an industrialized, knowledge based, upper middle income economy, with a USD 1 trillion GDP and per capita income of USD 7,000. This transformation will be driven by a competitive private sector, skilled human capital, reliable energy, modern infrastructure, and digital transformation, leveraging Tanzania's strategic location as a regional trade and logistics hub. The Vision priorities women and youth participation, inclusive growth, and sustainable use of natural resources, while positioning Tanzania as a regional anchor for peace, stability, and economic cooperation in a complex global environment shaped by climate change, technological disruption, and demographic shifts.

- **Transformative Sectors: Sectoral Pathways to Structural Transformation;** The Tanzania Development Vision 2050 (DIRA 2050) identifies a set of transformative sectors to drive long term structural change in the economy. These sectors have been prioritized based on their capacity to generate employment, expand exports, strengthen value addition, create inter sectoral linkages, and mobilise sustainable public revenue. Collectively, they form the productive base for Tanzania's transition to an upper middle income, diversified, and resilient economy by 2050.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

7. OPERATING ENVIRONMENT (CONTINUED)

Vision 2050: Transformative Sector (Continued)

- **Agriculture: Productivity, Commercialization, and Value Chains;** Agriculture remains central to Tanzania's economy in terms of employment, income generation, and food security. Under DIRA 2050, the sector's transformation focuses on raising productivity, commercializing production systems, and strengthening agro-value chains. Priority interventions include modern inputs, irrigation, mechanization, climate-resilient practices, digital market access, and agro-processing. The objective is to reposition agriculture from a low-productivity, subsistence activity to a competitive agribusiness sector with strong backward and forward linkages to manufacturing, logistics, and trade.

- **Tourism: Diversification and Linkages to the Domestic Economy;** Tourism is identified as a high impact export sector with strong multiplier effects across hospitality, transport, retail, and local services. The Vision emphasises diversification of tourism products beyond traditional wildlife tourism to include cultural tourism, eco tourism, coastal and cruise tourism, sports tourism, and MICE. The strategic focus is on infrastructure, service quality, market positioning, and community participation to increase value retention within the domestic economy and stabilise foreign exchange earnings.

- **Manufacturing: Industrialization and Economic Resilience;** Manufacturing is positioned as a core driver of economic diversification and structural transformation. The Vision prioritises value addition to domestic raw materials, particularly through agro processing, light manufacturing, and selected heavy industries. Expansion of manufacturing is intended to reduce import dependence, increase export competitiveness, and absorb labor transitioning out of low productivity sectors. Addressing infrastructure gaps, skills development, regulatory constraints, and access to finance is critical to achieving sustained industrial growth.

- **Construction and Real Estate: Urbanization and Infrastructure Development;** The construction and real estate sectors are expected to expand in response to population growth, urbanization, and increased infrastructure investment. These sectors play a dual role by supporting economic activity through infrastructure provision and creating employment across skill levels. DIRA 2050 emphasises affordable housing, sustainable construction practices, and resilient urban infrastructure to support inclusive urban growth and productivity.

- **Mining: Value Addition and Downstream Development;** Tanzania's mineral endowment positions mining as a strategic sector for export earnings and industrial linkages. The Vision shifts emphasis from primary extraction to local mineral processing, downstream industries, and technology adoption, supported by transparent regulation and environmental sustainability. Particular importance is placed on critical minerals relevant to the global energy transition, with the objective of maximizing domestic value capture and long term fiscal contributions.

- **Blue Economy;** The blue economy encompasses marine and freshwater based activities, including fisheries, aquaculture, marine transport, coastal tourism, LNG, and ocean based energy. DIRA 2050 frames this sector around sustainable resource utilization, ecosystem protection, and infrastructure development. Strategic investments in ports, fisheries value chains, marine conservation, and energy are intended to unlock growth potential while maintaining environmental integrity.

- **Sports and Creative Industries;** Sports and creative industries are recognized for their capacity to generate employment, particularly for youth, and to contribute to cultural and service exports. The vision focuses on formalization, infrastructure development, skills development, and intellectual property protection to improve productivity and income generation within these sectors. Over time, they are expected to contribute to economic diversification and social cohesion.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

7. OPERATING ENVIRONMENT (CONTINUED)

Vision 2050: Transformative Sector (Continued)

- **Financial Services: Enabling Investment and Formalization;** The financial sector is treated as a cross cutting enabler for all transformative sectors. DIRA 2050 priorities financial inclusion, digital financial services, capital market development, and affordable long term finance. A more efficient and inclusive financial system is expected to support entrepreneurship, investment, risk management, and the gradual formalization of economic activity.

- **Services Sector: Domestic Demand and Trade Integration;** The services sector—particularly retail, hospitality, and business services—is expected to expand alongside urbanization and income growth. The Vision emphasizes productivity improvements through infrastructure, digital platforms, consumer protection, and skills development. Growth in services is expected to support domestic demand, employment creation, and service exports within the region.

Implementation of the county's vision

The performance of these transformative sectors is contingent on effective implementation of the Vision's catalytic drivers—energy, integrated logistics, science and technology, research and development, and digital transformation. Sector prioritization will be reviewed periodically to reflect evolving domestic and global conditions, ensuring alignment with employment, export, value addition, and fiscal objectives.

Regulatory Environment and Compliance

During the year ended 31 December 2025, the Bank operated within a strengthened regulatory framework driven by reforms introduced by the Bank of Tanzania (BoT). The regulatory agenda during the year focused on enhancing financial consumer protection, improving market conduct and transparency, integrating sustainability and climate related risks into banking supervision, and formalising the framework for non interest banking. These developments continued to shape the Bank's compliance obligations and risk management priorities.

A key regulatory development during the year was the amendment of the Financial Consumer Protection Regulations, which significantly strengthened consumer rights and conduct oversight across the sector. The amendments refined the treatment of customer accounts through clearer definitions of inactive and dormant accounts and prohibited the charging of maintenance fees on such accounts. The regulations also mandated the use of the reducing balance method for interest calculation on all credit facilities, enhancing transparency and fairness in loan pricing. In addition, stricter standards were introduced to curb abusive debt recovery practices, while the Bank of Tanzania was granted enhanced authority to prohibit unfair fees and charges. Disclosure requirements were strengthened, and financial institutions' liability for consumer losses arising from fraud and scams was reinforced. The Bank continued to review its policies, systems, and customer engagement practices to ensure full compliance with these requirements.

In January 2025, the Bank of Tanzania issued sustainability and climate risk reporting guidelines, formally embedding environmental and sustainability considerations into the supervisory framework. The guidelines require banks to disclose governance arrangements, strategy, and risk management processes relating to sustainability and climate related risks and opportunities. During the year, the Bank commenced integration of these requirements into its governance structures, risk management frameworks, and strategic planning processes.

The regulatory landscape was further expanded in December 2025 with the issuance of the Non Interest Banking Business Regulations, which established a comprehensive framework for Shari'ah compliant banking. The regulations introduced enhanced licensing, governance, and operational requirements for both non interest banks and conventional banks operating non interest banking windows, supporting the orderly development of Islamic finance in Tanzania.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

7. OPERATING ENVIRONMENT (CONTINUED)

Regulatory Environment and Compliance (Continued)

Throughout the year, the Bank of Tanzania continued to strengthen oversight of payment systems, digital financial services, and transaction pricing, while maintaining a selective and proportionate approach to Basel II and Basel III implementation. Overall, the regulatory developments in 2025 raised expectations on governance, transparency, consumer protection, and sustainability risk management. The Bank remains committed to maintaining strong compliance standards and continues to enhance its systems, controls, and risk management capabilities to support sustainable growth and regulatory compliance.

Key Trends Impacting the Future Development of Banking in Tanzania

The Tanzanian banking sector is undergoing accelerated transformation driven by digital innovation, regulatory reform, sustainability considerations, and changing customer behaviour. These trends are expected to shape the structure, competitiveness, and growth trajectory of the sector over the medium to long term.

- **Digitalization remains the most significant driver of change.** The rapid expansion of mobile money and digital payment platforms has fundamentally reshaped how financial services are accessed and used, with digital transactions now embedded in daily economic activity. While financial access has expanded significantly, banks face increasing pressure to deepen customer engagement, migrate transactions to digital channels, and redesign service delivery models as competition from mobile network operators and fintechs intensifies. This shift is reinforcing branch light operating models and sustained investment in digital infrastructure, data capabilities, and cybersecurity.

- **Regulatory and supervisory developments continue to influence sector evolution.** The Bank of Tanzania's strategic focus on financial stability, consumer protection, digital payments, and data driven supervision has raised compliance and governance standards across the industry. Enhanced oversight of market conduct, fees, and disclosures is strengthening transparency and discipline, while a proportionate approach to prudential regulation continues to support sustainable sector growth.

- **Emerging risk;** Sustainability and climate related risks are emerging as important structural considerations for banks. Regulatory expectations now require the integration of environmental and sustainability risks into governance, risk management, and disclosure frameworks. Given Tanzania's exposure to climate related risks, banks are increasingly incorporating environmental factors into credit assessment, portfolio strategy, and long term planning, while also exploring opportunities in green finance and sustainable infrastructure.

- **Financial inclusion and SME financing remain key drivers of future expansion.** Although access to financial services has improved, credit penetration among small businesses, rural communities, and informal sector participants remains limited. The sector's future development is therefore expected to focus on digital lending solutions, alternative data driven credit assessment, and strategic partnerships to reach underserved segments more effectively.

Overall, the future development of banking in Tanzania will depend on the sector's ability to balance innovation with regulatory compliance, expand inclusion while managing risk, and adapt business models to a rapidly digital and sustainability focused environment. Banks that invest in technology, strong governance, and customer centric solutions are expected to be best positioned to capture emerging growth opportunities and support broader economic development.

SWOT Analysis

This SWOT analysis provides a focused assessment of Stanbic Bank Tanzania's (SBT) internal position relative to prevailing market conditions and the regulatory environment, highlighting considerations relevant to the Bank's 2026–2030 growth strategy.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

7. OPERATING ENVIRONMENT (CONTINUED)

Stanbic Bank Tanzania's strengths are anchored in its Corporate and Investment Banking (CIB) franchise, which remains the Bank's primary earnings engine, contributing approximately 78% of segment Profit Before Tax. The Bank holds a strong position in Tanzania's local debt capital markets and benefits from its Pan African footprint, enabling the delivery of cross border solutions and foreign currency capacity supported by offshore balance sheet access. This is complemented by a solid non interest revenue base, particularly in foreign exchange trading, and a disciplined cost structure reflected in a low cost to income ratio. In addition, the Business and Commercial Banking segment maintains strong positions in selected niche markets, while the Personal and Private Banking business has stabilised following a successful turnaround and offers differentiated products.

The Bank has identified opportunities to further strengthen its growth platform. Digital capability and distribution can be enhanced to support broader customer acquisition, engagement, and fee income growth, particularly in retail and mass affluent segments. There is also scope to deepen penetration of transactional banking with top tier corporate clients, where ownership of primary operating flows remains an area of focus. Technology complexity and manual operational processes present opportunities for simplification and automation to improve speed, efficiency, and customer experience. In retail banking, continued expansion of the customer base and distribution channels, including agency banking, is expected to support stronger fee and commission income over time.
Externally, the operating environment presents attractive growth opportunities aligned with Stanbic's strengths. Tanzania's infrastructure and mining investment pipeline is expected to drive demand for structured finance, project finance, and capital markets solutions. Growth in the Tanzania–China trade corridor, an expanding affluent segment, and increasing fintech activity provide opportunities for corridor banking, targeted PPB growth, and partnership led expansion. Strengthened AML/CFT frameworks further enhance the Bank's positioning as a trusted counterparty for complex and cross border transactions.

Key external risks include intensifying competition from large local banks with extensive digital and distribution capabilities, increasing cyber security risks associated with digitalization, macroeconomic and climate related volatility affecting key sectors, regulatory initiatives such as de dollarization that may pressure FX margins, emerging data localization requirements, and reduced international donor funding impacting selected client segments.

8. PERFORMANCE FOR THE YEAR
Key highlights

PAT
135.3bn
+6%

Income
343.9bn
+4%

Impairment
-1.1bn
-175%

Loans
1,896bn
28%

Deposits
2,443bn
+16%

Overall, the macroeconomic environment in 2025 remained stable, resilient, and supportive of growth. A favorable outlook—underpinned by continued investment, strengthening of the financial sector, food system stability, and solid export performance—is expected to sustain economic momentum in the year ahead.

Against this backdrop, the Bank delivered a strong financial performance for the year ended 31 December 2025, driven by disciplined execution of its short and medium term strategies and supported by positive domestic economic conditions, despite a complex global operating environment.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

8. PERFORMANCE FOR THE YEAR (CONTINUED)

Performance was influenced by global developments during the year, including heightened commercial competition, geopolitical tensions, evolving regulatory requirements, and political dynamics.

Positive performance momentum was evident across all Business Units. Headline earnings grew by 89% in Personal and Private Banking (PPB), 31% in Business and Commercial Banking (BCB), and remained broadly stable in Corporate and Investment Banking (CIB), with a marginal increase of 0.1%. This performance reflects improved strategic execution across the Business Units, supported by favorable macroeconomic conditions and an enabling commercial environment. The Bank recorded a solid profit after tax of TZS 135.3 billion in 2025, representing a 6% increase from TZS 128.0 billion in 2024. This translates to positive return to shareholders of 23.8% and return on assets of 3.9%, while complying with the Central Bank of Tanzania requirements on Cost to Income ratio 43.6% (BOT requirement 55%) and NPL ratio 2.4% (BOT requirement 5%).The performance was propelled by growth in customer deposits, loans, and earning assets, leading to higher total income. This was supported by prudent cost management, loan recoveries, reduced credit risk, a lower credit loss ratio, and lower credit impairment charge during the year.

The 4% annual increase in total income (Net Interest Income, Fees and Commission, Trading Income and Other income) is a result of growth of our loan book by 28%, and customer deposits growth by 16%. The fees and commission and trading income lines have also been on the positive trend trajectory on the back of increase in transactional fees, digital platforms uptake, structured products, seized global markets opportunities supported by macro-economic conditions.
Total operating expenses registered a growth of 7% being strategic investments in distribution channels. This resulted in an increase in staff costs due to new head count, and marketing cost driven by planned business activities, coupled with increase in deposit insurance premium driven by deposit growth. These additional costs were partly lessened by ongoing prudent cost management initiatives.

Loans and Advances to Customers
Loans and advances to customers registered an annual growth of 28%, growing faster than private sector credit growth which closed at 18.1% by the end of December 2025. The annual growth is mainly driven by an increase in customers' credit appetite fueled by positive trends on economic activities. The NPL ratio improved from 2.9% reported in 2024 to 2.4% by the end of 2025 contributing to less credit impairment and higher interest income. The growth spanned several sectors with the major drivers being public sector, Finance leasing, Trade, communication, Manufacturing oil and gas. The Bank sustains its focus on growing its balance sheet in alignment with its strategy and a projected conducive economic outlook, with private sector growth, GDP growth, and inflation expected to remain on a positive trend.

Customer Deposits
During the first half of the year, the market experienced tight local currency (LCY) liquidity conditions; however, liquidity improved in the second half following targeted interventions by the Bank of Tanzania (BoT). These included a reduction in the Central Bank Rate (CBR), injections of LCY liquidity through instruments such as reverse repurchase agreements and USD/TZS currency swaps, as well as the continued implementation of the TZS 1 trillion agricultural lending facility. Collectively, these measures provided meaningful support to the market liquidity, from which the Bank also benefited.

Against this backdrop, customer deposits recorded resilient year on year growth of 16%, underscoring continued customer confidence in the Bank and the value we deliver in supporting both business and personal financial aspirations.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

8. PERFORMANCE FOR THE YEAR (CONTINUED)

Customer Deposits (Continued)

Deposit growth was primarily driven by focused deposit mobilization initiatives, improved customer experience, and expanded distribution channels, including agency banking and other alternative channels, complemented by diversified funding sources introduced during the year. Growth was broad based across Business Units, with Business and Commercial Banking (BCB) growing by 49.2% and Personal and Private Banking (PPB) by 32%. Corporate and Investment Banking (CIB) deposits declined marginally by 0.3%, largely reflecting year end outflows related to corporate customers' tax payments.

The Bank remains focused on optimising liquidity through a customer centric approach, supported by initiatives such as ecosystem development, alternative funding solutions, customer base expansion, enhanced agency banking, upgraded digital platforms, and other strategic business initiatives.

Net-interest income

Net interest income increased by 2% during the year, driven by strong growth in interest income of 16%, partly offset by a 65% increase in interest expense. The growth in interest income was primarily underpinned by a 28% expansion of the loan book, reflecting strong economic performance and the Bank's strategic repositioning towards local currency lending.

The increase in interest expense was mainly attributable to higher interest rates, particularly during the first half of the year, as well as a 33% growth in local currency deposits to support increased local currency lending. This was further influenced by a higher proportion of interest bearing deposits and the Bank's strategic funding mobilisation initiatives, including borrowings.

Non-interest income

Non-interest revenue comprises net fee and commission revenue, trading revenue and other revenue. Non-interest revenue recorded an increase of 7% to close at TZS 155.4 billion compared to TZS 144.7 billion in 2024. The increase was largely driven by fees and commissions, supported by improved customer experience and economic activities. Higher trading income was largely driven by the continued positive trends in macroeconomic indicators and foreign exchange market dynamics, coupled with Global markets diversification strategies.

Net fees and commission

The annual growth of 18% is a result of improved trade finance activities, increased card and digital platform usage supported by improved customer experience and awareness, investment banking (IB) advisory fees, and ecosystem penetration targeting at banking the entire value chain of our customers.

The Bank remains committed to addressing customers' financial and non-financial needs by developing innovative digital solutions while leveraging regional and international trade opportunities as economic activity continues to grow.

Trading revenue

Trading income recorded an increase of 3% from preceding year. The positive trend trajectory is driven by global markets product diversification strategy aimed at supporting increased customers' foreign currency demand. During the year, the line experienced increased volumes of swaps, foreign currency flows, and structured products, coupled with gains from mark-to-market movements following the downward trend in the short-end of the yield curve. This was partly offset by margin shrinkage compared to the prior year, when the market was characterized by USD scarcity and rate fluctuations that provided more trading opportunities.

Credit impairment charges

The Bank reported a credit impairment charge of TZS 1,077 million, compared to a net release of TZS 1,441 million in the prior year.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

8. PERFORMANCE FOR THE YEAR (CONTINUED)

Credit impairment charges (Continued)

This movement was largely driven by 28% growth in the loan book, partially offset by a reduction in underlying credit risk following continued and deliberate management actions to strengthen credit quality. Despite the higher charge, overall impairments remained low, with the credit loss ratio (CLR) containing 0.1%. This was supported by an increase in post–write off recoveries to TZS 6.64 billion (2024: TZS 6.07 billion) and continued improvement in asset quality, with the non performing loan (NPL) ratio declining to 2.4% from 2.9% in the prior year.

The impairment charge was predominantly attributable to PPB, which recorded a charge of TZS 3.4 billion, largely reflecting loan book expansion. In contrast, BCB and CIB recorded net releases of TZS 1.64 billion and TZS 644 million, respectively, driven by strong post–write off recoveries and improved credit risk profiles across selected counterparties.

Management's strategic interventions focused on streamlining client onboarding, deepening customer relationships, recalibrating risk appetite, enhancing credit rehabilitation processes, strengthening post–write off recovery efforts, and reinforcing collateral management controls.

Total Operating Expenses

Total operating expenses comprise staff cost and other operating costs, both registered an annual growth of 11% and 2% respectively. Other operating cost muted growth is underpinned by prudent management cost initiatives, key drivers include capitalization of IT cost which provides long term benefits, prioritization of key projects, automation of certain processes, and other cost optimization measures in areas such as travel and accommodation, among others. These were partly offset by marketing expenses related to planned business initiatives, higher deposit insurance premiums reflecting deposit growth, and increased premises costs following the addition of three new branches.

The increase in staff costs primarily reflects annual remuneration adjustments and a strategic expansion of headcount to support business growth, particularly across physical distribution channels, with total staff headcount increasing to 638 from 611 in the prior year. The Bank continues to advance its operational efficiency agenda by prioritizing environmental sustainability initiatives, streamlining customer-driven projects, enforcing value-for-money discipline across all costs, and continuously optimizing processes to keep pace with ongoing business transformation.

Performance indicator	Ratios		Remarks
	2025	2024	
Return on equity	22.1%	24.5%	A slight decrease in ROE is driven by equity growth, partially offset by an increase in profit.
Return on assets	3.9%	4.2%	A decrease in ROA is mainly driven by asset growth.
Cost to income ratio	43.6%	42.6%	The increase Cost to income ratio is on the back of staff cost growth driven by head count growth.
Interest margin on earning assets	8.7%	8.7%	
Non - interest income to gross income	35.7%	37.5%	The non-interest income trend is driven by increase in interest income.
Non - performing loans to gross loans	2.4%	2.9%	The positive trend is mainly due to decrease in credit risk from PPB and BCB space coupled with loan book growth.
Earning assets to total assets	90.0%	88.7%	A positive trend is on the back of growth on earning assets.
Total expenses/Interest income	54.8%	59.6%	The decrease is due to increase in interest income.
Net interest margin	5.4%	6.0%	The decrease in margin is mainly driven by growth in interest expense.
Liquid assets to total assets	30.2%	32.3%	The drop is mainly driven by growth in Total assets, particularly Loans to customers.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

8. PERFORMANCE FOR THE YEAR (CONTINUED)

Key performance indicators (Continued)

Performance indicator	Ratios		Remarks
	2025	2024	
Liquid assets to deposits	38.8%	43.7%	The drop is mainly driven by growth in customer deposits.
Total capital to deposits	22.4%	23.2%	The trend is driven by increase in deposit, partly offset by increase of capital.
Loans and advances to total assets	54.1%	48.3%	The increase is mainly driven by loan book growth.
Loans and advances to total deposits	77.6%	68.8%	The increase is mainly attributed to loan book growth faster than Deposits.
Revenue per employee	562.3M	538.1M	The increase is mainly attributed to growth in total revenue.
Growth on total assets	14.7%	16.7%	A drop relative to prior year is mainly due to disposal of financial assets held for trading.
Growth on loans and advances to customers	28.5%	0.8%	The growth contributed by business units as follows; CIB 18%, BCB 57% and PPB 34%.
Growth on customer deposits	16.0%	19.5%	The slowdown in deposit growth was mainly due to local currency liquidity squeeze.
Tier 1 Capital	24.5%	21.5%	The capital movement is explained by capitalized profit after tax and adoption of Basel III.
Tier 1+Tier 2 Capital	24.5%	21.5%	

9. OVERVIEW OF KEY BUSINESS UNITS AND FUTURE DEVELOPMENTS

Corporate and Investment Banking

Corporate and Investment Banking (CIB) is structured around three key product houses: Transactional Products & Services (TxB), Global Markets (GM), and Investment Banking (IB). These units are supported by a team of sector-focused relationship managers who make up the Client Coverage (CC) division. The Client Coverage team oversees our client relationships and serves as the central link between the product houses and our corporate and institutional clients.

We are committed to becoming the leading Corporate and Investment Bank in Tanzania—both in market share and revenue—by prioritizing the country's high-growth economic sectors.

CIB provides a broad portfolio of financial products and services to corporates and institutions with economic and developmental interests in Tanzania. Our goal is to contribute meaningfully to our clients' success by supporting them in achieving their strategic objectives.

The year 2025 marked a period of renewed economic momentum for Tanzania, supported by strong performance in the extractives sector, continued infrastructure investment, and a stable monetary environment. Fitch affirmed Tanzania's Long-Term Foreign-Currency Issuer Default Rating (IDR) at B+ with a Stable outlook in June 2025.This rating remained in effect through the end of 2025.

CIB delivered consistent year-on-year performance, generating TZS 235 billion in revenue and TZS 112 billion in Profit After Tax (PAT). The business maintained strong cost discipline, achieving a 10% reduction driven primarily by lower indirect expenses. Growth was supported by key contributing sectors including China, the Public Sector, Consumer,

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

9. OVERVIEW OF KEY BUSINESS UNITS AND FUTURE DEVELOPMENTS (CONTINUED)

Corporate and Investment Banking (Continued)

The Bank was recognized by Euromoney as Tanzania's Best Investment Bank for the fourth consecutive year, reaffirming its sustained market leadership. This accolade reflects the bank's continued excellence in delivering sophisticated investment banking solutions and its central role in structuring and financing major national development initiatives.

Additionally, we continued to strengthen our partnerships with clients on provision of funding and advisory services. A key highlight was our work with the Revolutionary Government of Zanzibar (a new to bank relationship), where we successfully arranged the first local syndication in Tanzania. This financing contributed to transformative blue economy initiatives aimed at unlocking sustainable growth in tourism, marine resources, and infrastructure.

We are proud to have been part of the groundbreaking bond issuance in Tanzania this year, supporting CRDB Bank PLC on the TZS 323 billion first infrastructure bond of its kind. We also assisted with the CRDB Sukuk Bond (TZS 126 billion & USD 32 million), the first multicurrency Sukuk in East Africa. These milestones continue to solidify our position as the go-to bank for capital market transactions in the region.

We've invested in our people, including secondments to our Headquarters in Johannesburg, winning the prestigious Mark of Excellence award. Additionally, we've welcomed new talent to strengthen our team.
During the year, the Bank also reviewed its next five years strategy named Stanbic 2030 of which CIB aspires to continue being a leading Corporate and Investment Bank in Tanzania. 2026 being the first year of execution of that plan, client-centric agenda will remain the foundation of the CIB business.

The business will focus on executing the 2026/2030 strategy while leveraging Tanzania's strong economic outlook. Central to this will be deepening relationships with the priority growth clients we have identified, ensuring they continue to drive our strategic momentum and market leadership. Our strategic direction is anchored on four core themes: Transforming the client experience, driving sustainable value creation, delivering operational excellence and growing our people and strengthening our culture.

In line with the economic outlook, the country Vision 2050 priority sectors during this medium-term period, the business has committed to executing below key initiatives; -

- **Transactional Banking Overhaul – The Digital Foundation;** Over the next five years, the Bank will build a fully integrated, best in class transactional banking ecosystem that becomes the primary operating platform for institutional clients. This strategic investment will address long standing client pain points across payments, collections, liquidity management, and cash visibility, while significantly improving internal efficiency through automation and straight through processing. By anchoring client relationships at the operating level, transactional banking will form the foundation for durable, annuity based revenues and deeper cross sell into trade, markets, and advisory solutions.
- **Digital Dominance – End to End Trade Finance Portal;** Trade finance will be progressively transformed into a fully digitised, end to end offering over the five year period. The Bank will establish a market leading digital trade portal covering origination, documentation, tracking, and settlement. This initiative is expected to materially improve turnaround times, transparency, and scalability, while strengthening client stickiness and capturing incremental trade flows from less digitised competitors. Over time, the platform will integrate seamlessly with transactional banking and supply chain finance, reinforcing the Bank's leadership in regional trade corridors.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

9. OVERVIEW OF KEY BUSINESS UNITS AND FUTURE DEVELOPMENTS (CONTINUED)

Corporate and Investment Banking (Continued)

- **Fixed Income Leadership – Product Sophistication & Distribution;** Over the medium term, the Bank will reposition its Fixed Income desk into an active market making franchise that anchors liquidity in the domestic debt market. The strategy includes the phased introduction of more sophisticated fixed income products, supported by a strengthened distribution capability targeting institutional, offshore, and high net worth investors. This will enhance market depth, improve price discovery, and generate sustainable trading and client flow revenues, while supporting the broader development of Tanzania's capital markets.

- **Debt Advisory 2.0 – Beyond Market Leadership;** During the five year horizon, the Bank will elevate its advisory franchise from traditional debt arranging to delivering complex, high margin financial solutions. The focus will be on Project Finance, Mergers & Acquisitions, and ESG linked advisory, positioning the Bank as a trusted partner in strategic client decision making. This evolution is expected to increase advisory fee income, strengthen long term client relationships, and unlock cross sell opportunities across markets, transactional banking, and risk management products.

- **ECM Readiness – Building for the Future;** Recognizing the structural potential of equity capital markets, the Bank will invest ahead of the curve over the next five years to ensure full ECM readiness. This includes securing the required licenses, building specialist talent, and implementing robust systems and governance frameworks. While equity market activity is expected to scale gradually, these early investments position the Bank to emerge as a leading Equity Capital Markets house as market depth accelerates.

Business and Commercial Banking (BCB)

Tanzania's emerging middle-income economy continues to be driven by small and medium-sized enterprises alongside a diverse base of local commercial businesses. From neighborhood "Mangi" shops to established retail and wholesale outlets in key commercial hubs, as well as local FMCG manufacturers and trading companies operating on the outskirts of major cities, these enterprises form the backbone of economic activity. Collectively, this segment is effectively served by the Business and Commercial Banking (BCB) unit, which plays a critical role in enabling growth, resilience, and financial inclusion. The BCB unit operates through four core sub-segments: Agribusiness, Public Sector, Enterprise Banking, and Commercial Banking.

Within Agribusiness, strategic emphasis during the year was placed on rolling out tailored solutions for cooperatives, contracted farmers, and other key participants across agricultural value chains, strengthening ecosystems around existing anchor clients. This approach enhanced productivity, access to finance, and sustainability across the sector. The Public Sector segment focused on expanding niche offerings to key institutions within the education, health, and civil society organization (CSO) sectors, supporting service delivery and institutional resilience.

The Commercial segment maintained its focus on high-quality relationship management, actively managing a well-balanced portfolio while prioritizing clients that deliver sustainable risk-adjusted returns. Enterprise Banking continued to prioritize value creation for small and medium-sized businesses through relationship-led solutions, transaction banking, and advisory support aimed at unlocking growth and operational efficiency. This disciplined approach ensured continued value creation for shareholders while reinforcing the Bank's holistic position as a trusted financial partner.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

9. OVERVIEW OF KEY BUSINESS UNITS AND FUTURE DEVELOPMENTS (CONTINUED)

Business and Commercial Banking (BCB) (Continued)

During the year, BCB delivered strong, diversified growth anchored by a revitalized agribusiness proposition, expanded distribution, and a scaled ecosystem strategy. The refreshed Agriculture Customer Value Proposition, supported by inventory and stock financing and a dedicated sector leadership team, emerged as a key growth driver. Strategic collaboration with financing partners strengthened risk mitigation, with over TZS 35 billion in deposits mobilized under cash-backed lending arrangements. In collaboration with PPB and CIB, BCB expanded its physical and premium footprint through new branches in Geita, Zanzibar, Kahama, and Karatu, complemented by premium suites in Dar Village, Tegeta, and KwaMrombo, enhancing accessibility and client experience across priority markets. The Business managed to acquire 1,297 new customers as well.

BCB's ecosystem-led and digital strategies delivered material economic and commercial impact. The ecosystem approach injected TZS 312 billion in liquidity across anchor clients in the energy, FMCG, and mining sectors, strengthening supplier networks and entrenching ecosystem financing as a core trade finance proposition. Concurrently, digitisation initiatives enhanced speed and transactability, with the launch of Pokea na Stanbic supporting collections across education and healthcare, Ramani loan automation enabling disbursements within 30 seconds and cumulative volumes of TZS 61 billion, and Distributor Financing automation driving TZS 180 billion in cumulative disbursements. Collectively, these initiatives reinforced BCB's position as a transaction-led, client-centric franchise delivering sustainable value to shareholders.

Financial Performance

The business delivered a stellar performance in 2025, closing with a profit after tax of TZS 20.2 billion, exceeding budget by 31% and recording a 31% year-on-year increase. Loans and advances grew by 54% to TZS 492 billion, supported by deliberate disbursement activity and a strategically diversified portfolio. Deposits increased by 49% to TZS 764 billion compared to 2024, reflecting a well-balanced and sustainable funding structure. Disbursements reached TZS 616 billion, representing an 84% year-on-year increase and underscoring strong business momentum.

The business maintained a robust return on equity of 22.4% and delivered a positive Shareholder Value Added (SVA) of TZS 3.84 billion. These outcomes reflect prudent balance sheet management, disciplined execution, and continued value creation for shareholders.

BCB Medium term strategy (2025/2030)

Over the next 5 years, the business aspired to become the leading financier of Tanzania's real economy by structuring finance around value chains, ecosystems, and priority growth sectors. Key initiatives which will be implemented includes;-

- **BCB as an Agri Growth Catalyst;** Over the next five years, the Bank will position itself as a strategic partner to the Agro Processing sector, targeting medium to large farms, established processors, and cooperatives. Through a dedicated Agri Growth Catalyst Hub, the Bank will deploy asset leasing, structured trade finance, and advisory solutions to support productivity, value addition, and export growth. This approach is expected to deliver scalable, asset backed growth while supporting national food security and ESG objectives.

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REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

9. OVERVIEW OF KEY BUSINESS UNITS AND FUTURE DEVELOPMENTS (CONTINUED)

Business and Commercial Banking (BCB) (Continued)

- **BCB as a Logistics Enabler;** Over the five year period, the Bank will target the Logistics and Infrastructure sector by solving structural challenges faced by transport operators. This will be achieved through integrated fleet financing and leasing solutions, supported by the localisation of the Fleet360 platform. By bundling asset finance with data driven fleet management, digital payments, and working capital solutions, the Bank aims to improve asset performance, reduce credit risk, and generate long tenor relationship based revenues.

- **Digital Ecosystem Supply Chain Finance Platform;** A core medium term priority is the establishment of a single, scalable Supply Chain Finance (SCF) platform serving anchor clients and SME suppliers across Agro Processing, Energy & Extractives, and Logistics. Using a white label deployment model, the platform will enable rapid rollout of invoice discounting and reverse factoring solutions with minimal capital expenditure. Over time, the SCF platform is expected to drive fee income growth, broaden SME reach, and deepen ecosystem based client relationships.

Personal and Private Banking (PPB)

The Personal and Private Banking (PPB) business unit provides a diverse range of customer value propositions (CVPs) tailored for two key segments: Personal Banking and Private Banking. These CVPs encompass transactional, lending, and wealth solutions, delivered via physical branches and self-service digital platforms.

The Bank's ambition to become the number one private bank in Tanzania through deepening client relationships and investing in wealth management services has started to gain internation recognition.

In 2025, Stanbic Bank's efforts were acknowledged through prestigious industry accolades, including Euromoney's Awards for Excellence as The Best Private Bank in Tanzania and Best Bank in Customer Experience, which demonstrate the bank's commitment to client-centricity and leadership in banking. These honors affirm that PPB's transformation journey is not only resonating locally but is also being benchmarked against global best practices.

Personal and Private Banking managed to close the year 2025 with very promising performance as follows:

Total revenue reached TZS 54,12 billion, reflecting a 5% growth compared to 2024. This significant increase was primarily driven by growth in both net interest income and non-interest income, highlighting consistent year-on-year business expansion.

Net interest income reached TZS 33.52 billion, representing a 6% increase compared to 2024. This growth was largely driven by the expansion of the asset book year-on-year. The business undertook a repricing initiative for all loans that were charged under 15% that delivered positive outcomes, as reflected in the increase in total interest income. Additionally, aggressive bookings throughout the year, involving high-value transactions across the business, contributed significantly to the higher interest income yield.

NIR was significantly driven by a repricing initiative implemented during the year. The repricing of ATM fees and other VAS like TV subscriptions played a key role in achieving this growth. Additionally, the business enhanced dormancy activation initiatives aimed at boosting transactional volumes, initiated transaction campions, and introduced the LIPA SIMPO payment solution which in turn led to higher service fee generation.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

9. OVERVIEW OF KEY BUSINESS UNITS AND FUTURE DEVELOPMENTS (CONTINUED)

Personal and Private Banking (PPB) (Continued)

The liability position reached TZS 332 billion, reflecting a 33% growth compared to 2024. This increase was driven by the successful conversion of mobilized pipelines across various sectors. Additionally, the business strengthened relationships and enhanced customer experience for private banking clients, leading to higher deposit inflows and contributing to the growth in the liability position year-on-year. Furthermore, focused efforts on selling the Contra save solution to customers and aggressively marketing to groups looking for long-term savings solutions played a key role in accelerating this growth.

The asset position reached TZS 399 billion, representing a 33% growth compared to 2024. This increase was driven by the acquisition of additional schemes, which significantly boosted the asset base. The business also prioritized acquiring high-quality schemes to minimize future impairment risks.

In 2025 the business introduced new solutions including Home Construction Loans, TZS and USD Unsecured Overdrafts for Private Banking clients, and Vehicle and Asset Finance (VAF) solutions, expanding the product suite to meet diverse client needs. Rolled out lending against bonds and launched new CVPs for Private Banking clients. Implemented automation initiatives such as eMkopo, TanQR (Lipa Simpo), direct integrations with TANESCO, and fee repricing initiatives that delivered annual savings upwards of approximately TZS 800 million and improved operational resilience.

By the end of 2025, agency banking successfully onboarded over 653 agents using the in-house POS platform. Deposit levels for PPB grew significantly, rising from TZS 20,2 billion in December 2024 to TZS 33,6 billion in 2025 which represents 64% YoY growth. Additionally, the business expanded its footprint to all regions in Tanzania through the presence of various agents, and opened additional branches in Geita, Zanzibar and Karatu to further strengthen business mobilization efforts.

2025 Key Achievements:

- Recorded 97% YoY growth in NTB clients, increasing from 6,488 to 12,802.
- Gained international recognition by winning Euromoney Best International Private Bank & Best Customer Experience awards.
- Active client base grew to 40,350 (+9%), while dormancy reduced to 3%, significantly below the target of 10%
- Supported other markets in rolling out Agency Banking business model in Zimbabwe and Malawi
- Dormancy reduced to 2%, active clients grew to 40.35K (+9%), and digital adoption reached 49%, almost hitting our full-year target.
- Expanded agency banking network to reach 92% of the regions in Tanzania
- Increased branch footprint by opening new branches in Geita, Karatu and Zanzibar
- Enhanced digital capabilities/platforms: Rolled out Digital Cash Advance solution, Digital UPL upgrades, LUKU integration and launched the Lipa Simpo solution on the application
- Rolled out Home Construction Loans, TZS and USD Unsecured Overdrafts for Private Banking clients, and Vehicle and Asset Finance (VAF) solutions
- Launched Private Banking CVP in Mbeya, Mwanza and Arusha.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

9. OVERVIEW OF KEY BUSINESS UNITS AND FUTURE DEVELOPMENTS (CONTINUED)

Personal and Private Banking (PPB) (Continued)

2025 Key Achievements (Continued)

- Initiated Government Loan automation through eMkopo, unlocking operational efficiency.
- Fully migrated mobile banking services from Selcom to inhouse gateways for VAS, USSD and Bulk SMS.

Medium Term strategic Objectives/initiatives
Over the next five years from 2026 to 2023, PPB aspires to build a differentiated, digitally led, advice centric private banking franchise for high net worth clients. Key initiatives which will be implemented during that period will include;

- **World Class Digital Lifestyle Loyalty Program;** Over the next five years, PPB will develop a premier digital lifestyle and loyalty ecosystem that integrates banking, wealth, and lifestyle services into a single client experience. This initiative is designed to deepen engagement, increase share of wallet, and reduce client attrition by embedding the Bank into clients' everyday financial and lifestyle decisions.

- **Mobile App as a World Class Private Banking Platform;** The Bank will transform its mobile application into a secure, intuitive private banking platform that serves as the central hub for clients' financial lives. The enhanced platform will unify banking, wealth management, and security services, supporting a digital first engagement model while improving service efficiency and scalability.

- **Redefining Tanzania's Asset Management Strategy;** Over the medium term, the Bank will reposition its asset management business around an advice led model focused on financial planning, investment strategy, and estate planning. The strategy includes expanding local investment offerings, enhancing offshore capabilities, and developing bespoke solutions for high net worth clients. This approach is expected to drive recurring fee income and build enduring, multi generational client relationships.

- **Fintech Partnerships to Accelerate Innovation;** To compress time to market and enhance competitiveness, PPB will actively partner with fintechs and leverage Group capabilities such as Shift to deliver international trading and multi currency solutions.These partnerships enable rapid innovation while maintaining capital efficiency and regulatory discipline.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

9. OVERVIEW OF KEY BUSINESS UNITS AND FUTURE DEVELOPMENTS (CONTINUED)

Personal and Private Banking (PPB) (Continued)

Technology and Innovation
In 2025, the focus was on accelerating digital enablement to support business growth, strengthening strategic partnerships, and enhancing operational efficiency. Key initiatives enabled significant asset and liability mobilization through partnerships including Ramani, WATUMISHI Government Loans, TANESCO, NCAA, TANAPA, and Zanzibar Government Collections, while the launch of an API-based collections platform expanded ecosystem integration and unlocked new digital opportunities. Automation of credit and operational processes improved scalability and customer experience, while full closure of audit and regulatory findings and successful completion of API Security and Architecture Risk audits provided strong independent assurance on the bank's technology control environment.

In 2026, the focus will be on executing the bank's six-pillar technology transformation strategy to strengthen the foundation required to support future growth. This includes advancing the Finacle Core modernization program, enhancing infrastructure resilience and cybersecurity, and progressing application modernization to improve agility and reliability. Continued expansion of the API-led ecosystem and deepening of strategic partnerships will enable new digital capabilities. In parallel, ongoing investment in data and workforce capability will enhance operational effectiveness and innovation, ensuring technology remains a key enabler of sustainable business growth and long-term competitiveness.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

10. CORPORATE GOVERNANCE

COMPOSITION OF THE BOARD OF DIRECTORS

The Directors of the bank who served in office since 1 January 2025, except where otherwise stated, are:

Name	Age	Position	Qualification/ discipline	Nationality
Mr. Patrick Rutabanzibwa	70	Non-executive Director/ Board Chairman	M.Sc. Chemical Engineering (Process Engineering and Economics), Loughborough University, UK. B.Sc. Chemical Engineering, Loughborough University, UK.	Tanzanian
Mr. Gregroy Brackenridge*	68	Non-Executive Director	Associate Institute of Bankers – South Africa University Exemption	South African
Mr. Clive Tasker	70	Non- Executive Director	BA LLB, Advanced Management Programme Wharton (AMP-V)	South African
Ms. Farzana Karimjee	57	Non-Executive Director	Master of Business Administration (MBA) from the University of Alberta, Canada, Master of Laws (LLM), Bachelor of Laws (LLB) and Bachelor of Commerce (BCom) from Saurashtra University India. Advocate, registered with Tanganyika Law Society, Fellow member of the Association of Chartered Certified Accountants (ACCA), United Kingdom, and Chartered Secretary from Chartered Governance Institute of Canada.	Tanzanian
Mr. Manzi Rwegasira	42	Executive Director & Chief Executive	MSc Finance and investments, BSc International Business Administration – Erasmus University, Rotterdam school of management, Rotterdam, The Netherlands Investment adviser license certification, Capital Markets and Securities Authority, Financial adviser license, Financial Conduct Authority, United Kingdom, Chartered Institute for Securities and Investments, United Kingdom.	Tanzanian
Mr. Patrick Mweheire	56	Non-executive Director	Master's in business administration, Harvard University Graduate School, Cambridge MA, United States of America, Daemen College, awarded Bachelor of Science Degree, Amherst, NY, United States of America.	Ugandan
Mr. Davith Kahwa	55	Non-executive Director	B. Comm (Hons) Certified Information System Auditor International Certificate in company Direction Certificate- Leading in Digital Economy	Tanzanian

*Retired from the board on 13th March 2025.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

10. CORPORATE GOVERNANCE (CONTINUED)

COMPOSITION OF THE BOARD OF DIRECTORS (CONTINUED)

Name	Age	Position	Qualification/ discipline	Nationality
Mr. Godfrey Mramba	52	Non-executive Director	Master of Accountancy- University of Idaho, USA Bachelor of Arts in Business Administration- Lewis Clark State College, USA Certified Public Accountant (CPA), Washington State, USA Certified Public Accountant in Public Practice (CPA-PP), Tanzania Registered Tax Consultant, Tanzania & Chartered Global Management Accountant (CGMA), USA	Tanzanian
Ms. Violet Mordichai	51	Non-executive Director	Bachelor Of Business Administration- University of South Wales Executive Leadership Management (SMDP)- University of Stellenbosch Business School Advanced Diploma Business Studies- Institute of Commercial Management Diploma in Risk and Insurance- Institute of Commercial Management Diploma in Business Administration- College of Business Education COP in Life and Pension- College of Insurance- Nairobi, Kenya	Tanzanian
Ms. Ester Manase	41	Executive Director	Bachelor of Science in Economics (Honours)-Africa University- Zimbabwe Certificate for Board Directorship- Tanzania Institute of Directors Standard Bank Global Markets Masterclass- University of Capetown	Tanzanian
Mr. David Tarimo	62	Non-Executive Director	Member of Chartered Institute of Taxation (UK) ("CTA")- Chartered Institute of Taxation (UK) Fellow of Institute of Chartered Accountants in England & Wales ("FCA")- Institute of Chartered Accountants in England & Wales Bachelor of Laws (Hons) ("LLB")- Kings College, University of London	British
Mr. Martin Baumgartner	57	Non-Executive Director	MBA- Wits Business School, Johannesburg, Diploma in Insolvency Law and Practice- Rand Afrikaan University, Associate Diploma- Institute of Bankers in South Africa, BCom Majors in Business Economics (Finance; Marketing; and Small Business Management) and Commercial Law- University of the Witwatersrand	South African
Ms. Mary Githiaka**	53	Non-Execuive Director	Certified Public Accountant (CPA) Kenya, Bachelor of Commerce, Accounting- University of Nairobi	Kenyan

**Appointed on 26th January 2026

In accordance with the Company's' Articles of Association, one third of the Directors are required to retire by rotation.
The Company Secretary at the date of this report was Mr. Ives Mlawi.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

10. CORPORATE GOVERNANCE (CONTINUED)

COMPOSITION OF THE BOARD OF DIRECTORS (CONTINUED)

The Bank continues to adopt an integrated approach to corporate governance as evidenced by the governance framework. An effective and independent Board provides strategic direction and has ultimate responsibility for the functioning of the Bank.

The Boards' conduct of its affairs

The primary function of the Board of Directors is providing effective leadership and direction to enhance the long-term value of the bank to its shareholders and other stakeholders. The Board oversees the business affairs of the Bank. The Board has the overall responsibility for reviewing the strategic plans and performance objectives, financial plans and annual budget, key operational initiatives, major funding and investment proposals, financial performance reviews, and corporate governance practices.

In addition, the principal duties of the Board include:

- Setting the Bank's strategic objectives and ensuring that the necessary financial and human resources are in place for the Bank to meet its objectives.
- Overseeing the process for evaluating the adequacy of internal controls, risk management, financial reporting and compliance.
- Reviewing the performance of senior management in line with the Banks' performance and overseeing succession planning for senior management.
- Reviewing and approving the Banks' policies and standards (including ethical standards) as set by the Board of Directors and ensuring obligations to shareholders and other stakeholders are understood and met.
- Considering sustainability issues, e.g., environmental and social factors, as part of the strategic formulation.

Independent judgment

All Directors exercise due diligence and independent judgment and make decisions objectively in the best interest of the Bank. This is one of the performance criteria for the peer and self-assessment on the effectiveness of the individual Directors.

Most of the Directors are non-executive and independent. The Board takes overall responsibility for the bank, including responsibility for identifying key risk areas, considering and monitoring investment decisions, considering significant financial matters, and reviewing the performance of management business plans and budgets. The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles.

The Board is required to meet at least four times a year. During the year, the Board complied with the requirement and met five times. The Board delegates the day-to-day management of the business to the Chief Executive Officer assisted by the management team.

The management team is invited to attend Board meetings and facilitate the effective control of all the Banks' operational activities, acting as a medium of communication and co-ordination between all business units. The Bank is committed to the principles of effective corporate governance. The Directors also recognize the importance of integrity, transparency and accountability. The Board retains effective control over operations of the bank and has established committees to assist in providing detailed attention to specific areas of expertise. Board delegated authorities are reviewed regularly, and Directors have full access to the Board and committee documentation.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

10. CORPORATE GOVERNANCE (CONTINUED)

Board Meetings

The Board held five meetings during the year. The attendance of the Board meetings during the year was as follows:

Name	Position	Nationality	Number of meetings attended
Mr. Gregroy Brackenridge	Member	South African	1
Mr. Clive Tasker	Member	South African	5
Ms. Farzana Karimjee	Member	Tanzanian	5
Mr. Manzi Rwegasira	Member	Tanzanian	5
Mr. Patrick Mweheire	Member	Ugandan	5
Mr. Davith Kahwa	Member	Tanzanian	5
Mr. Patrick Rutabanzibwa	Member	Tanzanian	4
Mr. Godfrey Mramba	Member	Tanzanian	5
Ms. Violet Mordichai	Member	Tanzanian	5
Ms. Ester Manase	Member	Tanzanian	3
Mr. David Tarimo	Member	British	2
Mr. Martin Baumgartner	Member	South African	1

During the year the Board had delegated certain functions to various Board committees to ensure a high standard of corporate governance throughout the Bank. These are the Board Audit Committee (BAC), Board Credit Committee (BCC), Board Risk Committee (BRC), Board Information Technology Committee (BITC), and Board Nomination and Remuneration Committee (BNRC). Each of the various committees has its own written terms of reference and whose actions are reported to and monitored by the Board. The Board accepts that while these various Board committees have the authority to examine particular issues and will report back to the Board with their decisions or recommendations, the ultimate responsibility on all matters lies with the Board. The activities of the committees are governed by the respective committee mandates, which are approved by the Board. All five committees report to the Board of Directors. The composition of each committee at the date of this report is shown below:

Current membership of the Board committees

Name	Board Audit Committee	Board Credit Committee	Board Risk Committee	Board Information Technology Committee	Board Nomination and Remuneration Committee
Ms. Farzana Karimjee	✓				
Mr. Clive Tasker		◆	✓		◆
Mr. Davith Kahwa		✓		◆	
Mr. Patrick Rutabanzibwa			✓		✓
Mr. Godfrey Mramba	◆				
Ms. Violet Mordichai		✓	◆	✓	
Mr. Patrick Mweheire				✓	✓
Mr. David Tarimo	✓				

Key ◆ Chairperson ✓ Member

The Board chairman and the chief executive officer and relevant members of the senior management team attend the Board committee meetings by invitation only.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

10. CORPORATE GOVERNANCE (CONTINUED)

Board Audit Committee (BAC)

The Board audit committee comprises independent non-executive Directors who are financially literate and suitably qualified for the committee to perform on its mandate. The Board audit committee is required to meet at least four times a year with informal and ad-hoc meetings being convened as and when required. The mandate is reviewed annually. During the year the committee complied with the requirement that they should meet at least four times.

Communication between the Board, executive management, internal auditors and external auditors is encouraged. The committees' key terms of reference are divided into various categories and include the following:

External auditors and external audit

- Review audit plans and consider areas of special concern;
- Review management reports and letters from external auditors concerning deviations from and weaknesses in accounting and operational controls; and
- Obtain assurance from external auditors that adequate accounting records are kept.

Financial reporting and financial control

- Review and monitor the external auditor's independence and objectivity, taking into consideration relevant professional and regulatory requirements;
- Review the adequacy of capital, provisions for bad and doubtful debts and diminution in the value of any assets;
- Review accounting policies and practices and all proposed changes thereto and recommend such changes where appropriate.
- Review the effectiveness of financial management and the quality of internal accounting control systems and reports produced by financial management.
- Review reports on major defalcations.
- Review the Bank's interim and audited annual financial statements, dividend announcements and all financial information for distribution; and
- Review the basis on which the Bank has been determined as a going concern.

Internal audit

- Review reports by the internal audit division and their overall effectiveness, the scope and depth of audit coverage, reports on internal control and any recommendations, and confirm that appropriate action has been taken; and
- Review co-ordination between the internal audit function and the external auditors.

Risk management

- Consider any matter of significance raised by management.

Members of the Board audit committee as at the date of this report, who also served throughout the year, except as otherwise stated, were as follows:

Name	Position	Nationality	Number of meetings attended
Mr. Godfrey Mramba	Chairman	Tanzanian	5
Ms. Farzana Karimjee	Member	Tanzania	5
Mr. David Tarimo	Member	British	2

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

10. CORPORATE GOVERNANCE (CONTINUED)

Board Credit Committee (BCC)

The purpose of the Banks' Board credit committee (BCC) is to ensure that effective credit governance is in place to provide for the adequate management, measurement, monitoring and control of credit risk including country risk.
At the invitation of the chairperson of the BCC, members of the Banks' senior management and others may attend the BCC as is considered necessary. The BCC is required to meet four times a year. During the year, the BCC complied with the requirement that they should meet at least four times.

Main roles of the BCC include:

- To make recommendations to the Board in respect of any amendments to its mandate. There must at least be an annual review of its mandate.
- To review all insider credit applications pertaining to Directors and the Country Leadership Council (CLC) and parties related to them irrespective of size, on the recommendation of Credit Committee, and to ensure that all regulatory requirements in accordance with the central banks' code of corporate governance are complied with.
- To consider and provide Legal Entity credit approval of all clients whose exposures are equal to or in excess of USD 20 million.
- Quarterly review of:
    - the credit risk portfolio reports.
    - the credit risk impairment adequacy; and
    - the credit risk sections of the report to the Board.
- To review and approve Credit Risk Appetite, Credit Policies and other relevant credit governance documents submitted by management at least annually.
- Consider any other credit-related matters that may be necessary.
-

Members of the BCC as at the date of this report, who also served throughout the year, except as otherwise stated, were as follows:

Name	Position	Nationality	Number of meetings attended
Mr. Clive Tasker	Chairman	South African	10
Mr. Davith Kahwa	Member	Tanzanian	10
Ms. Violet Mordichai	Member	Tanzanian	10

Board Risk Committee (BRC)

The purpose of the Banks' BRC is to ensure that effective risk governance is in place in order to provide for adequate identification, assessment and management of risk. The committee notes information on credit risk and technology risk is presented, acknowledging that detailed discussions are held at the Board Credit Committee and the Board Information Technology Committee respectively.

The BRC is to ensure that the Bank has in place an effective risk management programme that is consistent with strategic and risk appetite choices.

At the invitation of the chairperson of the BRC, members of the Banks' senior management and others may attend the BRC as is considered necessary.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

10. CORPORATE GOVERNANCE (CONTINUED)

Board Risk Committee (BRC) (Continued)

The BRC is required to meet a minimum of four times a year. During the year under review, the BRC met four times.
Main roles of the BRC include to:

- Make recommendations to the Board in respect of any amendments to the BRC mandate. There must at least be an annual review of its mandate.
- Ensure that the Bank has a comprehensive risk management programme that covers the following most common types of risk: strategic; credit; liquidity; interest rate; foreign exchange; price; operational; climate related financial risks, sustainability and regulatory risk. These risk types are to be covered by the BRC in its agenda except credit risk, which will be managed under the BCC.
- Ensure that the Bank has in place all the necessary risk policies and standards to cover all risk areas. The BRC is responsible for the review and approval of all risk policies and standards, excluding credit risk, policies related to finance and technology risk, which are covered in the BCC, BAC and BITC, respectively.
- Be responsible for the quality, integrity and reliability of the Banks' risk management. The committee shall assist the Board of Directors in the discharge of its duties relating to corporate accountability and associated risks in terms of management, assurance and reporting. Accordingly, it must make sure that there are effective procedures in place for identifying, assessing and managing all the risk types, including ensuring all the appropriate methodologies and infrastructure are in place.
- Review on a quarterly basis, the written reports furnished by the bank's Head of Risk, Head of Treasury, Head of Compliance, Head of Operations and Head of Legal. Reports to be submitted to the committee on quarterly basis include the overall risk report, the physical security report, the compliance report, the legal risk report, and the treasury report.
- Provide independent and objective oversight and review of the information presented by management on corporate accountability and specifically associated risk, also taking account of risk concerns raised by management in the BAC, ALCO and RMC meetings on financial, business and strategic risks.
- Make recommendations to the Board concerning the levels of tolerance and appetite and monitoring risks ensuring that they are managed within the levels of tolerance and appetite approved by the Board.
- Review and assess the integrity of the risk control systems.
- Monitor external developments relating to the practice of corporate accountability and the reporting of specifically associated risk, including emerging and prospective impact.
- Adopts other risk management regulations that cover risk types not specifically mentioned in the Risk Management Guidelines such as Guidelines on Climate-Related Financial Risks and Opportunities Management and Guidelines on reporting on Sustainability-Related Risks and Opportunities.
- Ensure that there is an independent Risk Management Function and an independent Compliance Function. These two will be second line of defense and will have the role of monitoring and ensuring adequate risk management across the bank, escalating significant deviations or breaches to the respective management committees and the BRC as appropriate.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

10. CORPORATE GOVERNANCE (CONTINUED)

Board Risk Committee (BRC) (Continued)

Members of the BRC as at the date of this report, who also served throughout the year, except as otherwise stated, were as follows:

Name	Position	Nationality	Number of meetings attended
Mr. Clive Tasker	Member	South African	4
Ms. Violet Mordichai	Chairperson	Tanzanian	4
Mr. Gregroy Brackenridge	Member	South African	1
Mr. Patrick Rutabanzibwa	Member	Tanzanian	3

Board Information Technology Committee (BITC)

The purpose of the bank's Board Information Technology Committee (BITC) is to oversee the governance of information technology and operations in a way that supports the organization in setting and achieving its strategic objectives.

At the invitation of the chairperson of the BITC, members of the Bank's senior management and others may attend the BITC as is considered necessary.

The BITC is required to meet a minimum of four times a year. During the year under review, the BITC met four times.

Main roles of the BITC include to:

- Make recommendations to the Board in respect of any amendments to the BITC mandate. There must at least be an annual review of its mandate.
- To consider management's strategies relating to Digital Transformation, information technology and enterprise data management, their alignment with the Bank's overall strategy and objectives and monitor the implementation thereof.
- To review quarterly technology and operations management reports, which routinely include updates on progress of major technology-related programmes, system stability; technology security; risk management; data management, financial performance, technology and operations governance-related matters; human capital; third party management; portfolio management; regulatory oversight; and business unit and functional areas of technology and operations.
- To periodically review and evaluate each of the IT governance domains as follows:
  - Enterprise IT governance
  - Strategic investment and alignment
  - Resource management
  - Risk management
  - Value delivery
  - Performance management
- It is the responsibility of the BITC to ensure that the bank has in place all the necessary IT and data related policies and standards to cover all risk areas. The BITC is responsible for the review and approval of all operations and IT and data related policies and standards.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

10. CORPORATE GOVERNANCE (CONTINUED)

Board Risk Committee (BRC) (Continued)

Members of the Board Information Technology Committee as at the date of this report, who also served during and throughout the year, were as follows:

Name	Position	Nationality	Number of meetings attended
Mr. Davith Kahwa	Chairman	Tanzanian	4
Mr. Gregroy Brackenridge	Member	South African	1
Ms. Violet Mordichai	Member	Tanzanian	4
Mr. Patrick Mweheire	Member	Ugandan	4

Board Nomination and Remuneration Committee (BNRC)

The BNRC is required to meet at least twice a year. During the year under review, the BNRC met twice.

Main roles of the BNRC include:

- Review and evaluation of director candidates for the Bank in accordance with the policy on selection and recruitment of Directors.
- Review and evaluation of candidates for the Chief Executive and other executive director appointments.
- Review the Board structure, size, composition including Chairpersons and members of Board committees.
- Establish and make recommendations to the Board regarding succession plans for non- executive Directors, executive Directors and executive management considering the Board skills and expertise required both present and future.
- Review the recruitment process for executives and key senior staff.
- Periodically review and recommend to the Board for approval the remuneration of the Board Chairperson and non-executive Directors, including the members of committees.
- The Committee reviews gender diversity on the Board with the aim of having at least one-third female representation.
- Review the People and Culture strategy for relevance and effectiveness and provide oversight on the formulation and implementation of effective and efficient People & Culture practices, strategy, policies and stakeholder engagement.

Members of the Board Nomination and Remuneration Committee as at the date of this report, who also served during and throughout the year, were as follows:

Name	Position	Nationality	Number of meetings attended
Mr. Clive Tasker	Chairman	South African	1
Mr. Gregroy Brackenridge	Member	South African	1
Mr. Patrick Rutabanzibwa	Board Chairman	Tanzanian	2
Mr. Patrick Mweheire	Member	Ugandan	1

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

10. CORPORATE GOVERNANCE (CONTINUED)

Key features of Board processes

The dates of the Board and Board committee meetings are scheduled in advance, towards the close of the prior year. To assist Directors in planning their attendance, the Company Secretary consults every director before fixing the dates of these meetings. The Board meets at least four times a year and warranted by the particular circumstances. Ad hoc meetings are also convened to deliberate on urgent substantive matters.

Appointment of Directors

Directors of the Board are appointed in accordance with the Bank's Articles of Association, the Bank's Board Nomination and Appointment Policy, Board Nomination and Remuneration Committee mandate, and as per requirements of regulatory bodies. When filling the vacancies, the Board and shareholders take cognizance of the knowledge, skills, experience and other commitments of the candidates, as well as other attributes considered necessary for directorship.

Induction and Ongoing Education

On appointment, Directors receive the Banks' governance pack containing all relevant governance information such as governance structures, relevant legislation and policies. Ongoing director education remains a focus, whereby the Directors are kept abreast of all applicable legislation and regulations, changes to rules, standards and codes, as well as relevant sector developments that could affect the Bank and its operations.

Directors' education programme focuses on business issues and additional time is scheduled outside the Board meetings for sessions on pertinent issues. The company secretary is responsible for the induction and ongoing capacity building of Directors. Below are various trainings that were offered to the Board during the year:

- Compliance Training
- CIB, PPB and BCB IFRS9 frameworks
- Data Privacy Training
- Chairman's roundtable
- Board's Responsibility: Ethics & Conflicts of Interest
- irector induction
- Corporate Governance
- ESG Masterclass
- Subsidiary Audit and Risk Committee Chairmen's' training

Succession Planning

The Board of Directors' reviews at least annually composition of the Board and its committees. This review, based on the Banks' strategic objectives, is aimed at ensuring that the Board is able to meet the current and future needs of the Bank. Retaining Board members with considerable experience is seen as imperative in ensuring continuity and maintaining appropriate levels of oversight. The Boards' future needs are considered on an ongoing basis to ensure adequate succession planning.

Directors' Conflicts of Interest

It is the duty of a director of the Board to disclose whether he/she or any connected person, is in any way directly or indirectly engaged in any business that competes or conflicts with the Bank's business. The Bank has a process in place that requires all Directors to disclose outside business interests before they are appointed to the Board.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

10. CORPORATE GOVERNANCE (CONTINUED)

Directors' Conflicts of Interest (Continued)

A person should not serve as a director if his business or permanent occupation creates permanent conflict of interest between him and the bank, or if it is reasonable to assume that such conflict may exist permanently as outlined in The Banking and Financial Institutions (Corporate Governance) Regulations 2021. In situation of conflict of interest, the bank is required to make public disclosures on shareholding and business agreement.

Board of Directors Performance Evaluation

The 2024 Board evaluation was conducted, and a report was submitted to the Bank of Tanzania quarter 3 of 2025.The Board performance evaluation for 2025 will be conducted in the second quarter of 2026.

Directors' Remuneration

Remuneration of all Directors is subject to annual review to ensure that levels of emoluments and compensation are appropriate. This is after considering industry benchmarks and international practices. Non-executive Directors are paid fees as approved by Annual General Meeting of the shareholders. The Non-executive Directors are not eligible for pension scheme membership and are not part of bank's remuneration scheme. Refer to note 40 for details (Related party transactions).

Management Team

Management of the Bank is overseen by the chief executive officer assisted by the Banks' Country Leadership Council (CLC). CLC is made up of all department unit heads who all report to the chief executive, with the exception of the head of internal audit. The head of internal audit reports directly to the BAC. The Management of the Bank is currently organized as follows:

- Personal and Private Banking (PPB).
- Business and Commercial Banking (BCB).
- Corporate and Investment Banking (CIB).
- People and Culture.
- Risk.
- Brand and Marketing.
- Compliance.
- Credit.
- Finance and Value Management.
- Internal Audit
- Information Technology
- Operations.
- Company Secretary
- Legal

Management Committees

The Management of Stanbic Bank has, inter alia, the following committees:

Country Leadership Council (CLC)

CLC meets monthly to discuss and review the effectiveness of the Banks' strategies and strategic plans. The main objective of the committee is to provide leadership to the Bank and ensure efficient deployment and management of the Banks' resources. Other functions of the committee include:

- Developing and periodical review of policies for Board approval.
- Oversee implementation and monitor the Banks' vision, strategies, and business plans.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

10. CORPORATE GOVERNANCE (CONTINUED)

Country Leadership Council (CLC) (Continued)

- Formulate the Banks' overall strategy and financial targets that are to be agreed with the Board, as well as individual business and functional strategies and financial targets.
- Monitor performance against strategic plan of the Bank and taking appropriate actions to improve performance.
- Review viability of any acquisition or establishment of any new business or disposal of any business within its mandate or for Board approval; and
- Review and recommend annual budget to the Board for approval.

Below are the members of the Country Leadership Council.

Name	Position	Nationality
Mr. Manzi Rwegasira	Chief Executive and Executive Director	Tanzanian
Mr. Ives Mlawi	Company Secretary	Tanzanian
Ms. Ester Manase	Head Corporate and Investment Banking (CIB)	Tanzanian
Mr. Omari Mtiga	Head Personal and Private Banking (PPB)	Tanzanian
Mr. Fredrick Max	Head Business and Commercial Banking (BCB)	Tanzanian
Mr. Derick Lugemala	Chief Finance and Value Officer	Tanzanian
Ms. Rabina Masanja	Head People and Culture	Tanzanian
Ms. Neemarose Singo	Head Brand and Marketing	Tanzanian
Mr. Wilmot Ishengoma	Head Risk	Tanzanian
Mrs Rose Otaigo	Head Compliance	Tanzanian
Ms. Lydia Kokugonza	Head Operations	Tanzanian
Mr. Eric Rwelamira	Head Legal	Tanzanian
Mr. Nelson Swai	Head Information Technology	Tanzanian
Mr. Jonathan Ngoma	Head Internal Audit	Tanzanian
Mr. Shanzo Mwale	Head Credit	Zambian

Asset Liability Management Committee (ALCO)

The Committee meets at least 10 times per annum for monthly review and may hold extraordinary meetings for exceptional events requiring immediate decision making. The Committee is responsible for all matters relating to capital, funding, liquidity and interest rate risk in the banking book (IRRBB) and includes:

- Monitoring and control of all trading book risk, banking book liquidity risk and interest rate risk in accordance with the risk appetite set by the Board and Bank of Tanzania regulations. Ensure that appropriate risk identification, measuring, monitoring and management processes are adopted.
- Ensuring appropriate risk identification, measuring, monitoring and management processes are adopted for these risks.
- Monitoring and reviewing ALCO tolerance limits and appetite triggers and agree remedial actions to align exposures with agreed risk appetite and tolerance limits. Where breaches to the risk appetite and tolerance limits occur, appropriate actions plans are formulated and agreed on by the committee. Where no action plan is agreed upon, breaches are referred to the Executive Committee (EXCO) or Board Risk Committee (BRC) for further action requirements or for condonation.
- Risk policies including, liquidity contingency plans, funds transfer pricing, capital and liquidity funding plans and Group standards are adopted and supported through the ALCO process.
- Reviewing and noting the impact of internal and external factors on the net interest margin for the bank within the scope of ALCO.
- Monitoring compliance to current and new regulations, rules and professional standards as well as reviewing the impact of emerging regulatory frameworks relating to capital, liquidity and IRRBB.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

10. CORPORATE GOVERNANCE (CONTINUED)

Credit Risk Management Committee

The Credit Risk Management Committee is the senior management credit oversight function with a defined oversight role as determined by the Board of Directors through the Board Credit Committee and the Country Leadership Council (CLC) from time to time. The purpose of the Credit Risk Management Committee is to establish and define the principles under which Stanbic Bank Tanzania is prepared to assume credit risk and the overall framework for the consistent and unified governance, identification, measurement, management and reporting of credit risk.

The Credit Risk Management Committee has the right to delegate responsibilities to sub-committees and/or individuals within clearly defined mandates and delegated authorities.

The main responsibilities of Credit Risk Management Committee are the overall management of credit risk. This includes review of credit risk appetite, approval of credit product parameters and portfolio limits, monitoring of actual performance of credit metrics against the approved risk appetite and limits, reviewing general and specific credit impairment charges, as well as reviewing and monitoring the rehabilitation and recovery efforts for credit portfolios in distress.

Risk Management Committee

The Risk Management Committee oversees risk management practices in the bank other than Credit risk, Market risk, Liquidity risk, Interest Rate Risk and Capital Risk, which are dealt in other specific senior management committees. The Risk Management Committee meets monthly under the Chairmanship of the Head of Risk or his alternate and is attended by the Chief Executive and most Heads of Departments.

The main responsibilities of the Risk Management Committee are to review and assess the bank's control environment including but not limited to the implementation of the risk management framework and ensure that the integrity of the risk control systems, policies, processes, procedures and strategies are effectively managed in line with Board approved risk appetite levels.

11. CAPITAL STRUCTURE

The Banks' capital structure for the year under review is shown below:

Authorised

The Banks' authorised share capital comprises 10,000,000 ordinary shares of Tanzania shillings one thousand (TZS 1,000) each and remained unchanged during the year.

Called up and fully paid

8,400,000 (2023: 8,400,000) ordinary shares of Tanzania shillings (TZS 1,000) each. No new shares issued during the year.

12. SHAREHOLDERS OF THE BANK

The total number of shareholders at the end of the year 2025 is 2 (2024: 2 shareholders). The shares of the Bank are held as follows:

	31 December 2025		31 December 2024	
Name of the shareholder	**Number of shares**	**% shareholding**	**Number of shares**	**% shareholding**
Stanbic Africa Holdings Limited	8,399,999	99.99999%	8,399,999	99.99999%
Standard Bank Group	1	0.00001%	1	0.00001%
	8,400,000	**100%**	**8,400,000**	**100%**

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

13. PRINCIPAL RISKS, UNCERTAINITIES AND OPPORTUNITIES

In offering banking and financial services to the public, Stanbic Bank Tanzania Limited inevitably assumes various risks. Principal risks that the Bank is exposed to include:

a. Strategic risk is the current and prospective impact on earnings, capital, reputation, or good standing of aninstitution arising from poor business decisions, improper implementation of decisions or lack of response to industry, economic or technological changes. This risk is a function of the compatibility of an organization's strategic goals, business strategies, resources deployed to meet these goals and the quality of implementation.
b. Credit risk arises from the potential that an obligor is either unwilling to perform on an obligation or its ability to perform such obligation is impaired resulting in economic loss to the institution.
c. Liquidity risk is the potential for loss to the bank arising from either its inability to meet its obligations as they fall due or to fund increases in assets without incurring unacceptable cost or losses. Liquidity risk includes inability to manage unplanned decreases or changes in funding sources. Liquidity risk also arises from the failure to address changes in market conditions that affect the ability to liquidate assets quickly at minimal loss in value.
d. Market risk is the risk of losses in on and off-balance sheet positions resulting from adverse changes in market prices i.e., interest rates, foreign exchange rates, equity prices and commodity prices.
e. Operational risk is the current and prospective risk to earnings and capital arising from inadequate or failed internal processes, people, and systems or from external events.
f. Climate-related financial risks refer to the potential risks that may arise from climate change or from efforts to mitigate climate change, their related impacts, and their economic and financial consequences. This is mainly the environmental aspect in Environmental, Social and Governance (ESG).
g. Compliance risk is the current or prospective risk to earnings, capital and reputation arising from violations or non-compliance with laws, rules, regulations, agreements, prescribed practices, or ethical standards, as well as from incorrect interpretation of relevant laws or regulations issued by relevant licencing authorities.
h. Legal risk is the exposure to the adverse consequences' attendant upon non-compliance with legal or statutory responsibilities and/or inaccurately drafted contracts and their execution, as well as the absence of written agreements or inadequate agreements. This includes the exposure to new laws as well as changes in interpretations of existing law by appropriate authorities and exceeding authority as contained in the contract.
i. Reputational risk: the potential loss in earnings or capital arising from negative publicity, public perception, or an adverse impact of uncontrollable events.
j. Conduct risk is the risk that harm is caused to the bank, customers, investors or the market due to inappropriate behaviour or decisions in the execution of business activities.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

13. PRINCIPAL RISKS, UNCERTAINITIES AND OPPORTUNITIES (CONTINUED)

Risk categorisation in terms of likelihood and potential impact

The principal risks that the bank is exposed to can be categorised in the following risk ratings:

Inherent Risk Rating	High	Medium
Definition	Potential Impact is Material	Potential Impact is Moderate

#	Risk type	Inherent risk rating	Remarks
1	Credit Risk	High	• Lending is the bank's core activity that takes about 91% of the bank's regulatory capital. • Thus, unmitigated credit losses could potentially erode about 91% of the bank's regulatory capital.
2	Operational Risk/ Non-Financial Risk	High	• Operational risk consumes about 8% of the bank's regulatory capital. • Potential loss from fraud and conduct risk issues or processing errors is unlimited.
3	Compliance Risk	High	Non-compliance with regulations could lead to: • Loss of banking and/or business licence or loss of specific product/ service trading licence, • Significant financial loss from fines and penalties.
4	Strategic Risk	High	The potential impact of not having a strategy, having wrong strategy, inadequate capital or inadequate earnings is material to the bank.
5	Liquidity Risk	High	If the bank does not have adequate liquidity cover, it could: • Failure to honour payment obligations as they fall due, significantly impacting the bank. • Failure to fund further investment which will also affect the bank significantly.
6	IT and cyber Risk	High	• Potential loss from a cyber-attack is unlimited. • Potential loss from system unavailability or malfunction is unlimited.
7	Legal Risk	High	• Rulings against the bank have a potentially significant financial impact to the bank.
8	Climate-Related Financial Risks	High	• If not well mitigated, climate change could potentially result in physical and transition risks that could affect the safety and soundness of the bank.
9	Market Risk	Medium	• Market risk exposures take about 1% of the bank's regulatory capital.
10	Reputational Risk	High	• While the impact of reputational risk is not easily quantifiable, historic reputational challenges suggest a medium impact to the business.
11	Conduct Risk	High	• Potential impact from employee misconduct is significant. It could cost the bank significant financial loss, lead to the bank being sanctioned or even the bank's licence to operate.
	Overall	High	• This necessitates deliberate efforts to deploy adequate and effective risk management practices.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

13. PRINCIPAL RISKS, UNCERTAINITIES AND OPPORTUNITIES (CONTINUED)

Risk categorisation in terms of likelihood and potential impact (Continued)

#	Risk type	Inherent risk rating	Remarks
9	Market Risk	Medium	• Market risk exposures take about 1% of the bank's regulatory capital.
10	Reputational Risk	High	• While the impact of reputational risk is not easily quantifiable, historic reputational challenges suggest a medium impact to the business.
11	Conduct Risk	High	• Potential impact from employee misconduct is significant. It could cost the bank significant financial loss, lead to the bank being sanctioned or even the bank's licence to operate.
	Overall	High	• This necessitates deliberate efforts to deploy adequate and effective risk management practices.

Mitigation Strategies

Risk type	Remarks
Credit Risk	• The bank has a dedicated credit function that is independent from the frontline business units. • There is clear delegation of credit approval authority, with the Board Credit Committee being the most senior approving authority, followed by the Credit Committee at management level and then individual experienced and qualified senior credit managers. • All credit facilities are independently evaluated and either approved or declined by the relevant delegated credit approval authority that is independent of the frontline business functions. • In addition, the bank has a credit risk management committee that is chaired by the bank's head of risk. This committee provides independent oversight over credit risk for the bank. • The credit risk management committee reviews the credit risk appetite statement that gives guidance on areas where the bank can advance credit facilities. • The credit risk appetite statement is approved annually by the Board credit committee at the recommendation of the credit risk management committee.
Operational Risk	• The bank has a dedicated operational risk team that is independent from the frontline business units. • The team has put in place processes and procedures that guide the bank on various operational risk matters. • The team partners with frontline business units and other processing units in the bank in training, advisory and monitoring of performance against set metrics for operational risk. • The team partners with other units to conduct risk and controls self-assessments, whereas any noted concerns will be remediated. Key risk indicators are developed and periodically reviewed to monitor early warnings on operational risk matters. • The team also monitors and analyses operational risk incidents whereas they partner with relevant stakeholders to understand the root causes and ensure the implementation of remedial actions. • The risk management committee provides senior management oversight on operational risk among other risk types.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

13. PRINCIPAL RISKS, UNCERTAINITIES AND OPPORTUNITIES (CONTINUED)

Mitigation Strategies (Continued)

Risk type	Remarks
Compliance Risk	• Stanbic Bank Tanzania Limited has a dedicated compliance function that is independent from other units in the bank. • The team puts in place compliance policies and procedures that guide the bank in ensuring awareness and compliance to applicable regulations. • The team partners with other units in the bank in training, advisory and monitoring of compliance status of applicable regulations. • The risk management committee provides senior management oversight on compliance risk among other risk types. • Oversight on compliance risk at Board level is exercised by the Board risk committee. The head of compliance is also accountable to the chairperson of the Board risk committee.
Strategic Risk	• The bank prepares a long-term strategy which is reviewed and approved by the Board of Directors. • The strategy implementation is monitored quarterly by the Board and monthly by management through relevant Board and management forums. • The bank identifies strategic risk through an internal and external environmental scan to assess changes with likely implication for the Bank's strategy. • The bank performs stress testing to assess the bank's resilience to potential shocks in the macroeconomic environment or specific sector depending on prevailing factors. • Stress test results are presented to the Board as part of the internal capital adequacy assessment process or as a stand-alone presentation for the Board to note and approve remedial actions if any. • The strategy is implemented annually through the approval of an annual budget that is approved by the Board of Directors. • Actual performance is compared to the set budget and targets and reported to the Board quarterly and to management monthly.
Liquidity Risk	• The bank has a dedicated treasury function that reports into the Chief Financial Value Officer. • The treasury function reports independently to the Board Risk Committee quarterly for the committee to exercise its mandate of providing oversight on liquidity matters. • At management level, there is an Assets and Liabilities Committee (ALCO) that provides the necessary oversight over liquidity risk. • The bank has liquidity policies and procedures that give guidance on liquidity risk management. • The bank has a liquidity funding plan that gives guidance on how the bank can manage liquidity risk as well as a liquidity contingency plan that gives guidance on how to manage liquidity in a crisis. • The bank sets a liquidity risk appetite and monitors the position against the set risk appetite daily and monthly depending on the metric frequency.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

13. PRINCIPAL RISKS, UNCERTAINITIES AND OPPORTUNITIES (CONTINUED)

Mitigation Strategies (Continued)

Risk type	Remarks
Information Technology and Cyber Risk	• Within the technology and operations department, the bank has a dedicated team to oversee technology risk, and security. • There is a specific Board committee that provides focused oversight on technology and operations matters including risk. • The bank has various technology policies and procedures which give guidance on the minimum standards and requirements in technology implementation. • At management level, technology risks are monitored through the Information Technology steering committee as well as the risk management committee. • The bank has a primary data centre and a secondary data centre that serves as a technology disaster recovery site for business continuity management purposes. • Disaster recovery tests and simulations are done periodically to test the adequacy and effectiveness of the secondary data centre.
Market Risk	• The bank has a market risk function that is independent of the frontline business units. • The bank has a market risk mandate that sets the risk appetite for market risk exposures. • The market risk manager monitors actual performance of market risk exposures versus the approved risk appetite and reports to senior management daily. • The Board risk committee provides oversight at Board level, and at management level, the assets, and liabilities committee (ALCO) provides oversight over market risk matters. • A market risk engine is embedded in the trading system to automatically monitor exposures to the market risk limits.
Legal Risk	• The bank has a dedicated legal department comprised of qualified lawyers in the United Republic of Tanzania. • The team has put in place legal risk policies and procedures to give guidance to the bank on legal risk management. • The Board risk committee provides oversight on legal risk quarterly, while the risk management committee provides legal risk oversight monthly. • The legal team monitors the bank's adherence to applicable laws and monitors litigations, ensuring the bank holds adequate legal provisions based on probabilities of success as assessed by the bank's legal team.
Reputational Risk	• The bank has various policies that give guidance on reputational risk matters. • The bank's marketing team monitors reputation risk by monitoring publications about the bank in both mainstream media as well as social media. • Any publication or commentary with a potential reputational risk is escalated and managed as appropriate. • The executive management monitors reputational risk through monthly meetings and the Board monitors reputational risk quarterly through submissions from senior management.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

14. RISK MANAGEMENT AND INTERNAL CONTROL

The Board accepts final responsibility for the risk management and internal control systems of the Bank. The Board, however, delegates the day-to-day risk management and implementation of adequate and effective internal controls to management. It is thus the task of management to ensure that adequate internal financial and operational control systems are developed and maintained on an ongoing basis in order to provide reasonable assurance regarding:

- The effectiveness and efficiency of operations.
- The safeguarding of the Banks' assets.
- Compliance with applicable laws and regulations.
- The reliability of accounting records.
- Business sustainability under normal as well as adverse conditions; and
- Responsible behavior 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 of such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the banks' system of internal control 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 they met acceptable criteria.

15. SUSTAINABILITY AND CLIMATE-RELATED FINANCIAL RISKS

The sustainability-related risks and opportunities and climate-related financial risks disclosures have been prepared in accordance with Guidelines on Reporting of Sustainability-Related Risks and Opportunities, 2025 and Guidelines on Climate-Related Financial Risks Management and Disclosures, 2025. These disclosures have also been prepared in accordance with International Financial Reporting Standards (IFRS) S1 which are general requirements for disclosures of sustainability-related financial information and IFRS S2 which are climate-related risks disclosures.

This being the first year of adoption of IFRS S1 and IFRS S2, comparative numbers for the metrics on sustainability-related risks and opportunities as well as climate-related financial risks might not necessarily be available.

"Sustainability-related risks and opportunities" are the risks and opportunities that could reasonably be expected to affect the bank's cash flows, its access to finance or cost of capital over the short, medium, or long term due to interactions between a bank and its stakeholders, society, the economy, and the natural environment throughout its value chain.

"Climate-related financial risk" refers to the potential risks that may arise from climate change or from efforts to mitigate climate change, their related impacts, economic and financial consequences. Relatedly, "physical risks" are economic costs and financial losses resulting from the increasing severity and frequency of extreme climate change-related weather events, and longer-term gradual shifts of the climate. Risks related to the process of adjustment towards a low-carbon economy including changes in Government policies, legislation and regulation, changes in technology and changes in market and customer sentiment are known as "transition risks." If not well mitigated, climate change could potentially result in physical and transition risks that could affect the safety and soundness of the bank.

To address sustainability-related risks and opportunities as well as climate-related financial risks, Stanbic Bank Tanzania Limited has put in place the governance, strategy, prudent risk management approach, as well as risk appetite in the form of metrics and targets. Collectively, these provide adequate and effective measures of assessing, measuring, mitigating, monitoring and reporting sustainability-related risks and opportunities as well as climate-related financial risks.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

15. SUSTAINABILITY AND CLIMATE-RELATED FINANCIAL RISKS (CONTINUED)

Governance
Oversight by the Board of Directors

The Board of Directors is ultimately responsible for ensuring that the bank is adequately and effectively managing sustainability-related risks and opportunities as well as climate-related financial risks. To ensure effective management, the Board of Directors has delegated the overall monitoring of sustainability-related risks and opportunities as well as climate-related financial risks to the Board Risk Committee. This includes the approval of the risk appetite statement, strategy as well as monitoring the actual implementation of the strategy through defined metrics and targets. Detailed monitoring of credit-specific aspects has been delegated to the Board Credit Committee. Employee related matters are deliberated on at the Board Nomination and Remuneration Committee. As mandated by the Board of Directors, the Board Audit Committee ensures that disclosures on sustainability-related risks and opportunities as well as climate-related financial risks are adequately made in the bank's annual report. The Board and its committees provide oversight over sustainability-related risks and opportunities as well as climate-related financial risks in their quarterly ordinary meetings.

In fulfilling its obligations, the Board of Directors specifically performs the following responsibilities:

- Ensures an appropriate training understanding of sustainability-related risks and opportunities and climate-related financial risks at both Board and Country Leadership Council levels.
- Approves and periodically reviews the strategies and policies, and risk management frameworks for sustainability-related risks and opportunities as well as climate-related financial risks.
- By approving relevant policies, the Board sets the roles and responsibilities of senior management, internal organizational structures as well as other relevant stakeholders, as applicable, for the management of sustainability-related risks and opportunities and climate-related financial risks.
- Ensures adequate and timely reporting to the Board as described in the respective mandates.
- Ensures relevant capacity development and training programs on sustainability and climate-related risks and opportunities.
- Ensures the consideration of sustainability and climate-related financial risks in the bank's strategy and risk management framework and potential implications to the compensation policies.
- Approve disclosures on sustainability and climate-related risks on four core contents namely governance, strategy, risk management and metrics and targets, as part of approving the audited financial statements or annual report.
- Approves risk appetite which defines acceptable and tolerable metrics and targets for both sustainability-related risks and opportunities and climate-related financial risks.

The Board of Directors plays a non-executive role in overseeing the management of sustainability-related risks and opportunities as well as climate-related financial risks. Accordingly, the Board of Directors has delegated the executive management role to the Country Leadership Council. Management reports to the Board Risk Committee in the ordinary meetings held quarterly, through the risk management report tabled by the bank's Head of Risk. In turn, the Board Risk Committee, through its chairperson, reports to the Board of Directors on sustainability-related risks and opportunities as well as climate-related financial risks. This ensures that all Directors are appraised on the status of how the bank is managing sustainability-related risks and opportunities as well as climate-related financial risks.

Oversight at Senior Management

At executive management level, the Country Leadership Council is responsible for the overall implementation of the bank's strategy. The Country Leadership Council has mandated the Social, Economic and Environmental (SEE) forum with the executive management responsibility for the implementation of the bank's strategy on sustainability-related risks and opportunities as well as climate-related financial risks. The bank has appointed Head of Risk as the bank's senior executive with the responsibility of coordinating and overseeing the bank's implementation of sustainability-related risks and opportunities as well as climate-related financial risks.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

14. RISK MANAGEMENT AND INTERNAL CONTROL

Oversight at Senior Management (Continued)

Nonetheless, the bank has appointed a dedicated sustainability manager to assist the Head of Risk with the day-to-day implementation and monitoring of the sustainability-related risks and opportunities as well as climate-related financial risks. Accordingly, the Head of Risk reports monthly to the Country Leadership Council and quarterly to the Board Risk Committee on the status of sustainability-related risks and opportunities as well as climate-related financial risks.

In fulfilling its obligations, the Country Leadership Council, assisted by the Social, Economic and Environmental (SEE) Forum perform the following roles.

- Develops and implements sustainability-related risks and opportunities as well as climate-related risks management strategies, policies and frameworks.
- Regularly reviews the effectiveness of the strategies, policies frameworks, tools and controls.
- Provides periodic reports to the Board on sustainability-related risks and opportunities as well as climate-related risks issues.
- Ensures that the internal structures responsible for managing sustainability and climate-related risks are clearly defined and have adequate resources, skills and expertise.
- Ensures that staff have sufficient awareness and understanding to identify potential risks and opportunities through periodic training and capacity development; and
- Ensures that material sustainability and climate-related risks and opportunities issues are addressed in a timely manner.
- Oversee the setting of targets related to sustainability-related risks and opportunities and climate-related financial risks and monitor progress.

Governing Policies

The bank has a Board-approved sustainability-related risks and opportunities policy as well as a Board-approved climate-related risks policy. These policies set the framework for adequate and effective identification, management, monitoring, and reporting of sustainability-related risks and opportunities as well as climate-related financial risks. The policies describe roles of all relevant stakeholders as well as the minimum requirements that guide the bank in managing sustainability-related risks and opportunities as well as climate-related financial risks. The policies also describe lines of authority and responsibility, contents and frequency of management reports to the Board and senior management.
These policies are reviewed and approved by the Board Risk Committee by a delegated authority from the Board of Directors.

Remuneration

The Social, Economic and Environmental (SEE) impact, which is the bank's strategic measure of the implementation of sustainability and climate risks strategies, is among the bank's performance indicators. The overall bank's performance influences the discretionary incentives of management. Non-executive Directors are on a fixed remuneration scheme. Refer to note 40 to the financial statement for more information on the remuneration to directors and senior management.

Strategy

Stanbic Bank Tanzania's purpose, which defines the reason for the bank's existence is "Tanzania is Our Home, We Drive Her Growth." This purpose is defined by strategic priorities which are transforming client experience and executing with excellence, together resulting in sustainable growth and value. These strategic priorities are measured by selected value drivers which are client focus, employee engagement, risk and conduct, operational excellence.

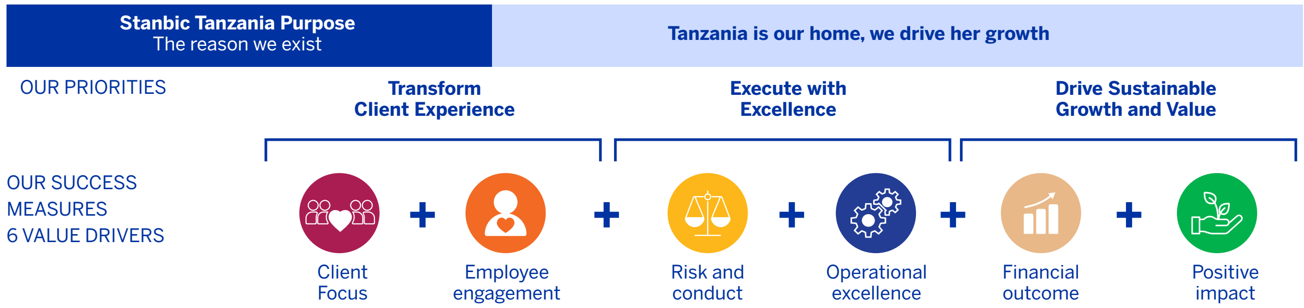
STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

15. SUSTAINABILITY AND CLIMATE-RELATED FINANCIAL RISKS (CONTINUED)

Strategy (Continued)

These value drivers produce the financial outcome of the bank as well as the social, economic and environmental (SEE) impact to the society in which the bank operates.



The result of sustainability-related risks and opportunities as well as climate-related financial risks are measured by the Social, Economic and Environmental (SEE) impact value driver. The SEE impact value driver is further unpacked to define the measure of the bank's sustainability and climate strategy. From SEE impact, sustainability-related risks and opportunities are measured by the social and economic impact, and climate-related financial risks are measured by the environmental impact.

The "social impact" pillar comprises strategies on corporate social investments, employee wellness, equality, diversity and inclusion. On corporate social investments, the bank primarily focuses on supporting the improvement of public education and public health services based on identified needs. On special considerations and on specific needs, the bank also supports special groups with special needs in improving their well-being and living conditions. On employee wellness, the bank's strategy is to ensure good occupational health and safety for employees, offer financial education and financial support to employees, provide continuous upskilling and ensuring general well-being for employees. On equality, diversity and inclusion, the bank implements non-discrimination policies, equal opportunities, as well as ensures inclusivity in key decision-making.

The "economic impact" pillar comprises strategies on financial inclusion, supporting small medium enterprises, incubation of small businesses, financing of key strategic sectors including sustainable financing. On financial inclusion the bank continuously reviews and enhances products and service offerings to meet wider groups. Specific products and service offerings are designed for sole proprietors, youths, children, small groups and others. In addition, the bank continues to enhance access to financial services through digital channels and by expanding the branch network and agency banking. Through agency banking, the bank creates employment opportunities to Tanzanians who are eligible to become agents serving customers on behalf of the bank. To support small businesses, the bank has an incubator function that provides coaching, training as well as business support services to small traders in Tanzania. Training provided to small traders includes accounting and finance, budgeting, marketing, taxation, sales and other business management processes. Nonetheless, the bank has financed key strategic development projects in various key sectors including manufacturing, construction, oil and gas, and other key development sectors.

The "environmental impact" pillar measures the bank's implementation of climate-related financial risks. This value driver comprises the bank's strategies on sorting of bank-generated waste and recycling, managing carbon emissions, being both financed emissions and the bank's own emissions, as well as forestation and land protection. The bank has partnered with a third party to recycle the bank-produced waste and provide regular reports. The bank screens all credit applications for legal entities for environmental matters. Applications that are inherently of a high risk are escalated for further review and assessment.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

15. SUSTAINABILITY AND CLIMATE-RELATED FINANCIAL RISKS (CONTINUED)

Strategy (Continued)

The Bank engages in tree planting activities in support of other corporate social investment activities and plan to invest in the installation of metres monitor energy consumption.

To decarbonise, the bank monitors its carbon emissions and explores opportunities of optimisation. The bank uses light-emitting diode (LED) technology and has installed motion detectors in the lighting systems at its premises to optimise electricity usage from lighting. The bank has also installed time-driven automatic switch-off technology for the air conditioning system which automatically switches off air conditioners should they be left on after close of business. The bank performs climate risks assessments for companies as part of the credit evaluation process to assess the level of climate risk that the bank is being exposed to from financed emissions. For counterparts that are inherently high on climate risk, mitigation measures are discussed and agreed. These then form part of the lending conditions that will be monitored throughout the duration of the credit facility. The bank advances credit facilities after the residual climate risks for the counterparts is low.

SUSTAINABILITY STRATEGY AT A GLANCE - AS DEFINED BY "SEE" IMPACT		
Stanbic Bank Tanzania Limited has dedicated 1% of its Profit After Tax on SEE initiatives		
Social	**Economic**	**Environmental**
Corporate Social Investment (CSI) - Support public health - Support public education - Employee Wellness **Health and safety** - Financial education and support - Training and well-being **Equality, Diversity and Inclusion** - Non-discrimination policies - Equal opportunities - Inclusivity e.g., gender parity	**Financial Inclusion** - Products for special groups e.g., wapambanaji, youth, groups - Agency banking employing youth and enhancing accessibility **SME Support** - Stanbic Incubator Programs – training and supporting SME's **Sustainable Financing** - Financing renewable energy investments	**Waste Management** - Sorting waste - Recycling waste **Carbon Emissions (2026/2027)** - Manage financed emissions - Manage bank's own emissions **Forestation & Land Protection** - Trees planting
REPORTING ON SUSTAINABILITY AND CLIMATE RISKS AND OPPORTUNITIES		

Key climate related risks on the bank's business mode

- **Credit Risk:** Clients in carbon intensive sectors such as energy, transport, manufacturing, and trade may face higher operational costs, regulatory pressure, or stranded assets. This increases default risk and affects the Bank's loan performance and provisioning.
- **Reputation & Investor Confidence:** Continued exposure to high emission sectors can challenge the Bank's reputation and reduce investor confidence, potentially limiting access to funding or increasing capital requirements.
- **Revenue Streams:** Transition risks may reduce demand for traditional financing products in carbon intensive industries, requiring the Bank to diversify into sustainable finance solutions.
- **Strategic Positioning:** The Bank must balance its role in financing economic growth with supporting clients' transition to low carbon business models.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

15. SUSTAINABILITY AND CLIMATE-RELATED FINANCIAL RISKS (CONTINUED)

Risk Management

The sustainability-related risks and opportunities policy as well as the climate-related financial risks policy are the main governance documents that provide key principles on managing such risks. The policies provide guidance on risk identification, assessment, mitigation as well as monitoring and reporting.

The Bank performs sustainability risks and climate risks materiality assessments as a mandatory part of its credit evaluation procedures for legal entities. The climate-risk materiality assessment considers the purpose of financing, area being financed, sector being financed, business lines and other factors deemed necessary, and classify each legal entity as high, medium or low in terms of climate-related financial risks. The Bank also assesses its premises to identify the potential impact of the bank's own actions on climate-related financial risks. The risks and controls self-assessment on people-related matters helps management in identifying material employee-related sustainability risks. The results of the materiality risk assessments are considered in the overall bank's strategy and inform the setting of metrics and targets.

The Bank performs stress testing and scenario analysis quarterly in accordance with the stress testing guidelines for banks and financial institutions, 2022, as well as annually for the bank's internal capital adequacy assessment process (ICAAP) and the recovery plan. In these stress tests, the bank incorporates results of climate-related financial risks stress testing and scenario analysis into key decisions. The bank also considers the impact of material climate-related financial risks in the stress testing as well as the assessments of the internal capital and liquidity adequacy assessment processes.

Based on the assessments, the bank has identified physical risks and transition risks as material climate-related financial risks. These risks could impact the bank within the same financial year, which is considered short term, in three to five years which is considered medium term or beyond five year which is considered long term. Material physical risks include excessive heat, flooding due to excessive rains, earthquakes and drought. Of these, flooding and earthquakes would impact the bank in a short term, and excessive heat and drought would impact the bank in a medium term.

Material transition risks include potential charges, taxes or tariffs from relevant authorities on high carbon emissions, changing consumer preferences, and change in technology threats. Of these, changing consumer preferences and change in technology threats would impact the bank in a medium term, while potential change in legislation through charges or taxes would impact the bank in the long term.

Sustainability-related material risks identified include adequacy and effectiveness of corporate governance, diversity, equality and inclusion, fair treatment for customers, failure to protect personal data, business ethics and conduct risks as well as employee engagement. Identified sustainability opportunities include corporate social responsibility, financial inclusion, capacity building, fund mobilization.
Transition risks, arising from regulatory changes, market shifts, technological advancements, and evolving stakeholder expectations in the move towards a low carbon economy have significant implications for Stanbic Bank Tanzania's business model and value chain.
Transition risks have a direct impact on Stanbic Bank Tanzania's value chain by reshaping how resources are allocated, how core banking activities are conducted, and the types of products and services delivered to clients. At the input stage, capital deployment and partnerships are increasingly influenced by sustainability considerations, while core activities such as lending and risk management now incorporate climate related due diligence and scenario analysis, particularly for carbon intensive sectors. This shift drives outputs toward sustainable financing solutions, digital innovations, and capacity building programs that support clients in adapting to low carbon business models.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

15. SUSTAINABILITY AND CLIMATE-RELATED FINANCIAL RISKS (CONTINUED)

Risk Management (Continued)

The bank has credit exposures, deposits and earns revenue from clients who are highly exposed to physical risks and transition risks. An adverse impact of climate risks to the bank's clients would directly lead to inability of clients with credit lines to repay their loans, resulting into credit losses to the bank; reduction in the bank's liquidity, should the impact be on clients with significant deposits with the bank, and the bank could also lose revenue from reduced business activities with clients.

On the bank's own premises and operations, an adverse impact from physical risks would potentially lead the bank to incur additional costs in restoring services at the impacted locations. Transition risks would potentially lead to reduced business due to restrictions from authorities, change in technology, and change in the bank's policies and procedures. For the financial year ended 31st December 2025, the bank did not record a significant financial loss due to sustainability-related risks or climate-related financial risks.

Sustainability-related material risks identified include adequacy and effectiveness of corporate governance, diversity, equality and inclusion, fair treatment for customers, failure to protect personal data, business ethics and conduct risks as well as employee engagement. Identified sustainability opportunities include corporate social responsibility, financial inclusion, capacity building, fund mobilization.

To ensure an adequate and effective internal control framework across the bank, the bank operates under three lines of defence.

The first line of defence comprises frontline staff whose main roles include:

- Familiarise themselves with the policy and procedures on climate and sustainability-related risks and opportunities.
- Undertake climate and sustainability-related risks assessment for instance during the credit application and credit review process.
- Ensure compliance with climate and sustainability-related risks and opportunities policies and procedures in their day-to-day operations.

The second line of defence comprises the Risk and Compliance functions, whose main roles are to conduct independent sustainability-related risks and climate-related financial risks assessments and monitoring. The Risk function deploys various risk management approaches for prudential risks including the interrelations with other risk types such as credit risk and operational risk. The Compliance function primarily ensures adherence to applicable rules and regulations.

The third line of defence comprises the Internal Audit function. Internal audit performs regular reviews of the adequacy, and effectiveness of the risk management and internal control framework for Climate and sustainability-related risks and opportunities.

The bank has a risk appetite statement that sets metrics and targets on various risk types including sustainability-related risks and opportunities as well as climate-related financial risks. The risk appetite statement is reviewed and approved annually by the Board Risk Committee as mandated by the Board of Directors. The risk appetite statement defines targets for the various metrics in form of risk appetite and risk tolerance levels as guided by the risk appetite policy. The risk appetite statement that includes climate-related financial risks is approved by the Board of Directors annually.

Sustainability-related risks and opportunities as well as climate-related financial risks are treated as significant risk types that the bank is exposed to and form part of the reporting to the country leadership council as well as the Board risk committee as mandated by the Board of Directors.

Through the quarterly regulatory stress testing process, the bank assesses its resilience to climate-related financial risks.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

15. SUSTAINABILITY AND CLIMATE-RELATED FINANCIAL RISKS (CONTINUED)

Risk Management (Continued)

The quarterly regulatory stress test assesses the potential impact on profitability and capital adequacy. Scenarios tested include potential impact of heavy rains (El nino), potential impact of drought (La nina), and change in legislation impacting high risk sectors, among others.

The results on profitability and the total capital adequacy ratio for the financial year ended on 31st December 2025 were as follows:

	31-Mar- 2025	30-Jun-2025	30-Sep-2025	31-Dec-2025
Actual Profit After Tax	34,360 m	68,681 m	104,490 m	135,325 m
Climate-Stressed Profit After Tax - Baseline	31,606 m	67,994 m	103,654 m	130,903 m
Climate-Stressed Profit After Tax – Adverse	27,702 m	66,619 m	101,981 m	126,482 m
Climate-Stressed Profit After Tax - Severe	23,264 m	54,932 m	87,764 m	122,060 m

When the bank's profitability was subjected to climate-risk stress, the bank remained profitable in baseline, adverse and severe scenarios.

	31-Mar- 2025	30-Jun-2025	30-Sep-2025	31-Dec-2025
Actual Total Capital Adequacy Ratio	20.32%	22.30%	21.72%	22.92%
Climate-Stressed Total Adequacy Ratio - Baseline	20.23%	22.27%	21.70%	22.78%
Climate-Stressed Total Adequacy Ratio – Baseline	20.10%	22.23%	21.64%	22.64%
Climate-Stressed Total Adequacy Ratio - Baseline	19.88%	21.81%	21.15%	22.49%

When the bank's total capital adequacy ratio was subjected to climate-risk stress, the bank remained adequately capitalised in the baseline, adverse and severe scenarios.

Metrics and targets

For effective monitoring of sustainability-related risks and opportunities as well as climate-related financial risks, the bank has defined metrics and targets showing the risk appetite and risk tolerance levels in the risk appetite statement as guided by the bank's risk appetite policy.

The bank's risk appetite policy used the traffic light colours to define risk appetite and tolerance levels. Metrics within risk appetite are labelled "green," metrics within risk tolerance are labelled "amber," and metrics beyond risk tolerance are labelled "red."

Residual Risk Rating	GREEN	AMBER	RED
Definition	Actual impact is within risk appetite	Actual impact is within risk tolerance	Actual impact is beyond tolerance

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

15. SUSTAINABILITY AND CLIMATE-RELATED FINANCIAL RISKS (CONTINUED)

Risk Management (Continued)

In line with the risk appetite reporting, metrics that will be beyond risk appetite or beyond risk tolerance levels, will have mitigating actions that will restore the metric to within risk appetite in a specified timeframe.

Metrics and targets defined in the risk appetite statement are as follows.

Metric Sustainability Related Risks	Description	Risk Appetite Trigger	Risk Tolerance Limit	Risk Tolerance Breach
% of female Directors in the Board	This metric measures female representation in the board of directors in support of diversity and inclusion.	>=33%	< 33% but >= 30%	<30%
% of female leaders in the CLC (Country Leadership Council)	This metric measures female representation in the CLC in support of diversity and inclusion.	>=33%	< 33% but >= 30%	<30%
# of data breaches	This metric measures data breaches such as sending information to the wrong recipient etc. This will be obtained from the incident reports.	0	-	>0
% that are personal data breaches	This metric measures the % of personal data breaches to all data breaches.	0%	-	>0%
# of account holders affected by the data breach	This metric measures the number of customers impacted by a data breach, if any.	0	-	>0
# of occupational safety incidents	This metric measures the number of occupational safety and health incidents with impact on employees that occurred during the reporting period.	0	-	>0
Average Learning Hours Per Employee in a year	This metric measures hours which an employee is required to spend in upskilling through formal learning in addition to the "on-the-job" training.	>=60	< 60 but > 40	<=40
# of employee's wellness sessions	This metric measures the number of sessions on employees well being done on various topical matters such as mental health etc.	>=10	< 10 but > 5	<=5
Employee attrition level for the year	This metric measures the rate at which employees are leaving the organization.	<=5%	> 5 but > 10	>=10
CSI spend as a % of PAT	This measures the spend in corporate social investment initiatives as per plan.	>=0.9%	< 0.9% but > 0.7%	<=0.7%
% of individual clients who received financial literacy education Vs target.	This metric measures capacity building through the provision of financial literacy education.	>=90%	< 90% but > 70%	<=70%
% of funds mobilized for sustainability initiatives Vs our target.	Mobilisation of funds from stakeholders for sustainability initiatives.	>=90%	< 90% but > 70%	<=70%

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

15. SUSTAINABILITY AND CLIMATE-RELATED FINANCIAL RISKS (CONTINUED)

Risk Management (Continued)

Metric Sustainability Related Risks	Description	Risk Appetite Trigger	Risk Tolerance Limit	Risk Tolerance Breach
CSI spend as a % of PAT	This measures the spend in corporate social investment initiatives as per plan.	>=0.9%	< 0.9% but > 0.7%	<=0.7%
% of individual clients who received financial literacy education Vs target.	This metric measures capacity building through the provision of financial literacy education.	>=90%	< 90% but > 70%	<=70%
% of funds mobilized for sustainability initiatives Vs our target.	Mobilisation of funds from stakeholders for sustainability initiatives.	>=90%	< 90% but > 70%	<=70%
% of businesses incubated compared to the target	This metric measures the incubation of companies through various initiatives such as the supplier's development programme.	>=90%	< 90% but > 70%	<=70%
% of businesses trained vs target	This metric measures businesses trained e.g., entrepreneurship, compliance etc.	>=90%	< 90% but > 70%	<=70%
# of outstanding loans to promote SME and community development.	This metric measures the number of loans outstanding to the enterprise section of the bank's BCB business unit compared to the set budget.	As per the budget and plan on enterprise banking.		

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

15. SUSTAINABILITY AND CLIMATE-RELATED FINANCIAL RISKS (CONTINUED)

Risk Management (Continued)

Metric Sustainability Related Risks	Description	Risk Appetite Trigger	Risk Tolerance Limit	Risk Tolerance Breach
The percentage of assets or business activities vulnerable to climate-related transition risks;	Examples of Transition Risks include Higher Carbon Taxation, Changing Consumer Preferences, and Technology Change Threats Sectors impacted include: Oil and gas; Mining; Manufacturing; Transportation; Construction; Financial institutions; Commercial real estate.	As per the budget and plan on enterprise banking.		
The percentage of assets or business activities vulnerable to climate-related physical risks;	Examples of Physical Risks include Excessive heat, Drought, Storms, and Sea flooding. Sectors impacted include: Agriculture; Real Estate; Tourism, Transport and Infrastructure; Forestry; Power and Infrastructure.			
Climate-Related Risks	**Description**			
Recycling of Waste	This metric measures waste recycled by the bank in the reporting period.	>=800kgs	<800kgs but >=500kgs	<500
Tree planting	This metric measures trees planted.	>=1000	< 1000 but >= 500	<500

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

15. SUSTAINABILITY AND CLIMATE-RELATED FINANCIAL RISKS (CONTINUED)

Risk Management (Continued)

Metric Credit Risk Legal Entity – Sector Limits	Description			
Agriculture and Forestry	The bank's credit exposure concentrations in these sectors will be guided by these caps.	<12%	>=12% but <=17%	>17%
Mining and Quarrying		<8%	>=8% but <=14%	>14%
Manufacturing		<25%	>=25% but <=32%	>32%
Electricity		<5%	>=5% but <=7%	>7%
Building and Construction		<20%	>=20% but <=25%	>25%
Public Sector		<3%	>=3% but <=6%	>6%
Tourism and Hospitality		<8%	>=8% but <=13%	>13%
Oil and Gas		<25%	>=25% but <=30%	>30%
Personal/ Private		<40%	>=40% but <=45%	>45%
Wholesale and retail trade		<30%	>=30% but <=35%	>35%
Business Services		<3%	>=3% but <=7%	>7%
Transport		<20%	>=20% but <=25%	>25%
Real Estate		<45% <2%	>=45% but <=65% >=2% but <=3%	>65% >3%
Sovereign		<25%	>=25% but <=30%	>30%
Other Services		<3%	>=3% but <=7%	>7%

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

15. SUSTAINABILITY AND CLIMATE-RELATED FINANCIAL RISKS (CONTINUED)

Risk Management (Continued)

The Bank is still working on clear basis of setting targets for its greenhouse gases emissions. As such the bank did not set specific targets for greenhouse gas emissions in the financial year ended 31st December 2025. The metrics and targets for sustainability-related risks and opportunities as well as climate-related financial risks are reviewed annually.

Actual performance

The bank's success in the implementation of sustainability-related risks and opportunities as well as climate-related financial risks is articulated in the performance of the key metrics as defined in the risk appetite statement. The performance is for the financial year ended 31st December 2025.

For the year ended on 31st December 2025, the bank did not record any significant instance of unmitigated corporate governance breach. In the same period, the bank did not record any data breach incident. Operational risk losses measured as a percentage of gross revenue closed at 0.0071%, which was within the set risk appetite of 0.4%. Customer complaints were resolved within stipulated timelines. In the rare circumstances which required additional time, customers were accordingly informed. The bank did not record any occupational safety and health incident in 2025.
On the Social aspect of the bank's SEE agenda, the performance was as follows

Corporate Social Investment

In 2025, the bank invested TZS 401 million in supporting public education in various schools in Tanzania. Of this amount, TZS 185 million was channelled to building early childhood development centres in Zanzibar. TZS 100 million was channelled to support the "Twende Butiama" initiative in partnership with Vodacom plc. The initiative reached over 15,000 students across eleven regions through the donation of 562 assistive devices and constructing thirty toilet facilities across thirteen schools which were in need. The "Twende Butiama" initiative also saw the planting of 50,000 trees planted in various schools and around Mount Kilimanjaro, in support of the protection of the Kahe Forest.

To support the health sector, the bank invested TZS 252 million in 2025. Of this, TZS 80 million was invested in paying for specialised cardiovascular treatment for children in need at the Jakaya Kikwete Cardicac Institute. The remaining amount was invested in providing medical equipment to Bombo.

Regional Hospital in Tanga, Tumbi Referral Hospital in Coastal Region, Ilemela and Nyamagana hospitals in Mwanza Region and the Goba Health Centre in Dar es Salaam. Equipment donated included wheelchairs, vital signs monitors, oxygen concentrators, suction machines, crush cart trollies, baby warmers machines, waste receivers, blood warmers, hospital beds, bedsheets and mattresses.

Financial Inclusion

In 2025, the bank opened five new branches and new service centres, reaching out to more customers. The bank continued to provide products that are relevant to special groups including "wapambanaji" for sole proprietors and small businesses, and special accounts and other products for youth and special groups.

On 31st December 2025, the bank had 653 agents spread across Tanzania, extending the bank's financial services to more customers and providing employment opportunities to eligible Tanzanians to work as agents of the bank. The bank continued to enhance its digital offering to ensure ease and convenient access to financial services.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

15. SUSTAINABILITY AND CLIMATE-RELATED FINANCIAL RISKS (CONTINUED)

Corporate Social Investment (Continued)

Financial Inclusion

To support small and medium enterprises, the bank had TZS 108 billion outstanding on 31st December 2025. This amount had been advanced to 1,520 small and medium enterprises. Of these, loans advanced to 187 small and medium enterprises amounting to TZS 12.5 billion were past due, and loans advanced to forty-four small and medium enterprises amounting to TZS 1.8 billion were non-performing.

Stanbic Incubator

The Stanbic Biashara Incubator is the bank's development platform established in 2022 to expand economic opportunities for specific groups including youth and women entrepreneurs, innovators and startups with the aim of strengthening the small traders through practical skills development, financial inclusion and market-linkage support. In 2025, the Stanbic Incubator reached 4,908 entrepreneurs.

The bank extended financial-literacy access to 2,203 participants, with a focus on women, youth and micro-enterprises. The financial literacy programme covered budgeting, savings behaviour, digital payments and responsible financial planning. These sessions strengthened participants' confidence in engaging with formal financial services and supported better financial decision-making for early-stage business owners.

The Supplier Development Programme supported 186 small and medium enterprises, helping the to strengthen governance, improve tender readiness and enhance operational discipline. These interventions contribute to stronger MSMEs with better prospects for growth and job creation. Through the Biashara na Ajira Kijani programme, 450 women-led MSMEs began receiving support to strengthen business models in green and greening sectors.

The RISE Mama Lishe programme scaled clean-cooking adoption and business-skills training for 2,257 women food vendors, providing two thousand clean-cooking stoves which are safer and more efficient.

Support for small-scale traders continued through the RISE Cross-Border Trade Empowerment initiative. The programme trained 262 traders across five countries in eastern Africa, strengthening understanding of documentation, customs processes and regional trade procedures. This enabled participants to operate more safely, predictably and competitively within the region.

Sustainable Finance

Sustainable Finance refers to financial services and investment decisions that integrate sustainability considerations alongside financial returns. Our sustainable finance initiatives include providing finance for renewable energy and raising capital for critical sectors. In 2025, the bank provided loans worth TZS 2.3 billion to support investments in renewable energy.

Environment

The environmental pillar of the bank's SEE strategy manages the bank's response to climate-related financial risks. Key initiatives done by the bank in 2025 were as follows.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

15. SUSTAINABILITY AND CLIMATE-RELATED FINANCIAL RISKS (CONTINUED)

Environment (Continued)

Waste Management

The bank sorts its own generated garbage, separating the garbage in a manner that facilitates recycling. The bank has partnered with a recycling company for its garbage collection services. In 2025, the bank recycled 133 kilograms of paper, 187 kilograms of cardboard, 82 kilograms of plastic bottles, 10 kilograms of cans, 2 kilograms of plastic wrapping, 18 kilograms of glass and 335 kilograms of food garbage.

Carbon emissions

"Scope 1 greenhouse gas emissions" refers to direct greenhouse gas emissions that occur from sources that are owned or controlled by the bank. "Scope 2 greenhouse gas emissions" refers to indirect greenhouse gas emissions from the generation of purchased or acquired electricity, steam, heating or cooling consumed by a bank or financial institution; "Scope 3 greenhouse gas emissions" refers to indirect greenhouse gas emissions (not included in Scope 2 greenhouse gas emissions) that occur in the value chain of an entity, including both upstream and downstream emissions. The bank's greenhouse gas emissions are measured using tonnes of carbon dioxide equivalent (tCO2e).

For the financial year ended 31st December 2025, the total carbon footprint of the bank's real estate was 747.3 tCO2e, of which 179.1 tCO2e was from scope 1 (direct emissions from onsite generator diesel consumption) and 568.2 tCO2e from scope 2 (indirect emissions from purchased electricity). The Bank aims to achieve net zero carbon emissions by 2050. The carbon emission numbers are quantified using the emission factors from the department for environment, food, and rural affairs (DEFRA) in England (2025) for scope one, and the Tanzania grid emission factor for scope two, as published in the international renewable energy agency (IRENA)'s 2025 report.

The computation has mainly considered carbon dioxide noting that it is the most emitted greenhouse gas. Emissions of other greenhouse gases is considered immaterial.

Forestation and land protection

In line with our environmental stewardship commitments, the bank partnered with other stakeholders and planted trees 4,900 trees around Mount Kilimanjaro and 1,100 trees in various schools.

Climate-related financial risks credit exposures

Credit exposures on physical and transition climate-related financial risks were monitored by limiting exposures to the sectors to which the bank lends as defined in the bank's risk appetite statements. Sectors that are significantly susceptible to physical climate-related financial risks include agriculture, constructions, tourism, real estate, transportation and communication. Sectors that are significantly susceptible to transition risks are mainly mining, oil and gas and manufacturing.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

15. SUSTAINABILITY AND CLIMATE-RELATED FINANCIAL RISKS (CONTINUED)

Distributions to different sectors as on 31st December 2025:

	2024		2025	
Regulatory Sector Limits	**Sum of Exposure in LCY**	**Conc %**	**Sum of Exposure in LCY**	**Conc %**
Agriculture	24 677 887 217	0.80%	122 865 702 991	3.34%
Building And Construction	270 450 783 971	8.81%	247 611 895 402	6.74%
Financial Intermediaries	1 161 374 098 015	37.84%	1 245 393 348 034	34.40%
Hotel And Tourism	10 775 623 395	0.35%	11 044 611 529	0.30%
Manufacturing	381 905 626 383	12.44%	333 411 484 059	9.07%
Mining And Quarrying	25 707 596 592	0.84%	164 067 448 963	4.46%
Oil & Gas	227 685 588 674	7.42%	357 621 474 435	9.73%
Other Services	6 921 032 598	0.23%	11 141 319 994	0.30%
Personal/Private	257 468 596 900	8.39%	343 047 824 469	9.33%
Real Estate	42 146 943 650	1.37%	40 913 017 273	1.11%
Sovereign	294 951 266 033	9.61%	320 625 067 604	8.72%
Trade	74 441 562 355	5.68%	269 408 768 491	7.33%
Transport And Communication	190 464 296 213	6.21%	189 143 741 403	5.14%
Grand Total	**3 068 970 901 996**	**100.00%**	**3 656 295 704 649**	**99.98%**

Statement of Compliance

Noting that most of the requirements of IFRS S1 and IFRS S2 have been included in these disclosures, the bank is still investing in capabilities for reliably measuring, monitoring and reporting on scope 3 carbon emissions.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

16. LIQUIDITY

Liquidity risk is defined as the risk that an entity, although solvent, cannot maintain or generate sufficient cash resources to meet its payment obligations in full as they fall due, or can only do so at materially disadvantageous terms.

The nature of our banking and trading activities gives rise to continuous exposure to liquidity risk. Liquidity risk may arise where counterparties withdraw short-term funding, asset demand exceeds funding capacity, or in a case where liquid assets become illiquid as a result of a generalized disruption in the asset markets. Given the inherent risk, the bank's approach to liquidity risk management is governed by prudence and is in accordance with:

- The applicable local laws and regulations
- Stanbic banks policies and group standards and framework
- Best international practices
- Competitive situation

The Bank employs three interrelated pillars, aligned to Basle III in its liquidity risk management, namely, tactical short-term liquidity risk management, structural long-term liquidity risk management and contingency liquidity risk management. The pillars are executed through a combination of maintaining adequate liquidity buffers, ability to meet commitments and ensuring balance sheet is structurally sound and supportive of future growth in line with strategy. The bank has daily, weekly, and monthly reporting standards including the requirement to share daily dashBoard to Asset and Liability Committee (ALCO) on banks liquidity position and outlook. There is a clear escalation process to address the various levels of liquidity stress it could face.

Monthly ALCO meetings review liquidity risk and capital position, with quarterly oversight by the Board Risk Committee. As of the end of December 2025, the key metrics were as follows:

- **Internal stress ratio:** Closed at 128% for local currency and 141% for foreign currency, against a risk appetite of 105%.
- **Consolidated loan-to-deposit Ratio (LDR):** Closed at 76%, with local currency at 106% and foreign currency at 50%.
- **Placements:** In line with the bank's year end position and upcoming asset pipelines and obligations, Local currency placements amounted to TZS 41 billion, whilst borrowing amounted to TZS 67 billion. Foreign currency placements were USD 309 million, and EUR 20 million.
- **Market position:** Stanbic's liquidity position was strong, participating on both sides of the market in line with liquidity requirements of the bank.
- **Group term foreign currency borrowing:** There was no borrowing from group on the back of local balance sheet sufficiency. Group capacity is available for future requirements.
- **Local currency term borrowing:** The bank concluded TZS39 billion, inaugural sustainability linked four-year term funding from Finance in Motion – an internation DFI.
- **Concentration risk:** Single and top ten concentrations remained within the risk appetite.
- **Liquidity management:** The bank conducts monthly forward-looking liquidity forecasts to assess its ability to meet future commitments and potential outflows. Specific action plans are agreed upon by ALCO as and when required.
- **Regulatory compliance:** The bank remained compliant with all regulatory ratios, including liquid ratio, reserving requirements, placement ratios, and intraday liquidity management.

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

16. LIQUIDITY (CONTINUED)

The management and the Board of Directors understand liquidity challenges can have an adverse impact on a bank's earnings and capital and, in extreme circumstances, may even lead to the collapse of a bank which is otherwise solvent. A liquidity crisis besetting individual banks that play an active or major role in financial activities may have systemic consequences for other banks and the banking system. As such, sound liquidity risk management in line with banks polices, group standards and framework are therefore pivotal to the viability and operations of the bank.

17. SOLVENCY

The Board of Directors confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. The Board of Directors has reasonable expectations that the Bank has adequate resources to continue in operational existence for the foreseeable future.

18. DIVIDENDS

The Directors recommend the payment of a dividend of TZS 54.13 billion for the year (2024: TZS 48.4 billion), subject to regulatory approval and shareholder approval at the Annual General Meeting scheduled for 19 March 2026.
In making this recommendation, the Directors considered the Bank's growth aspirations for 2026 and are satisfied that the proposed dividend ensures the Bank remains adequately capitalised to support its strategic objectives throughout the year.

19. POLITICAL DONATIONS

The Bank did not make any donations to political organizations during the year (2024: Nil).

20. RELATED PARTY TRANSACTIONS

Details of transactions with related parties are disclosed in note 40 to the financial statements.

21. AUDITOR

Our external auditor (Deloitte & Touche) has been appointed in accordance with section 170(2) of the Companies Act, No.12 of 2002, and as per the 'Banking and Financial Institutions (External Auditors) Regulation, 2014, section 5. Deloitte & Touche was appointed for a three-year period from 2025 following a competitive bidding process as required by the Banking and Financial Institutions (External Auditors) Regulation, 2014, subject to annual assessments.

Deloitte & Touche, with PF No 025 and TIN 100-148-692, is an audit firm registered by the National Board of Accountants and Auditors of Tanzania (NBAA).

STANBIC BANK TANZANIA LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

22. STATEMENT OF COMPLIANCE WITH TFRS-1

The financial statements of the Bank are in compliance with all provisions of TFRS-1 and other legal and regulatory requirements.

23. RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

The Board of Directors, being Charged with Governance, accept responsibility for preparing these financial statements, which show a true and fair view of the Bank as of the approval date of the audited financial statements, according to applicable standards, rules and legal provisions.

BY ORDER OF THE BOARD
SIGNED ON ITS BEHALF BY:

Patrick Rutabanzibwa 1:15 PM GMT+3
Chairman

Date: 31 March 2026

Manzi Rwegasira 2026 2:01:29 PM GMT+3
Director and CEO

Date: 31 March 2026

STANBIC BANK TANZANIA LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2025

16. LIQUIDITY (CONTINUED)

The Companies Act, Cap 212 (as amended) requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Bank at the end of the financial year and of its profit or loss for the year. It also requires the Directors to ensure that the Bank keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Bank. They are also responsible for safeguarding the assets of the Bank and hence taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

The Directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with IFRS Accounting Standards as issued by International Accounting Standards Board and the requirements of the Companies Act, Cap 212 (as amended), and the Banking and Financial Institutions Act, 2006.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs and of its operating results of the Bank. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Nothing has come to the attention of the Directors to indicate that the Bank will not remain a going concern for at least twelve months from the date of this statement.

Signed on behalf of the Board of Directors by:

Patrick Rutabanzibwa 1:15 PM GMT+3
Chairman

Date: 31 March 2026

Manzi Rwegasira 2026 2:01:29 PM GMT+3
Director and CEO

Date: 31 March 2026

STANBIC BANK TANZANIA LIMITED

DECLARATION OF THE CHIEF FINANCIAL OFFICER FOR THE YEAR ENDED 31 DECEMBER 2025

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by No. 2 of 1995, requires financial statements to be accompanied by a declaration issued by the Head of Finance responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors in discharging the responsibility of preparing financial statements of an entity showing a true and fair view of the entity's financial position and performance in accordance with applicable IFRS Accounting Standards as issued by the International Accounting Standard Board and statutory financial reporting requirements.

Full legal responsibility for the preparation of financial statements rests with the Board of Directors as per the Statement of Directors' Responsibility on an earlier page.

I, Derick Lugemala, being the Chief Financial Value Officer of Stanbic Bank Tanzania Limited, hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 December 2025 have been prepared in compliance with the IFRS Accounting Standards as issued by the International Accounting Standards Board, the requirements of the Companies Act, Cap. 212 (amended) and the Banking Financial Institutions Act, 2006.

I thus confirm that the financial statements give a true and fair view f Stanbic Bank Tanzania Limited's financial performance for the year ended 31 December 2025 and its financial position as of that date and that they have been prepared based on properly maintained financial records.

Signed by: **Derick Lugemala**

Position: **Chief Financial and Value Officer**

NBAA Membership No.: **ACPA 6350**

Date: 31/03/2026

Deloitte.

Deloitte & Touche
Certified Public Accountants
Registered Auditors
ARiS House
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Haile Selassie Road, Oysterbay
PO Box 1559
Dar es Salaam
Tanzania

Tel: +255 (22) 216 9000
Fax: 255 (22) 211 6379
Email: deloitte@deloitte.co.tz
www.deloitte.com

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STANBIC BANK TANZANIA LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Stanbic Bank Tanzania Limited (the "Bank"), set out on pages 74 to 197, which comprise the statement of financial position as at 31 December 2025, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Bank as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board and the requirements of the Companies Act, 2002 and the Banking and Financial Institutions Act, 2006.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the National Board of Accountants and Auditors (NBAA) Code of Ethics which is consistent 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 financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the 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 matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide separate opinion on these matters.

MAKING AN IMPACT THAT MATTERS since 1845

Partners: F.J. Kibiki Y.F Kasenge M.R Richard

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Key Audit Matter (Continued)

Key Audit Matter	How Our Audit Addressed the Key Audit Matter

Estimation of expected credit losses on loans and advances to customers
 	
Loans and advances to customers constitute a significant portion of the total assets of Stanbic Bank Tanzania Limited. As disclosed in notes 5.1, 8, and 22, management exercise significant judgement when determining both when and how much to record a loan impairment. This is because a number of significant assumptions and inputs go into the determination of expected credit loss (ECL) impairment amounts on loans and advances to customers as required by IFRS 9 Financial Instruments.impairment. This is because a number of significant assumptions and inputs go into the determination of expected credit loss (ECL) impairment amounts on loans and advances to customers as required by IFRS 9 Financial Instruments.
 	
The key areas where we identified greater levels of management judgment and therefore increased levels of audit focus in the Bank's implementation of IFRS 9 include:
• The judgments made to determine the categorization (staging) of individual loans and advances accounts in line with IFRS 9. In particular, the identification of a Significant Increase in Credit Risk ("SICR") and Default of the credit impairment triggers for individually assessed loans require consideration of quantitative and qualitative criteria. This is a key area of judgement as this determines whether a 12-month or lifetime PD is used;
 	
• Identification and measurement of economic scenarios to measure ECLs on a forward-looking basis reflecting a range of future economic conditions; and
  • Modelling for estimation of ECL parameters;
  • Probabilities of Default (PDs);
  • Loss Given Default (LGD); and
  • Exposure at Default (EAD).
 	
• The judgments made around the expected cashflows from collateral and negotiated payments especially on the individually assessed loans and advances from customers.
	Our audit of the expected credit losses on loans and advances to customers included, among others, the following audit procedures performed together with the assistance of our internal credit risk specialists and the Group's auditors' credit risk specialists:
	• Obtained an understanding of the Bank's methodology for determining expected credit losses, including enhancements in the year, and evaluated this against the requirements of IFRS 9, Financial Instruments;
	• We tested the design and implementation of controls on the staging of loans and advances;
	• On a sample of contracts, we assessed the identification of loans and advances that had experienced a significant increase in credit risk or met the Bank's default definition criteria for classification purposes. This was completed by reviewing documentation and credit performance to determine whether the staging of such facilities was in accordance with Bank's policy and IFRS 9 standards;
	• Tested the assumptions, inputs and formulae used in the ECL models with the support of our internal credit risk specialists and group auditors' credit risk specialists (including assessing the appropriateness of model design and formulae used, considering alternative modelling techniques and recalculating the Probability of Default, Loss Given Default and Exposure at Default;
	• We corroborated the assumptions used for the determination of forward-looking information (FLI) in the models;
	• Tested the data used in the ECL calculation by reconciling to source systems; and
	• Assessed the adequacy and appropriateness of disclosures for compliance with IFRS Accounting Standards and requirements of the Bank of Tanzania.
	
	Based on the procedures described above, our audit evidence was consistent with the inputs in the ECL on loans and advances to customers which were found to be within an acceptable range in the context of IFRS 9.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Other Matter

The financial statements of the Bank for the year ended 31 December 2024, were audited by another auditor who expressed an unmodified opinion on those statements on 26 March 2025.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the corporate information, overview of the Bank, report of those charged with governance, statement of directors' responsibilities and declaration of the head of finance but does not include the financial statements and our auditor's report thereon. Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board and the requirements of the Companies Act, 2002 and the Banking and Financial Institutions Act, 2006, and for such internal controls as Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the 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 Bank or to cease operations, or have no realistic alternative but to do so. Those Charged with Governance are responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 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 Bank's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with Those Charged with Governance, we determine those matters that were of most significance in the audit of the 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Report on Other Legal Requirements

As required by the Companies Act, 2002 we report to you, based on our audit, that:

i. we have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit;
ii. in our opinion, proper books of account have been kept by the Bank, so far as appears from our examination of those books of account; and
iii. the Bank's statement of financial position (balance sheet) and statement of profit or loss and other comprehensive income (profit and loss account) are in agreement with the books of account.

The engagement partner responsible for the audit resulting in this independent auditor's report is Y.F. Kasenge.

Deloitte & Touche
Certified Public Accountants (Tanzania)

31 MARCH 2026

Signed by: **Y.F. Kasenge**
NBAA Registration No. **ACPA-PP 4063**
Dar es Salaam

STANBIC BANK TANZANIA LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	2025 TZS '000	2024 TZS '000
Interest income calculated using the effective interest method		273,175,656	235,364,550
Interest expense		(84,618,966)	(51,258,242)
Net interest income	7	188,556,690	184,106,308
Fee and commission income		55,789,108	47,672,066
Fee and commission expense		(6,512,801)	(5,984,566)
Net fee and commission income	9	49,276,307	41,687,500
Net income from financial instruments carried at fair value through profit or loss	10	21,516,527	23,109,407
Net trading income	11	83,607,492	79,142,525
Other income	12	1,002,106	785,278
		155,402,432	144,724,710
Net impairment (charge)/release on financial assets	8	(1,076,589)	1,441,062
Employee benefits expenses	13	(91,266,728)	(82,581,593)
Other expenses	14	(58,788,202)	(57,663,333)
Total operating expenses		(151,131,519)	(138,803,864)
Profit before tax		192,827,603	190,027,154
Income tax	15(a)	(57,502,769)	(62,024,189)
Profit for the year		135,324,834	128,002,965
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Net changes on government securities measured at FVTOCI	29	3,743,321	3,498,481
Net expected credit losses	29	19,694	(192,604)
Deferred tax thereon	29	(1,122,852)	(1,049,544)
Other comprehensive income, net of tax		2,640,163	2,256,333
Total comprehensive income for the year		137,964,997	130,259,298

The notes on pages 79 to 197 form an integral part of these financial statements.

STANBIC BANK TANZANIA LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	Notes	2025 TZS '000	2024 TZS '000 Restated
Assets			
Cash and balances with bank of Tanzania	16	238,249,420	227,166,392
Investment in government securities	18	36,482,956	101,014,957
- At FVTPL			
- At FVTOCI	19	217,574,169	211,630,624
Derivative financial assets	17	24,992,299	10,793,453
Loans and advances to banks	21	942,865,423	876,082,167
Loans and advances to customers	22	1,896,284,182	1,475,808,894
Investment securities at amortized cost	20	35,113,765	34,803,512
Other assets	24	43,825,806	35,155,796
Property and equipment and right of use assets	25	27,722,564	30,855,458
Intangible assets	26	8,064,553	11,414,219
Current tax assets	15(b)	1,801,016	17,586,931
Deferred tax asset	23	31,016,916	22,757,686
Total assets		**3,503,993,069**	**3,055,070,089**
Equity			
Share capital	27	8,400,000	8,400,000
Share premium	28	112,396,480	112,396,480
Retained earnings		488,031,417	401,145,788
Revaluation reserves	29	2,725,517	85,354
Total equity		**611,553,414**	**522,027,622**
Liabilities			
Derivative financial liabilities	17	15,632,211	2,106,157
Deposits and balances due to banks	30	287,233,814	107,778,542
Deposits from customers	31	2,442,523,148	2,105,455,134*
Other liabilities	34	62,928,180	59,453,159
Provision	33	1,441,988	1,560,603
Lease liability	35	15,919,785	20,780,358
Borrowings	32	66,760,529	235,908,514*
Total liabilities		**2,892,439,655**	**2,533,042,467**
Total liabilities and equity		**3,503,993,069**	**3,055,070,089**

*Comparative amounts have been restated. Refer to note 42.

The notes on pages 79 to 197 form an integral part of these financial statements.

The financial statements on pages 74 to 197 were authorized for issue by the Board of Directors on 31 March 2026 and signed on its behalf by:-

Patrick Rutabanzibwa
Chairman

Manzi Rwegasira
Director and CEO

STANBIC BANK TANZANIA LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025
STATEMENT OF CHANGES IN EQUITY

	Share Capital TZS '000	Share Premium TZS '000	Retained Earnings TZS '000	Fair value through OCI reserve TZS'000	Total TZS '000
At 1 January 2024	**8,400,000**	**112,396,480**	**299,742,823**	**(2,170,979)**	**418,368,324**
Profit for the year	-	-	128,002,965	-	128,002,965
Other comprehensive income net of tax	-	-	-	2,256,333	2,256,333
Transactions with owners of the company					
Dividend paid	-	-	(26,600,000)	-	(26,600,000)
At 31 December 2024	**8,400,000**	**112,396,480**	**401,145,788**	**85,354**	**522,027,622**
At 1 January 2025	**8,400,000**	**112,396,480**	**401,145,788**	**85,354**	**522,027,622**
Profit for the year	-	-	135,324,834	-	135,324,834
Other comprehensive income net of tax	-	-	-	2,640,163	2,640,163
Transactions with owners of the company					
Dividend paid	-	-	(48,439,205)	-	(48,439,205)
At 31 December 2025	**8,400,000**	**112,396,480**	**488,031,417**	**2,725,517**	**611,553,414**

The notes on pages 79 to 197 form an integral part of these financial statements.

STANBIC BANK TANZANIA LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025
STATEMENT OF CASH FLOWS

	Notes	2025 TZS '000	2024 TZS '000 Restated
Cash flows from operating activities			
Profit before tax		192,827,603	190,027,154
Adjusted for:			
Interest income	7	(273,175,656)	(235,364,550)*
Interest expense	7	84,618,966	51,258,242*
Impairment charges on financial instruments	8	7,717,065	4,629,220*
Realised gain on financial assets at FVOCI	19	(365,569)	-
Net income from government securities at FVTPL	10	(11,556,761)	(16,215,956)*
Foreign exchange loss/(gain) on ECL	21&29	19,547	(144,550)*
Foreign exchange (gain)/loss on investment securities at amortized cost	20	(370,992)	30,583*
Foreign exchange loss on borrowings	32	-	2,738,438*
Foreign exchange loss/(gain) on cash and cash equivalents		218,426	(1,806,762)*
Gain on modification of leases	25&35	(115,306)	-
Loss on termination of leases	25&35	23,589	-
Gain on disposal of property and equipment	12	(13,583)	(89,591)*
Depreciation and amortization	14	12,773,484	12,209,609
Charge/(release) on provision for legal	33	40,000	(412,028)
Operating cash flows before changes in operating assets and liabilities		**12,640,813**	**6,859,809***
Changes in operating assets and liabilities			
Operating assets	38.1	(450,793,095)	(366,434,670)*
Deposits and other liabilities	38.2	527,898,481	291,775,221*
		77,105,386	(74,659,449)*
Interest received		260,606,179	245,881,687*
Interest paid		(79,476,814)	(44,774,057)*
Income tax paid		(51,098,936)	(67,049,615)*
Net cash generated from operating activities		**219,776,628**	**66,258,375***
Cash flows from investing activities			
Purchases of property and equipment	25	(5,866,319)	(2,044,330)
Acquisition of investment securities at amortized cost	20	-	(34,280,334)*
Acquisition of investment in government securities at FVOCI	19	(170,030,020)	(167,721,708)*
Proceeds from disposal of investment in government securities at FVOCI	19	56,672,685	-
Matured investment in government securities at FVOCI	19	147,000,000	212,850,897*
Proceeds on disposal of property and equipment		17,006	107,313
Net cash generated from investing activities		**27,793,352**	**8,911,838***

STANBIC BANK TANZANIA LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025
STATEMENT OF CASH FLOWS (CONTINUED)

	Notes	2025 TZS '000	2024 TZS '000 Restated
Cash flows from financing activities			
Proceeds from borrowings	32	39,075,000	113,501,623*
Dividends paid to equity holders	27	(48,439,205)	(26,600,000)
Repayment of borrowings - principal	32	(208,070,016)	(81,585,818)*
Repayment of lease liabilities - principal	35	(5,196,884)	(4,978,157)*
Net cash (used in)/generated from financing activities		**(222,631,105)**	**337,648***
Net increase in cash and cash equivalents		**24,938,875**	**75,507,861***
Cash and cash equivalents at beginning of year		693,002,407	615,687,784*
Effect of exchange rate changes		(218,426)	1,806,762*
Cash and cash equivalents at 31 December	39	**717,722,856**	**693,002,407***

*Comparative amounts have been restated. Refer to note 42.

The notes on pages 79 to 197 form an integral part of these financial statements.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

1. REPORTING ENTITY

Stanbic Bank Tanzania Limited ("the bank") is a limited liability company incorporated under the Companies Ordinance Act, No 12 of 2002 and is domiciled in the United Republic of Tanzania. It is licensed to operate as a bank under the Banking and Financial Institutions Act 2006. The bank provides retail, corporate and investment banking services. The Bank's registered office and principal activity is as included on Page 2.

2. BASIS OF ACCOUNTING

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) and in the manner required by the Companies Act, 2002 and Banking and Financial Institutions Act, 2006. They were authorized for issue by the Bank's board of Directors on 19 March 2026.

The Companies Act, 2002 and Banking and Financial Institutions Act, 2006 require additional disclosures that do not affect the measurement principles per IFRS Accounting Standards.

Details of the Bank's accounting policies are included in note 4.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the financial instruments which are measured at fair value or amortized cost.

(c) Functional and presentation currency

These financial statements are presented in Tanzanian shillings, which is the Bank's functional and presentation currency. All amounts have been rounded to the nearest million, except when otherwise indicated.

(d) Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the bank's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are explained in note 6.

3. ADOPTION OF NEW AND REVISED STANDARDS

(a) New and amended IFRS Accounting Standards that are effective for the current year

The following were new and revised IFRSs that have been effective in the current year. The Bank's application of the new and revised standards did not have material impact on the disclosures or on the amounts reported to these financial statements.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

3. ADOPTION OF NEW AND REVISED STANDARDS (CONTINUED)

(a) New and amended IFRS Accounting Standards that are effective for the current year1 (Continued)

Lack of Exchangeability (Amendments to IAS 21)

The amendments in Lack of Exchangeability (Amendments to IAS 21) amend IAS 21 to:

- **Specify when a currency is exchangeable into another currency and when it is not** — a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency.

- **Specify how an entity determines the exchange rate to apply when a currency is not exchangeable** — when a currency is not exchangeable at the measurement date, an entity estimates the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing.

- **Require the disclosure of additional information when a currency is not exchangeable** — when a currency is not exchangeable, an entity discloses information that would enable users of its financial statements to evaluate how a currency's lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows.

(b) New and revised IFRS Accounting Standards in issue but not yet effective

Standard or amendment	Description	Effective date
IFRS 18	Presentation and Disclosures in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments IFRS 9 and IFRS 7	Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	1 January 2026
Annual IFRS improvement _ Volume 11	Annual Improvements to IFRS Accounting Standards — Volume 11	1 January 2026

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

3. ADOPTION OF NEW AND REVISED STANDARDS (CONTINUED)

(c) Impact of new and revised IFRS Accounting Standards in issue but not yet effective

IFRS 18 - Presentation and Disclosures in Financial Statements

IFRS 18 – Presentation and Disclosures in Financial Statements replaces IAS 1 and brings significant changes to the presentation and disclosure requirements in financial statements. The new standard aims to enhance the structure, clarity, and comparability of financial statements across different entities and industries.

Key features of IFRS 18 include:

- Defined categories in the statement of profit or loss - Income and expenses must be presented in operating, investing, and financing categories to improve transparency and comparability.
- Management-defined performance measures - Entities are required to disclose management-defined performance measures (non-GAAP measures) in the notes, with reconciliations to the nearest IFRS measure.
- Enhanced disclosure requirements - The standard introduces new and improved disclosures to provide users with more relevant information about an entity's financial position, performance, and cash flows.

IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The adoption of this standard is expected to result in more consistent and useful financial statements, supporting better decision-making by users.

The Directors of the Bank are assessing the application of the standard to determine the impact on the financial statements.

IFRS 19 - Subsidiaries without Public Accountability: Disclosures

IFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.

IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements. A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

A subsidiary has public accountability if:

- its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets), or
- it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (for example, banks, credit unions, insurance entities, securities brokers/dealers, mutual funds and investment banks often meet this second criterion).

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

3. ADOPTION OF NEW AND REVISED STANDARDS (CONTINUED)

(c) Impact of new and revised IFRS Accounting Standards in issue but not yet effective (Continued)

IFRS 19 - Subsidiaries without Public Accountability: Disclosures (Continued)

Eligible entities can apply IFRS 19 in their consolidated, separate or individual financial statements. An eligible intermediate parent that does not apply IFRS 19 in its consolidated financial statement may do so in its separate financial statements. The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted. If an entity elects to apply IFRS 19 for a reporting period earlier than the reporting period in which it first applies IFRS 18, it is required to apply a modified set of disclosure requirements set out in an appendix to IFRS 19. If an entity elects to apply IFRS 19 for an annual reporting period before it applied the amendments to IAS 21, it is not required to apply the disclosure requirements in IFRS 19 with regard to Lack of Exchangeability.

The Directors of the Bank are assessing the application of the standard to determine the impact on the financial statements.

Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments

The International Accounting Standards Board (IASB) has issued 'Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)' to address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 'Financial Instruments.

The amendments clarify that financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice to derecognise financial liabilities settled using an electronic payment system before the settlement date.

The Directors of the Bank are assessing the application of the standard to determine the impact on the financial statements.

Annual Improvements to IFRS Accounting Standards — Volume 11

The IASB issued Annual Improvements to IFRS Accounting Standards — Volume 11

Standard	The amendment
IFRS 1 First-time Adoption of International Financial Reporting Standards	Hedge accounting by a first-time adopter. The amendment addresses a potential confusion arising from an inconsistency in wording between paragraph B6 of IFRS 1 and requirements for hedge accounting in IFRS 9 Financial Instruments.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

3. ADOPTION OF NEW AND REVISED STANDARDS (CONTINUED)

(c) Impact of new and revised IFRS Accounting Standards in issue but not yet effective (Continued)

Annual Improvements to IFRS Accounting Standards — Volume 11 (Continued)

Standard	The amendment
IFRS 7 Financial Instruments: Disclosures	Gain or loss on derecognition. The amendment addresses a potential confusion in paragraph B38 of IFRS 7 arising from an obsolete reference to a paragraph that was deleted from the standard when IFRS 13 Fair Value Measurement was issued.
IFRS 7 Financial Instruments: Disclosures (implementation guidance only)	Disclosure of deferred difference between fair value and transaction price. The amendment addresses an inconsistency between paragraph 28 of IFRS 7 and its accompanying implementation guidance that arose when a consequential amendment resulting from the issuance of IFRS 13 was made to paragraph 28, but not to the corresponding paragraph in the implementation guidance.
IFRS 7 Financial Instruments: Disclosures (implementation guidance only)	Introduction and credit risk disclosures. The amendment addresses a potential confusion by clarifying in paragraph IG1 that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 and by simplifying some explanations.
IFRS 9 Financial Instruments	Lessee derecognition of lease liabilities. The amendment addresses a potential lack of clarity in the application of the requirements in IFRS 9 to account for an extinguishment of a lessee's lease liability that arises because paragraph 2.1(b)(ii) of IFRS 9 includes a cross-reference to paragraph 3.3.1, but not also to paragraph 3.3.3 of IFRS 9.
IFRS 9 Financial Instruments	Transaction price. The amendment addresses a potential confusion arising from a reference in Appendix A to IFRS 9 to the definition of 'transaction price' in IFRS 15 Revenue from Contracts with Customers while term 'transaction price' is used in particular paragraphs of IFRS 9 with a meaning that is not necessarily consistent with the definition of that term in IFRS 15.
IFRS 10 Consolidated Financial Statements	Determination of a 'de facto agent'. The amendment addresses a potential confusion arising from an inconsistency between paragraphs B73 and B74 of IFRS 10 related to an investor determining whether another party is acting on its behalf by aligning the language in both paragraphs.
IAS 7 Statement of Cash Flows	Cost method. The amendment addresses a potential confusion in applying paragraph 37 of IAS 7 that arises from the use of the term 'cost method' that is no longer defined in IFRS Accounting Standards.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

3. ADOPTION OF NEW AND REVISED STANDARDS (CONTINUED)

(c) Impact of new and revised IFRS Accounting Standards in issue but not yet effective (Continued)

Annual Improvements to IFRS Accounting Standards — Volume 11 (Continued)

The Directors of the Bank are assessing the application of the standard to determine the impact on the financial statements.

(d) Early adoption of standards

The Bank did not early-adopt any new or revised standards in 2025.

4. MATERIAL ACCOUNTING POLICIES

(a) Revenue recognition

i. Effective interest rate

Interest income and expense are recognised in profit or loss using 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.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Bank estimates future cash flows considering all contractual terms of the financial instrument, but not ECL.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

i. Amortised cost and gross carrying amount

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance. The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(a) Revenue recognition (Continued)

ii. Calculation of interest income and expense

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit impaired) or to the amortised cost of the liability. The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating-rate instruments to reflect movements in market rates of interest. The effective interest rate is also revised for fair value hedge adjustments at the date on which amortisation of the hedge adjustment begins.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Presentation

Interest income calculated using the effective interest method presented in the statement of profit or loss and OCI includes:

- interest on financial assets and financial liabilities measured at amortised cost.
- interest on debt instruments measured at FVOCI.

Interest expense presented in the statement of profit or loss and OCI includes:

- financial liabilities measured at amortised cost; and
- interest expense on lease liabilities.

Interest income and expense on all trading assets and liabilities are considered to be incidental to the Bank's trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in net trading income.
Interest income and expense on other financial assets and financial liabilities at FVTPL are presented in net income and from other financial instruments at FVTPL.
Cash flows related to capitalised interest are presented in the statement of cash flows consistently with interest cash flows that are not capitalised.

i. Fees and commission

Fee and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate.
If a loan commitment is not expected to result in the draw-down of a loan, then the related loan commitment fee is recognised on a straight-line basis over the commitment period.

Other fee and commission income – including account servicing fees, investment management fees, sales commission, placement fees and syndication fees – is recognised as the related services are performed. A contract with a customer that results in a recognised financial instrument in the Bank's financial statements may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15. If this is the case, then the Bank first applies IFRS 9 to separate and measure the part of the contract that is in the scope of IFRS 9 and then applies IFRS 15 to the residual.
Other fee and commission expenses relate mainly to transaction and service fees, which are expensed as the services are received.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(a) Revenue recognition (Continued)

ii. Net income from other financial instruments at fair value through profit or loss

Net income from other financial instruments at fair value through profit or loss relates to non-trading derivatives held for risk management purposes that do not form part of qualifying hedge relationships and financial assets and financial liabilities designated at fair value through profit or loss. It includes all realised and unrealised fair value changes, interest and foreign exchange differences.

iii. Net trading income

Net trading income comprises gains less losses related to trading assets and liabilities, and includes all realised and unrealised fair value changes, interest and foreign exchange differences.

iv. Other income

Other income includes gains and losses on financial instruments designated at fair value through profit or loss and recycled gains and losses on realised financial assets and fair value through other comprehensive income (FVOCI).
Gains and losses on FVOCI are removed from equity and included in the profit or loss on realisation of the investments.

IFRS 9 requires that interest income for financial assets classified as Stage 3 be calculated on the net carrying amount (after deducting credit impairments), which will result in a portion of contractual interest being suspended. IFRS 9 requires that this suspended contractual interest be presented as part of the financial assets' gross carrying amount. The bank has applied this requirement by presenting balance sheet suspended contractual interest as a separate reconciling item when calculating the financial assets' net carrying amount. Hence suspended contractual interest does not impact the net carrying amount of the financial asset as presented on the statement of financial position.

The bank has elected to present previously unrecognised interest earned on curing of a financial asset out of Stage 3 within net interest income. This presentation was elected on the basis that the presentation best represented the nature of the amount in terms of IAS 1.

(a) Foreign currencies

Transactions in foreign currencies are translated into the functional currency at the spot exchange rates at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at yearend exchange rates are recognised in profit or loss (except when recognised in OCI as part of qualifying cash flow hedges and net investment hedges).

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the spot exchange rate at the date on which the fair value is determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the spot exchange rate at the date of the transaction.

Foreign currency gains or losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Employee benefits

The bank operates a defined contribution plan. A defined contribution plan is a plan under which the bank pays fixed contributions into a separate entity. The bank's contributions to the defined contribution scheme are charged to the statement of profit or loss in the year to which they relate.

Termination benefits

Termination benefits are recognised as an expense when the bank is committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the bank has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Short-term benefits

Short-term benefits consist of salaries, leave allowance, profit share, bonuses, Saturday allowance, mobile phone allowance, Fuel allowance, Hardship allowance, Acting allowance, Overtime and any non-monetary benefits such as medical aid contributions. Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus plans or accumulated leave if the Bank has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(c) Taxation

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income.
The Bank has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore has accounted for them under IFRIC 23 — Uncertainty over Income Tax Treatments.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) Taxation (Continued)

ii. Deferred tax

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on business plans for the bank.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if there is any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the bank expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the bank has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

iii. Tax exposures

In determining the amount of current and deferred tax, the bank considers the impact of tax exposures, including whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the bank to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities would impact tax expense in the period in which such a determination is made.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Financial assets and financial liabilities
Initial measurement - financial instruments

All financial instruments are measured initially at fair value plus directly attributable transaction costs and fees, except for those financial instruments that are subsequently measured at fair value through profit or loss where such transaction costs and fees are immediately recognised in profit or loss. Financial instruments are recognised (derecognised) on the date the bank commits to purchase (sell) the instruments (trade date accounting).

Financial assets

Amortised cost

A debt instrument that meets both of the following conditions (other than those designated at fair value through profit or loss):

- held within a business model whose objective is to hold the debt instrument (financial asset) in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This assessment includes determining the objective of holding the asset and whether the contractual cash flows are consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are not considered de minimis and are inconsistent with a basic lending arrangement, the financial asset is classified as fair value through profit or loss.

Fair value through OCI

Includes:

A debt instrument that meets both of the following conditions (other than those designated at fair value through profit or loss):

- held within a business model in which the debt instrument (financial asset) is managed to both collect contractual cash flows and sell financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This assessment includes determining the objective of holding the asset and whether the contractual cash flows are consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are not considered de minimis and are inconsistent with a basic lending arrangement, the financial asset is classified as fair value through profit or loss - default. Equity financial assets which are not held for trading are irrevocably elected (on an instrument-by-instrument basis) to be presented at fair value through OCI.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Financial assets and financial liabilities (Continued)

Fair value through profit or loss

Those financial assets acquired principally for the purpose of selling in the near term (including all derivative financial assets) and those that form part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking. Financial assets are designated to be measured at fair value to eliminate or significantly reduce an accounting mismatch that would otherwise arise.

Subsequent measurement

Subsequent to initial measurement, financial assets are classified in their respective categories and measured at either amortised cost or fair value as follows:

Amortised cost

Amortised cost using the effective interest method with interest recognised in interest income, less any expected credit impairment losses which are recognised as part of credit impairment charges. Directly attributable transaction costs and fees received are capitalised and amortised through interest income as part of the effective interest rate.

Fair value through OCI

Debt instrument: Fair value, with gains and losses recognised directly in the fair value through OCI reserve. When a debt financial asset is disposed of, the cumulative fair value adjustments, previously recognised in OCI, are reclassified to the other gains and losses on financial instruments within non-interest revenue.

Interest income on a debt financial asset is recognised in interest income using the effective interest rate method.

Equity instrument: Fair value, with gains and losses recognised directly in the fair value through OCI reserve. When equity financial assets are disposed of, the cumulative fair value adjustments in OCI are reclassified within reserves to retained income. Dividends received on equity instruments are recognised in other revenue within non-interest income.

Fair value through profit or loss

For a trading portfolio, fair value, with gains and losses arising from changes in fair value (including interest and dividends) recognised in trading revenue.

Fair value gains and losses (including interest and dividends) on the financial asset are recognised in the income statement as part of other gains and losses on financial instruments within non-interest revenue.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Financial assets and financial liabilities (Continued)

Fair value through profit or loss (Continued)

Impairment

ECL is recognised on debt financial assets classified as at either amortised cost or fair value through OCI, financial guarantee contracts that are not designated at fair value through profit or loss as well as loan commitments that are neither measured at fair value through profit or loss nor are used to provide a loan at a below market interest rate.

The measurement basis of the ECL of a financial asset includes assessing whether there has been a significant increase in credit risk (SICR) at the reporting date which includes forward-looking information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. The measurement basis of the ECL, which is set out in the table that follows, is measured as the unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and forward-looking information.

Stage 1	The A 12-month ECL is calculated for financial assets which are neither credit-impaired on origination nor for which there has been a SICR.
Stage 2	A lifetime ECL allowance is calculated for financial assets that are assessed to have displayed a SICR since origination and are not considered low credit risk.
Stage 3 **(credit impaired assets)**	A lifetime ECL is calculated for financial assets that are assessed to be credit impaired. The following criteria are used in determining whether the financial asset is impaired: • default • significant financial difficulty of borrower and/or modification • probability of bankruptcy or financial reorganisation • Disappearance of an active market due to financial difficulties.
Purchased or Originated Credit Impaired (POCI) financial assets	POCI financial assets are assets that are credit-impaired on initial recognition. For POCI assets, lifetime ECL are incorporated into the calculation of the effective interest rate on initial recognition. Consequently, POCI assets do not carry an impairment allowance on initial recognition. The amount recognised as a loss allowance subsequent to initial recognition is equal to the changes in lifetime ECL since initial recognition of the asset.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Financial assets and financial liabilities (Continued)

Fair value through profit or loss (Continued)

Impairment (Continued)

The key methodologies of the impairment methodology are described as follow:

Significant increase in credit risk	At each reporting date, the bank assesses whether the credit risk of its exposures has increased significantly since initial recognition by considering the change in the risk of default occurring over the expected life of the financial asset. Credit risk of exposures which are overdue for more than 30 days is considered to have increased significantly.
Low credit risk	Exposures are generally considered to have a low credit risk where there is a low risk of default, the exposure has a strong capacity to meet its contractual cash flow obligations and adverse changes in economic and business conditions may not necessarily reduce the exposure's ability to fulfil its contractual obligations. In most cases, government securities and related exposures represent exposures with low credit risk.
Default	The bank's definition of default has been aligned to its internal credit risk management definitions and approaches. A financial asset is considered to be in default when there is objective evidence of impairment. The following criteria are used in determining whether there is objective evidence of impairment for financial assets or groups of financial assets: • significant financial difficulty of borrower and/or modification (i.e. known cash flow difficulties experienced by the borrower) • a breach of contract, such as default or delinquency in interest and/or principal payments. • disappearance of active market due to financial difficulties. • it becomes probable that the borrower will enter bankruptcy or other financial reorganisation. • where the bank, for economic or legal reasons relating to the borrower's financial difficulty, grants the borrower a concession that the bank would not otherwise consider. Exposures which are overdue for more than 90 days are also considered to be in default.
Forward-looking information	Forward-looking information is incorporated into the bank's impairment methodology calculations and in the bank's assessment of SICR. The bank includes all forward-looking information which is reasonable and available without undue cost or effort. The information will typically include expected macro-economic conditions and factors that are expected to impact portfolios or individual counterparty exposures.
Write-off	Financial assets are written off when there is no reasonable expectation of recovery. Financial assets which are written off may still be subject to enforcement activities.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Financial assets and financial liabilities (Continued)

Fair value through profit or loss (Continued)

Impairment (Continued)

ECLs are recognised within the statement of financial position as follows:

Financial assets measured at amortised cost (including loan commitments)	Recognised as a deduction from the gross carrying amount of the asset (group of assets). Where the impairment allowance exceeds the gross carrying amount of the asset (group of assets), the excess is recognised as a provision within other liabilities.
Off-balance sheet exposures (excluding loan commitments)	Recognised as a provision within other liabilities.
Financial assets measured at fair value through OCI	ECL recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the statement of financial position.

Financial liabilities

Designated at fair value through profit or loss

Financial liabilities are designated to be measured at fair value in the following instances:

- to eliminate or significantly reduce an accounting mismatch that would otherwise arise where the financial liabilities are managed and their performance evaluated and reported on a fair value basis; and where the financial liability contains one or more embedded derivatives that significantly modify the financial liability's cash flows.

The bank has not elected the fair value option.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Financial assets and financial liabilities (Continued)

Amortised cost
All other financial liabilities not included in the above categories.

Subsequent measurement
Subsequent to initial measurement, financial liabilities are classified in their respective categories and measured at either amortised cost or fair value as follows:

Designated at fair Value
Fair value, with gains and losses arising from changes in fair value (including interest and dividends but excluding fair value gains and losses attributable to own credit risk) are recognised in the other gains and losses on financial instruments as part of non-interest revenue. Fair value gains and losses attributable to changes in own credit risk are recognised within OCI, unless this would create or enlarge an accounting mismatch in which case the own credit risk changes are recognised within trading revenue.

Amortised cost
Amortised cost using the effective interest method recognised in interest expense.

Derecognition and modification of financial assets and liabilities
Financial assets and liabilities are derecognised in the following instances:

Derecognition
Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired, or where the bank has transferred its contractual rights to receive cash flows on the financial asset such that it has transferred substantially all the risks and rewards of ownership of the financial asset. Any interest in the transferred financial assets that is created or retained by the bank is recognised as a separate asset or liability.

The bank enters into transactions whereby it transfers assets, recognised in its statement of financial position, but retains either all or a portion of the risks or rewards of the transferred assets. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with the retention of all or substantially all risks and rewards include securities lending and repurchase agreements.

When assets are sold to a third party with a concurrent total rate of return swap on the transferred assets, the transaction is accounted for as a secured financing transaction, similar to repurchase transactions. In transactions where the bank neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset, the asset is derecognised if control over the asset is lost. The rights and obligations retained in the transfer are recognised separately as assets and liabilities as appropriate.

In transfers where control over the asset is retained, the bank continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Financial assets and financial liabilities (Continued)

Derecognition and modification of financial assets and liabilities (Continued)

Modification
Where an existing financial asset or liability is replaced by another with the same counterparty on substantially different terms, or the terms of an existing financial asset or liability are substantially modified, such an exchange or modification is treated as a derecognition of the original asset or liability and the recognition of a new asset or liability at fair value, including calculating a new effective interest rate, with the difference in the respective carrying amounts being recognised in other gains and losses on financial instruments within non-interest revenue. The date of recognition of a new asset is consequently considered to be the date of initial recognition for impairment calculation purposes.

If the terms are not substantially different for financial assets or financial liabilities, the bank recalculates the new gross carrying amount by discounting the modified cash flows of the financial asset or financial liability using the original effective interest rate. The difference between the new gross carrying amount and the original gross carrying amount is recognised as a modification gain or loss within credit impairments (for distressed financial asset modifications) or in other gains and losses on financial instruments within non-interest revenue (for all other modifications).

Financial assets and liabilities are derecognised in the following instances:

Derecognition
Financial liabilities are derecognised when the financial liabilities' obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

Financial guarantee contracts
A financial guarantee contract is a contract that requires the bank (issuer) to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are initially recognised at fair value, which is generally equal to the premium received, and then amortised over the life of the financial guarantee.

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.

Derivatives and embedded derivatives
In the normal course of business, the bank enters into a variety of derivative transactions for both trading and hedging purposes. Derivative financial instruments are entered into for trading purposes and for hedging foreign exchange, interest rate, inflation, credit, commodity and equity exposures. Derivative instruments used by the bank in both trading and hedging activities include swaps, options, forwards, futures and other similar types of instruments based on foreign exchange rates, credit risk, inflation risk, interest rates and the prices of commodities and equities.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Financial assets and financial liabilities (Continued)

Derecognition and modification of financial assets and liabilities (Continued)

Derivatives and embedded derivatives (Continued)

Derivatives are initially recognised at fair value. Derivatives that are not designated in a qualifying hedge accounting relationship are classified as held-for-trading with all changes in fair value being recognised within trading revenue. This includes forward contracts to purchase or sell commodities, where net settlement occurs or where physical delivery occurs and the commodities are held to settle another derivative contract. All derivative instruments are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives may be embedded in another contractual arrangement (a host contract). The Bank accounts for an embedded derivative separately from the host contract when the host contract is not an asset in the scope of IFRS 9, the host contract is not itself carried at FVTPL, the terms of the embedded derivative would meet the definition of a derivative if they were contained in a separate contract and the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract.

Separated embedded derivatives are measured at fair value, with all changes in fair value recognised in profit or loss unless they form part of a qualifying cash flow or net investment hedging relationship. Separated embedded derivatives are presented in the statement of financial position together with the host contract.

The bank does not apply hedge accounting.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis, or to realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparties to the transaction.

Fair Value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the Bank measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Bank uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Financial assets and financial liabilities (Continued)

Derecognition and modification of financial assets and liabilities (Continued)

Derivatives and embedded derivatives (Continued)

Fair Value measurement (Continued)

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Bank determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the difference, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Bank on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for the particular risk exposure. Portfolio-level adjustments – e.g. bid-ask adjustment or credit risk adjustments that reflect the measurement on the basis of the net exposure – are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

The Bank recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Fair value hierarchy

The bank's financial instruments that are both carried at fair value and for which fair value is disclosed are categorised by level of fair value hierarchy. The different levels are based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement.

Hierarchy levels

The levels have been defined as follows:

Level 1

Fair value is based on quoted market prices (unadjusted) in active markets for an identical financial asset or liability. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. exchange rates, credit risk, inflation risk, interest rates and the prices of commodities and equities.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Financial assets and financial liabilities (Continued)

Derecognition and modification of financial assets and liabilities (Continued)

Derivatives and embedded derivatives (Continued)

Fair Value measurement (Continued)

Level 2

Fair value is determined through valuation techniques based on observable inputs, either directly, such as quoted prices, or indirectly, such as those derived from quoted prices. This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3

Fair value is determined through valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instrument being valued and the similar instrument.

Hierarchy transfer policy

Transfers of financial assets and financial liabilities between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period.

Inputs and valuation techniques

Fair value is measured based on quoted market prices or dealer price quotations for identical assets and liabilities that are traded in active markets, which can be accessed at the measurement date, and where those quoted prices represent fair value. If the market for an asset or liability is not active or the instrument is not quoted in an active market, the fair value is determined using other applicable valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. These include the use of recent arm's length transactions, discounted cash flow analyses, pricing models and other valuation techniques commonly used by market participants.

Fair value measurements are categorised into level 1, 2 or 3 within the fair value hierarchy based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement. Where discounted cash flow analyses are used, estimated future cash flows are based on management's best estimates and a market-related discount rate at the reporting date for an asset or liability with similar terms and conditions.

If an asset or a liability measured at fair value has both a bid and an ask price, the price within the bid-ask spread that is most representative of fair value is used to measure fair value.

The bank's valuation control framework governs internal control standards, methodologies, and procedures over its valuation processes, which include the following valuation techniques and main inputs and assumptions per type of instrument:

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Financial assets and financial liabilities (Continued)

Derecognition and modification of financial assets and liabilities (Continued)

Derivatives and embedded derivatives (Continued)

Fair Value measurement (Continued)

Item and description	Valuation technique	Main inputs and assumptions
Derivative financial instruments Derivative financial instruments comprise foreign exchange, interest rate, commodity, credit and equity derivatives that are either held-for-trading or designated as hedging instruments in hedge relationships.	Standard derivative contracts are valued using market accepted models and quoted parameter inputs. More complex derivative contracts are modelled using more sophisticated modelling techniques applicable to the instrument. Techniques include: >Discounted cash flow model >Black-Scholes model >combination technique models.	For level 2 and 3 fair value hierarchy items: • discount rate • spot prices of the underlying • correlation factors • volatilities • dividend yields • earnings yield • valuation multiples.
Trading assets and trading liabilities Trading assets and liabilities comprise instruments which are part of the bank's underlying trading activities. These instruments primarily include sovereign and corporate debt, commodities, collateral, collateralised lending agreements and equity securities.	Where there are no recent market transactions in the specific instrument, fair value is derived from the last available market price adjusted for changes in risks and information since that date. Where a proxy instrument is quoted in an active market, the fair value is determined by adjusting the proxy fair value for differences between the proxy instrument and the financial investment being fair valued. Where proxies are not available, the fair value is estimated using more complex modelling techniques. These techniques include discounted cash flow and Black-Scholes models using current market rates for credit, interest, liquidity, volatility and other risks. Combination techniques are used to value unlisted equity securities and include inputs such as earnings and dividend yields of the underlying entity.	For level 2 and 3 fair value hierarchy items: • discount rate • market price • volatilities
Financial investments Financial investments are non-trading financial assets and primarily comprise of sovereign and corporate debt	The Bank establishes fair value for non-trading financial assets using the market approach valuation technique, that considers discounted cash flows. The interest rates used are obtained from the central bank (Bank of Tanzania).	For level 2 and 3 fair value hierarchy items: • discount rate • market price • volatilities

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Financial assets and financial liabilities (Continued)

Trading assets and liabilities

Trading assets and liabilities are those assets and liabilities that the Bank acquires or incurs principally for the purpose of selling or repurchasing in the near term, or holds as part of a portfolio that is managed together for short-term profit or position taking.

Trading assets and liabilities are initially recognised and subsequently measured at fair value in the statement of financial position, with transaction costs recognised in profit or loss. All changes in fair value are recognised as part of net trading income in profit or loss.

Derivatives financial instruments

A derivative is a financial instrument whose value changes in response to an underlying variable, that requires little or no initial investment and that is settled at a future date. All derivatives are accounted for as trading instruments unless they meet the criteria for hedge accounting. Derivatives are initially recognised at fair value on the date on which the derivatives are entered into and subsequent to initial recognition measured at fair value.

All derivative instruments of the bank are carried as assets when the fair value is positive and as liabilities when the fair value is negative, subject to offsetting principles.

All derivatives are classified as either derivative held for trading or derivative held for hedging. The fair value of a derivative financial instrument represents, for quoted instruments, the quoted market price and for unquoted instruments, the present value of the positive or negative cash flows, which would have occurred if the rights and obligations arising from that instrument were closed out as an orderly marketplace transaction at year end.

Borrowings

Borrowings are recognised initially at fair value, generally being their issue proceeds, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost and interest is recognised over the period of the borrowing using the effective interest method.

(f) Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with Bank of Tanzania and highly liquid financial assets with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the bank in the management of its short-term commitments.

The Bank of Tanzania require banks to maintain at least 80% of the required statutory minimum reserve (SMR) in their clearing account at the Bank of Tanzania daily while ensuring that the average balance over the maintenance period meets 100% of the required SMR amount. This adjustment allows banks daily access to up to 20% of their SMR balance while still complying with the regulatory requirements. Cash and cash equivalents exclude restricted balances held with the Bank of Tanzania (80% of SMR).

Cash and cash equivalents excluding cash in hand are carried at amortised cost in the statement of financial position.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(g) Property and equipment

Recognition and measurement

Items of property and equipment are stated at historical cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment.

Any gain or loss on disposal of an item of property and equipment is recognised within other income in profit or loss.
Subsequent costs

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the bank and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

Depreciation

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss. Land is not depreciated.

The estimated useful lives of property and equipment for the current and comparative periods are as follows:

Description of assets	Useful life (years)
Buildings	40
Leasehold improvement	10
Motor vehicles	5
Computer equipment	3
Office equipment	5
Furniture and fittings	10

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss.

Right of use assets

The Bank recognizes 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 initially measured at amount of lease liability and subsequently adjusted with accumulated amortization and impairment losses, and any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, 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.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(h) Intangible assets

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses.

Computer software

International Accounting Standards require the matching of costs to the period in which the benefit is expected to be incurred, as a result, costs meeting the associated qualifying criteria should be capitalised.

Capitalisation is limited to development costs where the bank can demonstrate the below (IAS 38):
The technical feasibility of the software;
Its intention to complete the software and use or sell it;

- Ability to use or sell the software;
- The ability to generate future economic benefits;
- The availability of resources to complete the software;
- The ability to reliably measure costs relating to the software; and
- The likelihood of the asset generating benefits over multiple periods.

In addition to meeting the above qualifying criteria, it is important that the following principles are applied:

- All computer software development costs capitalised must be classified as intangible assets and posted to the correct intangible asset general ledger accounts via the Fixed Asset Register;
- Subsequent expenditure on computer software (i.e. after the IT system has been taken into production) is capitalised only when it will result in a further increase in future economic benefits and any capitalisation in excess of the initial authorised amount has been approved in terms of this policy;

Subsequent measurement

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as it is incurred.
Software is amortised on a straight-line basis in profit or loss over its estimated useful life, from the date on which it is available for use. The estimated useful life of software for the current and comparative periods is three to twelve years. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

De-recognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Impairment of non-financial assets

At each reporting date, the Bank reviews the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that is largely independent of the cash inflows of other assets or Cash Generating Units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

(j) Provisions

Provisions are recognised when the bank 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. Provisions are determined by discounting the expected future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. The bank's provisions typically (when applicable) include the following:
Provision for legal claims
Provisions for legal claims are recognised on a prudent basis for the estimated cost for all legal claims that have not been settled or reached conclusion at the reporting date. In determining the provision management considers the probability and likely settlement (if any). Reimbursements of expenditure to settle the provision are recognised when and only when it is virtually certain that the reimbursement will be received.

Provision for leave pay

Employees of the bank are entitled to statutory leave of 22 days per year. The bank accounts for as short-term employee benefits, any leave accrued and not taken within 12 months period to the extent of another 12 months until it lapses. The bank recognises such a benefit as a liability as well as an expense in the profit or loss. The expense is recognised as part of staff costs in the profit or loss.

(k) Contingent liabilities

Contingent liabilities include certain guarantees (other than financial guarantees) and letters of credit and are not recognised in the annual financial statements but are disclosed in the notes to the annual financial statements unless they are considered remote.

(l) Contingent assets

Contingent assets are not recognised in the annual financial statements but are disclosed when, as a result of past events, it is probable that economic benefits will flow to the bank, but this will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the bank's control.

m) Related parties

The Bank discloses any entity, or any member of a group of which it is a part – including the parent or any other group member, that provides key management personnel services to the Bank or to its parent as a related party. The Bank also discloses the nature of other related party relationship, the amount of the transactions, outstanding balances, terms and conditions, and any guarantees or commitments under note 40.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(n) Leases
At inception of a contract, the Bank assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The bank acting as a lessee
At commencement or on modification of a contract that contains a lease component, the bank allocates consideration in the contract to each lease component on the basis of its relative standalone price. However, for leases of branches and office premises the Bank has elected not to separate non-lease components and accounts for the lease and non-lease components as a single lease component. The Bank recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove any improvements made to branches or office premises.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Bank's incremental borrowing rate. Generally, the Bank uses its incremental borrowing rate as the discount rate.
The Bank determines its incremental borrowing rate by analyzing its borrowings from various external sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Bank is reasonably certain to exercise, lease payments in an optional renewal period if the Bank is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Bank is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Bank's estimate of the amount expected to be payable under a residual value guarantee, if the Bank changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Bank presents right-of-use assets in 'property and equipment' and lease liabilities separately in the statement of financial position.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(n) Leases (Continued)
Short-term leases and leases of low-value assets
The Bank has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including leases of IT equipment. The Bank recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The bank acting as a lessor
At inception or on modification of a contract that contains a lease component, the Bank allocates the consideration in the contract to each lease component on the basis of their relative stand-alone selling prices. When the Bank acts as a lessor, it determines at lease inception whether the lease is a finance lease or an operating lease.

To classify each lease, the Bank makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Bank considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Bank applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Bank further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease. Contingent rentals are expensed as they are incurred. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(o) Cash settled share-based compensation plans
Cash-settled share-based payments
Cash-settled share-based payments are accounted for as liabilities at fair value until the date of settlement. The liability is recognised over the vesting period and is revalued at every reporting date up to and including the date of settlement. All changes in the fair value of the liability are recognised in operating expenses – staff costs.

(p) Share issue costs
Incremental external costs directly attributable to a transaction that increases or decreases equity is deducted from equity, net of related tax. All other share issue costs are expensed immediately.

(q) Dividends
Distributions are recognised in equity in the period in which they are declared. Distributions declared after the reporting date are disclosed in the distributions note to the annual financial statements.

(r) Letters of credit and customer guarantees
Letters of credit and customer guarantees are accounted for as off-balance sheet transactions and disclosed as contingent liabilities. They are measured at the maximum potential amount of the obligation and disclosed as contingent liabilities. Refer to note 5.1.8.

(s) Accepted Letter of Credit
Upon fulfilment of all terms and conditions underlying the credit, a financial asset and a financial liability should initially be recognised on balance sheet at fair value and subsequently measured at either amortised cost or fair value. An IFRS 9 Expected Credit Loss allowance should be recognised for financial assets measured at amortised cost or at fair value through other comprehensive income.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

The bank'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. Risk taking is core to the financial business, and the operational risks are on inevitable consequence of being in business. The bank's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on the bank's financial performance.

Risk management framework

The Company's board of Directors has overall responsibility for the establishment and oversight of the bank's risk management framework. The board of Directors has established the Asset and Liability Management Committee (ALCO), which is responsible for developing and monitoring bank risk management policies.

The bank's risk management policies are designed to identify and analyse 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 bank regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice. The bank, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. Risk management is carried out by the Risk Management Department under policies approved by the Board of Directors. 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, use of derivative financial instruments and non-derivative financial instruments.

The Board Audit Committee oversees how management monitors compliance with the bank's risk management policies and procedures, and Board Risk Committee reviews the adequacy of the risk management framework in relation to the risks faced by the bank. The Board Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the bank Audit Committee. The most important types of risk are credit risk, liquidity risk and market risk. Market risk includes currency risk, interest rate risk and price risk.

5.1 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 (BCB) 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:

5.1.1 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.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (CONTINUED)

5.1 Credit risk (Continued)

5.1.1 Management of credit risk (Continued)

- 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. 9 Expected Credit Loss allowance should be recognised for financial assets measured at amortised cost or at fair value through other comprehensive income.
- 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.

5.1.2 Credit risk measurement

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.

i. The bank assesses the probability of default of individual counterparties using internal rating tools tailored to the various categories of counterparty. These have been developed internally and combine statistical analysis with credit officer judgement. Clients of the bank 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 the assessment of their probability of default changes. The rating tools are kept under review and upgraded as necessary. The bank regularly validates the performance of the rating and their predictive power with regard to default events.

SB Internal Rating	Translation	Definition
1 to 10	A	Neither past due nor impaired
11 to 15	B	
16 to 20	C	
21 to 25	D	Neither past due nor impaired & Past due but not impaired
26	E1	Past due and impaired
27	E2	
28	F	
99	Ungraded	Applies all

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

5.1 Credit risk (Continued)

5.1.2 Credit risk measurement (Continued)

Qualitative criteria are also considered in grading credit risk exposures.

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 a commitment, the bank includes any amount already drawn plus the further amount that may have been drawn by the time of default, should it occur.

Classification as per BOT	IFRS 9 Stage	Number of days outstanding
Current	1	0-30
Especially mentioned	2	31-90
Substandard	3	91-180
Doubtful	3	181-360
Loss	3	361 and above

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 holds collateral against loans and advances to customers in the form of mortgage interest over property, other registered securities over assets and guarantees. The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. The main types of collateral are as follows:

- for securities lending and reverse repurchase transactions, cash or securities;
- for commercial lending, charges over real estate properties, inventory and trade receivables; and
- For retail banking, mortgages over residential properties.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (CONTINUED)

5.1 Credit risk (Continued)

5.1.2 Credit risk measurement (Continued)

(b) Derivatives

The bank 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 bank (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 bank 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 bank's market transactions on any single day.

(c) 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 by the bank on behalf of a customer authorising a third party to draw drafts on the bank up to a stipulated amount under specific terms and conditions – are collateralised by the underlying shipments of goods to which they relate and therefore carry less risk than a direct loan.

Commitments to extend credit represent unused portions of authorizations to extend credit in the form of loans and advances, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the bank 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 bank monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

5.1.3 Impairment and provisioning policies

The internal rating systems described in note 5.1.2 focus more on credit-quality mapping from the inception of the lending. Impairment provisions are recognized for financial reporting purposes based on expected credit losses while taking into account impact of forward-looking information.

The impairment provision shown in the statement of financial position at year-end is derived from each of the five internal rating grades.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

5.1 Credit risk (Continued)

5.1.3 Impairment and provisioning policies (Continued)

2025	Performing loans		Total performing loans	Total non-performing loans	
	Stage 1 TZS'000	Stage 2 TZS'000	TZS '000	Stage 3 TZS '000	Total loans TZS '000
Loans and advances to customers (gross):					
BCB and PPB					
- Vehicle asset finance	191,811,630	17,375,453	209,187,083	3,184,341	212,371,424
- Other loans and advances	567,262,666	27,382,215	594,644,881	42,624,970	637,269,851
	759,074,296	44,757,668	803,831,964	45,809,311	849,641,275
CIB					
- Corporate lending	1,085,709,542	-	1,085,709,542	-	1,085,709,542
Total	**1,844,783,838**	**44,757,668**	**1,889,541,506**	**45,809,311**	**1,935,350,817**

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (CONTINUED)

5.1 Credit risk (Continued)

5.1.3 Impairment and provisioning policies (Continued)

2024	Performing loans		Total performing loans	Total non-performing loans	
	Stage 1 TZS'000	Stage 2 TZS'000	TZS '000	Stage 3 TZS '000	Total loans TZS '000
Loans and advances to customers (gross):					
BCB and PPB					
- Vehicle asset finance	86,947,351	6,967,789	93,915,140	4,085,940	98,001,080
- Other loans and advances	378,536,355	28,392,936	406,929,291	38,184,225	445,113,516
	465,483,706	35,360,725	500,844,431	42,270,165	543,114,596
CIB					
- Corporate lending	960,671,001	8,553,387	969,224,388		969,224,388
Total	**1,426,154,707**	**43,914,112**	**1,470,068,819**	**42,270,165**	**1,512,338,984**

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

5.1 Credit risk (Continued)

5.1.3 Impairment and provisioning policies (Continued)

The internal rating tool assists management to determine whether an event of default is likely to occur in accordance to the IFRS 9 guidelines. For individually assessed accounts, loans are treated as impaired as soon as there is objective evidence that an impairment loss is likely to occur. The criteria used by the bank to determine that there is such objective evidence include,

- known cash flow difficulties experienced by the borrower.
- overdue contractual payments of either principal or interest.
- breach of loan covenants or conditions.
- The probability that the borrower will enter bankruptcy or other financial realization, and deterioration in the value of collateral.

5.1.4 Maximum exposure to credit risk before collateral held

Financial instruments whose carrying amounts represent the maximum exposure to credit risk without taking account of any collateral held or other credit enhancements are disclosed in this note 5.1.4.

The Directors are confident in the ability to continue to control and sustain minimal exposure of credit risk to the bank from its financial assets.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (CONTINUED)

5.1 Credit risk (Continued)

5.1.4 Maximum exposure to credit risk before collateral held (Continued)

	Stage 1 Current TZS'000	Stage 2 Especially mentioned TZS'000	Stage 3 Substandard TZS'000	Stage 3 Doubtful TZS'000	Stage 3 Loss TZS'000	Total TZS'000
At 31 December 2025						
Cash and balances with Bank of Tanzania	238,249,420	-	-	-	-	238,249,420
Derivative financial assets	24,992,299	-	-	-	-	24,992,299
Loans and advances to banks	944,090,596	-	-	-	-	944,090,596
Loans and advances to customers (gross)	1,844,783,838	44,757,668	2,669,635	28,592,156	14,547,520	1,935,350,817
Investment securities at amortized cost	35,113,765					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
	3,357,605,761	**44,757,668**	**2,669,635**	**28,592,156**	**14,547,520**	**3,448,172,740**
% contribution	**97%**	**1%**	**0%**	**1%**	**0%**	**100%**
At 31 December 2024						
Cash and balances with Bank of Tanzania	199,099,781	-	-	-	-	199,099,781
Derivative financial assets	10,793,453	-	-	-	-	10,793,453
Loans and advances to banks	877,401,088	-	-	-	-	877,401,088
Loans and advances to customers	1,426,154,707	43,914,112	1,592,251	25,889,157	14,788,757	1,512,338,984
Investment securities at amortized cost	34,803,512					34,803,512
Investment in government securities						
- At FVTPL	101,014,957	-	-	-	-	101,014,957
- At FVTOCI	211,630,624	-	-	-	-	211,630,624
Other assets*	15,326,676	-	-	-	-	15,326,676
	2,876,224,798	**43,914,112**	**1,592,251**	**25,889,157**	**14,788,757**	**2,962,409,075**
% contribution	**97%**	**1%**	**0%**	**1%**	**0%**	**100%**

*Other assets for all note 5 disclosures exclude non-financial instruments such as prepayments, staff valuation, and stationery stock.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

5.1 Credit risk (Continued)

5.1.4 Maximum exposure to credit risk before collateral held (Continued)

The following table contains an analysis of the credit risk exposure of financial instruments for which an impairment is recognized. The gross carrying amount of financial assets below also represents the Bank's maximum exposure to credit risk on these assets.

	Stage 1 Current TZS'000	Stage 2 Current TZS'000	Stage 3 Current TZS'000	Total TZS'000
At 31 December 2025				
Gross:				
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	1,844,783,838	44,757,668	45,809,311	1,935,350,817
Investment securities at amortized cost	35,113,765	-	-	35,113,765
Investment in government securities				
- At FVOCI	217,574,169	-	-	217,574,169
- At FVTPL	36,482,956	-	-	36,482,956
Other assets	16,318,718	-	-	16,318,718
	3,332,613,462	44,757,668	45,809,311	3,423,180,441
Expected credit loss	11,270,542	4,704,717	24,316,549	40,291,808
Net carrying amount	**3,321,342,920**	**40,052,951**	**21,492,762**	**3,382,888,633**
Impairment not impacting asset's carrying amount (in OCI)				
Financial assets at fair value - OCI	190,367	-	-	190,367
At 31 December 2024				
Gross:				
Cash and balances with Bank of Tanzania	199,099,781	-	-	199,099,781
Loans and advances to banks	877,401,088	-	-	877,401,088
Loans and advances to customers	1,426,154,707	43,914,112	42,270,165	1,512,338,984
Investment securities at amortized cost	34,803,512	-	-	34,803,512
Investment in government securities				
- At FVOCI	101,014,957	-	-	101,014,957
- At FVTPL	211,630,624	-	-	211,630,624
Other assets	15,326,676	-	-	15,326,676
	2,865,431,345	43,914,112	42,270,165	2,951,615,622
Expected credit loss	9,161,972	8,497,068	20,189,971	37,849,011
Net carrying amount	**2,856,269,373**	**35,417,044**	**22,080,194**	**2,913,766,611**
Impairment not impacting asset's carrying amount (in OCI)				
Financial assets at fair value - OCI	170,673	-	-	170,673

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (CONTINUED)

5.1 Credit risk (Continued)

5.1.4 Maximum exposure to credit risk before collateral held (Continued)

The table below shows the maximum exposure to credit risk for financial assets not subject to impairment:

	2025 TZS'000	2024 TZS'000
At 31 December		
Gross:		
Derivative financial assets	24,992,299	10,793,453

5.1.5 Credit quality analysis

The table below shows the credit quality by class of financial assets for credit risk related items, based on the bank's credit rating system.

Current financial assets are graded A, B, C and D as shown in the table below as per the bank's internal rating scale. These represent risk levels of the current financial assets, with grade "A" being the least risky grade. The risk is assessed based on history, value and type of security.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

5.1 Credit risk (Continued)

5.1.5 Credit quality analysis (Continued)

Loans and advances to customers: 2025 Credit quality	Grade A TZS 000	Grade B TZS'000	Neither past due nor impaired Grade C TZS 000	Grade D TZS'000	Past due but not impaired Grade D TZS'000	Total performing Grade D TZS'000
BCB and PPB						
- Vehicle asset finance	-	187,148,902	810,549	157,370	21,070,262	209,187,083
- Other loans and advances	-	540,999,794	2,160,063	2,071,948	49,413,076	594,644,881
		728,148,696	2,970,612	2,229,318	70,483,338	803,831,964
Corporate and investment banking						
- Corporate lending	146,269,271	939,440,271	-	-	-	1,085,709,542
	146,269,271	**1,667,588,967**	**2,970,612**	**2,229,318**	**70,483,338**	**1,889,541,506**
Other financial assets						
Cash and balances with Bank of Tanzania	238,249,420	-	-	-	-	238,249,420
Derivative financial assets	24,992,299	-	-	-	-	24,992,299
Loans and advances to banks	944,090,596	-	-	-	-	944,090,596
Investment securities at amortized cost	35,113,765	-	-	-	-	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
	1,512,821,923	**-**	-	-	-	**1,512,821,923**
Total recognised financial instruments	**1,659,091,194**	**1,667,588,967**	**2,970,612**	**2,229,318**	**70,483,338**	**3,402,363,429**

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (CONTINUED)

5.1 Credit risk (Continued)

5.1.5 Credit quality analysis (Continued)

Loans and advances to customers: 2024 Credit quality	Grade A TZS 000	Grade B TZS'000	Neither past due nor impaired Grade C TZS 000	Grade D TZS'000	Past due but not impaired Grade D TZS'000	Total performing Grade D TZS'000
BCB and PPB						
- Vehicle asset finance	-	75,626,170		-	18,288,970	93,915,140
- Other loans and advances	-	354,711,354	19,134,750	-	33,083,186	406,929,290
		430,337,524	19,134,750	-	51,372,156	500,844,430
Corporate and investment banking						
- Corporate lending	190,209,543	774,601,095	262,804	-	4,150,948	969,224,390
	190,209,543	**1,204,938,619**	**19,397,554**	-	**55,523,104**	**1,470,068,820**
Other financial assets						
Cash and balances with Bank of Tanzania	227,166,392	-	-	-	-	227,166,392
Derivative financial assets	10,793,453	-	-	-	-	10,793,453
Loans and advances to banks	877,401,088	-	-	-	-	877,401,088
Investment securities at amortized cost	34,803,512	-	-	-	-	34,803,512
Investment in government securities						
- At FVTPL	101,014,957	-	-	-	-	101,014,957
- At FVTOCI	211,630,624	-	-	-	-	211,630,624
Other assets	15,326,676	-	-	-	-	15,326,676
	1,478,136,702	-	-	-	-	**1,478,136,702**
Total recognised financial instruments	**1,668,346,245**	**1,204,938,619**	**19,397,554**	-	**55,523,104**	**2,948,205,522**

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

5.1 Credit risk (Continued)

5.1.5 Credit quality analysis (Continued)

Loans and investment debt securities that are 'past due but not impaired' are those for which contractual interest or principal payments are past due but the bank believes that no objective evidence of impairment both qualitatively and quantitatively exists for impairment assessment to be conducted. The table below shows the aging of assets that are past due at the reporting date but not impaired, per class of financial assets, the financial assets excluded here are past due and impaired:

Ageing analysis	1 to 30 days TZS '000	1 to 30 days TZS '000	1 to 30 days TZS '000	1 to 30 days TZS '000
2025				
Loans and advances to customers:				
BCB and PPB	31,809,967	20,835,107	17,838,264	70,483,338
Corporate and Investment Banking	-	-	-	-
	31,809,967	20,835,107	17,838,264	70,483,338
Other assets	16,318,718	-	-	16,318,718
Total recognised financial instruments	**48,128,685**	**20,835,107**	**17,838,264**	**86,802,056**
2024				
Loans and advances to customers:				
BCB and PPB	36,819,685	11,474,546	3,077,925	51,372,156
Corporate and Investment Banking	4,150,947	-	-	4,150,947
	40,970,632	11,474,546	3,077,925	55,523,103
Other assets	15,326,676	-	-	15,326,676
Total recognised financial instruments	**56,297,308**	**11,474,546**	**3,077,925**	**70,849,779**

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (CONTINUED)

5.1 Credit risk (Continued)

5.1.5 Credit quality analysis (Continued)

Analysis of impaired loans and advances to customers is as follows:
The breakdown of the gross amount of impaired loans and advances (non-performing loans) by class is as follows:

	2025 TZS '000	2024 TZS '000
Loans and advances to custoers:		
BCB and PPB:		
- Vehicle asset financing	3,184,341	4,085,941
- Other loans and advances	42,624,970	38,184,224
	45,809,311	42,270,165
Corporate and Investment Banking:		
- Corporate lending	-	-
Total recognized financial instruments	**45,809,311**	**42,270,165**
Analysis by days past due		
Days past due above 90 days	42,624,970	15,393,802
Days past due less than 90 days (Qualitatively impaired)	3,184,341	26,876,363
	45,809,311	**42,270,165**

5.1.6 Foreclosed assets (collaterals) held on behalf of borrowers

During the year, the Bank exercised its rights to sell collateral held as security, obtaining the following collaterals for sale:

	Forced sale Value	
Nature of assets	**2025 TZS '000**	**2024 TZS '000**
Motor vehicles and heavy equipment	381,304	479,194
	381,304	479,194

Foreclosed assets are sold as soon as practicable, with the proceeds used to reduce the outstanding indebtedness.
As of 31 December 2025, no foreclosed assets were on the statement of financial position.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

5.1 Credit risk (Continued)

5.1.7 Collateral held

The Bank closely monitors collateral held for financial assets considered to be credit impaired, as it becomes likely that the bank will take possession of collateral to mitigate potential credit losses. Financial assets that are credit impaired and the related collateral held in order to mitigate potential losses are shown below:

2025	Gross exposure TZS'000	Impairment allowance TZS'000	Carrying amount TZS'000	Fair value of collateral held TZS'000
Credit impaired assets				
Loans to individuals:				
- Overdrafts	665,149	196,752	468,396	363,615
- Term loans	39,651,012	20,872,232	18,778,780	17,382,987
- Mortgages	3,698,032	2,108,363	1,589,670	905,494
	44,014,193	23,177,347	20,836,846	18,652,096
Loans to corporate entities:				
- Large corporate customers	-	-	-	-
- Small and medium-sized enterprises (SMEs)	1,795,118	1,139,201	655,916	545,287
	1,795,118	1,139,201	655,916	545,287
Total credit impaired assets	**45,809,311**	**24,316,548**	**21,492,762**	**19,197,383**

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (CONTINUED)

5.1 Credit risk (Continued)

5.1.7 Collateral held (Continued)

2024	Gross exposure TZS'000	Impairment allowance TZS'000	Carrying amount TZS'000	Fair value of collateral held TZS'000
Credit impaired assets				
Loans to individuals:				
- Overdrafts	22,298	20,355	1,943	-
- Term loans	5,340,011	4,813,074	526,937	3,399
- Mortgages	3,343,911	2,816,044	527,867	53,438
	8,706,220	7,649,473	1,056,747	56,837
Loans to corporate entities:				
- Large corporate customers				
- Small and medium-sized enterprises (SMEs)	33,563,945	12,540,497	21,023,448	19,807,642
	33,563,945	12,540,497	21,023,448	19,807,642
Total credit impaired assets	**42,270,165**	**20,189,970**	**22,080,195**	**19,864,479**

5.1.8 Off balance sheet exposure

	2025 TZS '000	2024 TZS '000
Commitment to extend credit	144,478,722	91,365,494
Guarantees and indemnities	1,524,080,182	1,425,841,230
Letters of credit	209,752,469	120,265,994
	1,878,311,373	**1,637,472,718**

Impairment relating to off-balance sheet exposures is disclosed under other liabilities.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

5.1 Credit risk (Continued)

5.1.9 Loss allowances

The loss allowance recognised is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and Lifetime ECL.
- Additional allowances for new financial instruments recognised during the year, as well as releases for financial instruments de-recognised in the year.
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the year, arising from regular refreshing of inputs to models.
- Impacts on the measurement of ECL due to changes made to models and assumptions.
- Discount unwind within ECL due to the passage of time, as ECL is measured on a present value basis.
- Foreign exchange retranslations for assets denominated in foreign currencies and other movements; and
- Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

5.1 Credit risk (Continued)

5.1.9 Loss allowances (Continued)

ECL reconciliation BCB and PPB	At 1 January 2025 TZS '000	Stage transfers TZS '000	New exposures TZS '000	Subsequent changes TZS '000	Due to derecognition TZS '000	Write offs TZS '000	Exchange rate and other movements TZS '000	At 31 December 2025 TZS '000
Vehicle and asset finance								
Stage 1	451,212	28,040	859,134	21,169	-	-	3,009	1,362,564
Stage 2	362,668	45,185	1,080,082	19,572	-	-	(158,971)	1,348,536
Stage 3	1,498,270	(73,225)	(500,353)	348,873	-	(192,728)	115,333	1,196,170
	2,312,150	-	1,438,863	389,614	-	(192,728)	(40,629)	3,907,270
Other loans and advances								
Stage 1								
Stage 2	4,683,549	1,878,590	(1,781,809)	1,587,485	-	-	(306,775)	6,061,041
Stage 3	7,723,605	683,681	(9,417,348)	4,148,977	-	-	212,419	3,351,334
Total	18,691,698	(2,562,271)	11,135,951	1,108,987	-	(5,762,840)	561,648	23,173,173
	31,098,852	-	(63,206)	6,845,449	-	(5,762,840)	467,292	32,585,548
CIB								
Stage 1	2,399,947							
Stage 2	147,731	(375,789)	(894,995)	865,947	729,141	-	(1,407,606)	1,316,645
Stage 3	-	375,789	-	360,795	659	-	(56,643)	828,331
Total	2,547,678	-	214,418	-	-	-	214,424	428,842
		-	(680,577)	1,226,742	729,800	-	(1,249,825)	2,573,818
Loans and advances to banks								
Stage 1	1,890,332	0	(476,531)	114	32,107	-	(220,849)	1,225,173
Stage 2	-	-	-	-	-	-	-	-
Total	1,890,332	0	(476,531)	114	32,107	0	(220,849)	1,225,173
Grand total	**37,849,011**	-	**218,549**	**8,461,919**	**761,907**	**(5,955,568)**	**(1,044,011)**	**40,291,808**

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

5.1 Credit risk (Continued)

5.1.9 Loss allowances (Continued)

ECL reconciliation BCB and PPB	At 1 January 2024 TZS '000	Stage transfers TZS '000	New exposures TZS '000	Subsequent changes TZS '000	Due to derecognition TZS '000	Write offs TZS '000	Exchange rate and other movements TZS '000	At 31 December 2024 TZS '000
Vehicle and asset finance								
Stage 1	132,280	172,380	-	319,532	-	-	172,381	796,573
Stage 2	288,902	(151,504)	-	(250,618)	-	-	1,317	(111,903)
Stage 3	13,035,207	(20,876)	(356,873)	1,697,508	-	(459,389)	2,769,639	16,665,216
	13,456,389	-	(356,873)	1,766,422	-	(459,389)	2,943,337	17,349,886
Other loans and advances								
Stage 1	6,520,364	301,431	3,496,122	(4,652,534)	-	-	(356,135)	5,309,248
Stage 2	6,110,494	(261,507)	-	1,783,008	-	-	(283,287)	7,348,708
Stage 3	10,799,399	(39,924)	(2,588,739)	12,140,504	-	(9,378,987)	(7,529,091)	3,403,162
Total	23,430,257	-	907,383	9,270,978	-	(9,378,987)	(8,168,513)	16,061,118
CIB								
Stage 1	4,775,358	134,644	840,580	(1,006,891)	(2,026,364)	-	(317,381)	2,399,946
Stage 2	251,890	(134,644)	74	316,377	(234,649)	-	(51,316)	147,732
Stage 3	-	-	-	-	-	-	-	-
Total	5,027,248	-	840,654	(690,514)	(2,261,013)	-	(368,697)	2,547,678
Loans and advances to banks								
Stage 1	16,802	-	1,361,792	60,132	25,592		425,599	1,889,917
Stage 2	344	-	-	67	-		1	412
Total	17,146	-	1,361,792	60,199	25,592	-	425,600	1,890,329
Grand total	**41,931,040**	-	**2,752,956**	**10,407,085**	**(2,235,421)**	**(9,838,376)**	**(5,168,273)**	**37,849,011**

*Reconciliations of the allowance for impairment losses for loans and advances to customers by class and for off balance sheet are included in note 22 and 34.1 respectively.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

5.1 Credit risk (Continued)

5.1.10 Concentration of risks of financial assets with credit risk exposure

(a) Geographical concentration

The following table breaks down the bank's main credit exposure at their gross amounts (except where indicated otherwise), as categorized by geographical region as of 31 December. For this table, the bank has allocated exposures to regions based on the country of domicile of its counterparties.

2025	Tanzania TZS'000	Europe TZS'000	US 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**	**68,327,495**	**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	**1,878,311,374**	-	-	-	-	**1,878,311,374**

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

5.1 Credit risk (Continued)

5.1.10 Concentration of risks of financial assets with credit risk exposure (Continued)

(a) Geographical concentration (Continued)

2024	Tanzania TZS'000	Europe TZS'000	US TZS'000	South Africa TZS'000	Others TZS'000	Total TZS'000
Balances with bank of Tanzania	227,166,392	-	-	-	-	227,166,392
Derivative financial assets	9,183,821	-	-	-	1,609,632	10,793,453
Loans and advances to banks	4,004,384	440,229,035	42,473,051	-	390,694,619	877,401,089
Loans and advances to customers:	-	-	-	-	-	-
- Loans to individuals and SME (gross)	578,055,521	-	-	-	-	578,055,521
- Loans to corporate entities (gross):	937,796,900	-	-	-	-	937,796,900
Investment securities at amortized cost	34,803,512	-	-	-	-	34,803,512
Investment in government securities						
- At FVTPL	101,014,957	-	-	-	-	101,014,957
- At FVOCI	211,896,993	-	-	-	-	211,896,993
Other assets	15,171,942	-	-	-	326,997	15,498,939
Total on balance sheet	**2,119,094,422**	**440,229,035**	**42,473,051**	-	**392,631,248**	**2,994,427,756**
Outstanding letters of credit	120,265,994	-	-	-	-	120,265,994
Guarantees and indemnities	1,425,841,230	-	-	-	-	1,425,841,230
Commitments to extend credit	91,365,494	-	-	-	-	91,365,494
Total off-balance sheet	**1,637,472,718**	-	-	-	-	**1,637,472,718**

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

5.1 Credit risk (Continued)

5.1.10 Concentration of risks of financial assets with credit risk exposure (Continued)

(b) Industry sectors

The following table breaks down the bank's main credit exposure at their carrying amounts (except where indicated otherwise), as categorised by the industry sectors of its counterparties.

2025	Government TZS '000	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	- -	- -					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**

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

5.1 Credit risk (Continued)

5.1.10 Concentration of risks of financial assets with credit risk exposure (Continued)

(b) Industry sectors (Continued)

2024	Government TZS '000	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	227,166,392	-	-	-	-	-	-	-	227,166,392
Loans and advances to banks	-	877,401,088	-	-	-	-	-	-	877,401,088
Loans and advances to		10,938,606	24,454,976	46,374,303	159,641,552	355,065,237	189,009,837	431,903,207	1,512,338,984
customers (gross)	294,951,266	34,803,512							34,803,512
Investment securities at amortized cost									
Investment in government securities									
-At FVTPL	101,014,957	-	-	-	-	-	-	-	101,014,957
-At FVTOCI	211,630,624	-	-	-	-	-	-	-	211,630,624
Other assets	-	-	-	-	-	-	-	15,325,676	15,325,676
Total on balance sheet	**834,763,239**	**923,143,206**	**24,454,976**	**46,374,303**	**159,641,552**	**355,065,237**	**189,009,837**	**447,228,883**	**2,979,681,233**
Outstanding letters of credit	-	-	222,910	-	-	16,090,304	-	103,952,780	120,265,994
Guarantees and indemnities	-	1,135,935,808	460,600	11,222,694	292,796	530,350	11,655,172	265,743,810	1,425,841,230
Commitments to extend credit	-	-	8,363,033	8,176,204	20,430,791	18,712,956	8,142,493	27,540,017	91,365,494
Total off-balance sheet	-	**1,135,935,808**	**9,046,543**	**19,398,898**	**20,723,587**	**35,333,610**	**19,797,665**	**397,236,607**	**1,637,472,718**

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

5.2 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.

5.2.1 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.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

5.2 Market risk (Continued)

5.2.1 Market risk measurement techniques (Continued)

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.

5.2.2 Foreign exchange risk

The bank takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Board sets limits on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily. The table below summarises the bank's exposure to foreign currency exchange rate risk at 31 December. Included in the table are the bank's financial instruments at carrying amount, categorised by currency.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (CONTINUED)

5.2 Market risk (Continued)

5.2.2 Foreign exchange risk (Continued)

At 31 December 2025	USD TZS'000	GBP TZS'000	EURO TZS'000	Others TZS'000	Total TZS'000
Cash and balances with Bank of Tanzania	52,440,570	1,408,012	1,125,008	1,462,976	56,436,566
Derivative financial assets	401,203	-	-	-	401,203
Loans and advances to banks	821,522,864	896,586	76,912,393	3,332,310	902,664,153
Loans and advances to customers (gross)	751,282,154	-	-	-	751,282,154
Investment securities at amortized cost	35,113,765	-	-	-	35,113,765
Investment in government securities					
- At FVTPL	(140)	-	-	(12)	(152)
- At FVTOCI	-	-	-	-	-
Other assets	826,676	2,836	20,958	(1,260)	849,210
	1,661,587,092	2,307,434	78,058,359	4,794,014	1,746,746,899
Derivative financial instruments	(376,217)	-	-	-	(376,217)
Deposits and balances due to banks	(119,981,339)	(1,160)	(654,110)	(784,969)	(121,421,578)
Deposits from customers	(1,273,964,502)	(2,388,740)	(76,082,653)	(3,319,785)	(1,355,755,680)
Other liabilities	(6,241,457)	(75,730)	(207,132)	(1,255,986)	(7,780,305)
Lease liabilities	-	-	-	-	-
Borrowings	-	-	-	-	-
	(1,400,563,515)	(2,465,630)	(76,943,895)	(5,360,740)	(1,485,333,780)
Net on balance sheet	**260,349,338**	**(158,196)**	**1,767,398**	**(566,674)**	**261,391,866**
Outstanding letters of credit	205,696,529	-	2,474,816	-	208,171,345
Guarantees and indemnities	630,634,646	-	7,879,023	2,870,995	641,384,664
Commitments to extend credit	63,343,384	-	-	-	63,343,384
Net off balance sheet	**899,674,559**	**-**	**10,353,839**	**2,870,995**	**912,899,393**

The sensitivity to a change of exchange rates by +/-1%, with all other variables held constant, the profit before tax will be higher or lower by TZS 2,614 million while equity will be higher or lower by TZS 1,830 million.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

5.2 Market risk (Continued)

5.2.2 Foreign exchange risk (Continued)

At 31 December 2024	USD TZS'000	GBP TZS'000	EURO TZS'000	Others TZS'000	Total TZS'000
Cash and balances with Bank of Tanzania	59,450,089	589,575	2,522,463	1,163,787	63,725,914
Derivative financial assets	371,953	-	-	-	371,953
Loans and advances to banks (gross)	813,044,962	1,394,802	54,461,835	3,748,040	872,649,639
Loans and advances to customers (gross)	705,736,129	-	789,789	-	706,525,918
Investment securities at amortized cost	34,803,512	-	-	-	34,803,512
Other assets	158,309	-	-	-	158,309
	1,613,564,954	1,984,377	57,774,087	4,911,827	1,678,235,245
Derivative financial liabilities	(371,953)	-	-	-	(371,953)
Deposits and balances due to banks	(45,596,460)	(1,073)	(790,823)	(714,772)	(47,103,128)
Deposits from customers	(1,220,787,288)	(1,918,869)	(56,480,023)	(1,535,512)	(1,280,721,692)
Other liabilities	(7,611,326)	16,345	(188,566)	(2,330,021)	(10,113,568)
Lease liabilities	-	-	-	-	-
Borrowings	(196,564,253)	-	-	-	(196,564,253)
	(1,470,931,280)	(1,903,597)	(57,459,412)	(4,580,305)	(1,534,874,594)
Net on balance sheet	**142,633,674**	**80,780**	**314,675**	**331,522**	**143,360,651**
Outstanding letters of credit	117,300,887	-	775,348	-	118,076,235
Guarantees and indemnities	592,967,955	-	12,740,191	2,811,434	608,519,580
Commitments to extend credit	53,131,837	-	-	-	53,131,837
Net off balance sheet	**763,400,679**	**-**	**13,515,539**	**2,811,434**	**779,727,652**

The sensitivity to a change of exchange rates by +/-1%, with all other variables held constant, the profit before tax will be higher or lower by TZS 1,434 million while equity will be higher or lower by TZS 1,004 million.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

5.2 Market risk (Continued)

5.2.3 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 bank takes 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 reduce losses in the event that unexpected movements arise. The Board sets limits on the level of mismatch of interest rate re-pricing that may be undertaken, which is monitored daily by the bank. The table below summarises the bank's exposure to interest rate risks. It includes the bank's financial instruments at carrying amounts, categorised by maturity dates. The bank does not bear an interest rate risk on off balance sheet items:

At 31 December 2025	Up to 1 month TZS '000	1 - 3 months TZS '000	3 - 12 months TZS '000	1 – 5 years TZS '000	Over 5 years TZS '000	Non-interest bearing TZS '000	Total TZS '000
Assets							
Cash and balances with Bank of Tanzania	-	-	-	-	-	238,249,420	238,249,420
Derivative financial instruments	2,791,339	5,571,829	16,662,770	1,901,962	-	-	26,927,900
Loans and advances to banks (gross)	570 ,461,288	99,965,704	211,072,696	-	-	62,593,507	944,093,195
Loans and advances to customers (gross)	327,348,486	112,715,659	218,971,079	734,665,320	541,650,272	-	1,935,350,816
Investment securities at amortized cost	-	-	-	35,113,765	-	-	35,113,765
Investment in government securities							
- At FVTPL	10,952,745	10,915,342	3,936,695	11,025,096	-	-	36,829,878
- At FVOCI	53,844,143	46,858,152	15,746,781	101,125,094	-	-	217,574,170
Other assets	-	-	-	-	-	16,318,718	16,318,718
Total assets	**965,398,001**	**276,026,686**	**466,390,021**	**883,831,237**	**541,650,272**	**317,161,645**	**3,450,457,862**

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

5.2 Market risk (Continued)

5.2.3 Interest rate risk (Continued)

At 31 December 2025	Up to 1 month TZS '000	1 - 3 months TZS '000	3 - 12 months TZS '000	1 – 5 years TZS '000	Over 5 years TZS '000	Non-interest bearing TZS '000	Total TZS '000
Liabilities							
Derivative financial liabilities	(773,185)	(267,821)	(47,940)	(14,543,266)	-	-	(15,632,211)
Deposits and balances due to banks	(287,233,814)	-	-	-	-	-	(287,233,814)
Deposits from customers	(1,680,129,810)	(104,327,918)	(75,192,066)	(237,012,998)	(345,860,356)	-	(2,442,523,148)
Other liabilities	-	-	-	-	-	(34,148,461))	(34,148,461)
Lease liability	-	-	-	-	-	(15,919,785)	(15,919,785)
Borrowings	-	-	-	(39,294,580)	(27,465,949)	-	(66,760,529)
Total financial liabilities	**(1,968,136,809)**	**(104,595,739)**	**(75,240,006)**	**(290,850,844)**	**(373,326,305)**	**(50,068,246)**	**(2,862,217,948)**
Total interest repricing gap	**(1,002,738,808)**	**171,430,947**	**391,150,015**	**592,980,393**	**168,323,967**	**267,093,399**	**588,239,914**

The sensitivity to a change of interest rate by +/-1%, with all other variables held constant, the profit before tax will be higher or lower by TZS 3,211 million and equity will be higher or lower by TZS 2,247 million.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

5.2 Market risk (Continued)

5.2.3 Interest rate risk

At 31 December 2024	Up to 1 month TZS '000	1 - 3 months TZS '000	3 - 12 months TZS '000	1 – 5 years TZS '000	Over 5 years TZS '000	Non-interest bearing TZS '000	Total TZS '000
Assets							
Cash and balances with Bank of Tanzania	-	-	-	-	-	227,166,392	227,166,392
Derivative financial instruments	2,392,784	8,388,445	12,223	-	-	-	10,793,452
Loans and advances to banks (gross)	410,883,701	295,929,977	86,040,716	-	-	84,546,695	877,401,089
Loans and advances to customers (gross)	241,985,594	127,528,597	188,754,372	395,468,224	562,115,634	-	1,515,852,421
Investment securities at amortized cost	-	-	-	34,803,512	-	-	34,803,512
Investment in government securities							
- At FVTPL	5,179,380	8,007,813	86,649,406	1,458,618	-	-	101,295,217
- At FVOCI	6,138,418	55,250,572	127,948,855	22,559,148	-	-	211,896,993
Other assets	-	-	-	-	-	15,498,939	15,498,939
Total assets	**666,579,877**	**495,105,404**	**489,405,572**	**454,289,502**	**562,115,634**	**327,212,026**	**2,994,708,015**

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

5.2 Market risk (Continued)

5.2.3 Interest rate risk

At 31 December 2024	Up to 1 month TZS '000	1 - 3 months TZS '000	3 - 12 months TZS '000	1 – 5 years TZS '000	Over 5 years TZS '000	Non-interest bearing TZS '000	Total TZS '000
Liabilities							
Derivative financial liabilities	(968,752)	(241,471)	(895,934)	-	-	-	(2,106,157)
Deposits and balances due to banks	(8,918,876)	-	-	-	-	(98,859,667)	(107,778,543)
Deposits from customers	(1,543,360,284)	(62,335,819)	(44,421,249)	(103,483,332)	(351,854,450)	-	(2,105,455,134)
Other liabilities	-	-	-	-	-	(34,755,246)	(34,755,246)
Lease liability	-	-	-	-	-	(20,780,358)	(20,780,358)
Borrowings	-	-		-	(235,908,514)	-	(235,908,514)
Total financial liabilities	**(1,553,247,912)**	**(62,577,290)**	**(45,317,183)**	**(103,483,332)**	**(587,762,964)**	**(154,395,271)**	**(2,506,783,952)**
Total interest repricing gap	**(886,668,035)**	**432,528,114**	**444,088,389**	**350,806,170**	**(25,647,330)**	**172,816,755**	**487,924,063**

The sensitivity to a change of interest rate by +/-1%, with all other variables held constant, the profit before tax will be higher or lower by TZS 3,151 million and equity will be higher or lower by TZS 2,205 million.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

5.3 Liquidity risk

Liquidity risk is the risk that 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 consequence may be the failure to meet obligations to repay depositors and fulfill commitments to lend.

5.3.1 Liquidity risk management process

ALCO sets the bank's strategy, policies and procedures for managing liquidity risk and submit to the Board for approval. The Board approves the bank's strategy, policies and procedures for managing liquidity risk and delegates the responsibility for implementation of the policies to ALCO. Global Markets department manages the bank's liquidity position on a day-to-day basis and reviews daily reports covering the liquidity position of the bank.

The bank's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the bank's reputation. The key elements of the bank's liquidity strategy are as follows.

- Maintaining a diversified funding base consisting of customer deposits (both retail and corporate) and wholesale market deposits and maintaining contingency facilities.
- Carrying a portfolio of highly liquid assets, diversified by currency and maturity.
- Monitoring liquidity ratios, maturity mismatches, behavioral characteristics of the bank's financial assets and financial liabilities, and the extent to which the bank's assets are encumbered and so not available as potential collateral for obtaining funding as well as ensuring compliance to regulatory requirements.
- Carrying out stress testing of the bank's liquidity position
- Day-to-day funding managed by monitoring future cash flows to ensure that requirements can be met. These include replenishment of funds as they mature or are borrowed by customers. The bank maintains an active presence in money markets to enable this to happen.
- Managing the concentration and profile of debt maturities.

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets (note 5.3).
The bank also monitors unmatched medium-term assets, the level and type of undrawn lending commitments, the usage of overdraft facilities and the impact of contingent liabilities such as standby letters of credit and guarantees.

5.3.2 Funding approach

Sources of liquidity are regularly reviewed by a separate Treasury/ALCO team to maintain a wide diversification by currency, geography, provider, product and term.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

5.3 Liquidity risk (Continued)

5.3.3 Non-derivative cash flows

The table below presents the cash flows payable by the bank under non-derivative financial liabilities by remaining contractual maturities at reporting date. The amounts disclosed in the table are the contractual cash flows as the bank manages the inherent liquidity risk based on expected cash inflows.

At 31 December 2025	Up to 1 month TZS '000	1 - 3 months TZS '000	3 - 12 months TZS '000	1 – 5 years TZS '000	Over 5 years TZS '000	Total TZS '000
Liabilities						
Deposits and balances due to banks	(287,456,770)	-	-	-	-	(287,456,770)
Deposits from customers	(1,684,784,548)	(109,386,144)	(95,065,673)	(239,721,323)	(345,860,356)	(2,474,818,044)
Other liabilities	(32,892,475)	(1,255,986)	-	-	-	(34,148,461)
Lease liability	-	-	(328,577)	(16,693,787)	(231,606)	(17,253,970)
Borrowings	-	(942,725)	(6,582,693)	(111,766,132)	-	(119,291,550)
Total liabilities (contractual maturity dates)	**(2,005,133,793)**	**(111,584,855)**	**(101,976,943)**	**(368,181,242)**	**(346,091,962)**	**(2,932,968,795)**
Assets						
Cash and balances with Bank of Tanzania	238,249,420	-	-	-	-	238,249,420
Loans and advances to banks	633,054,794	99,965,704	211,072,696	-	-	944,093,194
Loans and advances to customers	116,807,055	181,800,995	227,495,657	2,033,092,928	1,631,557,633	4,190,754,269
Investment securities at amortized cost	-	-	1,531,406	37,410,874	-	38,942,280
Investment in government securities						
- At FVTPL	10,952,745	10,915,342	3,936,695	11,025,096	-	36,829,878
- At FVTOCI	54,384,143	49,855,876	22,742,897	108,000,737	-	234,983,653
Other assets	16,318,718	-	-	-	-	16,318,718
Total assets (expected maturity dates)	**1,069,766,875**	**342,537,917**	**466,779,351**	**2,189,529,635**	**1,631,557,633**	**5,700,171,412**
Maturity gap	**(935,366,918)**	**230,953,062**	**364,802,408**	**1,821,348,393**	**1,285,465,671**	**2,767,202,617**

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

5.3 Liquidity risk (Continued)

5.3.3 Non-derivative cash flows (Continued)

At 31 December 2024	Up to 1 month TZS '000	1 - 3 months TZS '000	3 - 12 months TZS '000	1 – 5 years TZS '000	Over 5 years TZS '000	Total TZS '000
Liabilities						
Deposits and balances due to banks	(107,792,926)	-	-	-	-	(107,792,926)
Deposits from customers	(1,545,378,143)	(63,901,263)	(61,409,483)	(93,049,608)	(364,148,733)	(2,127,887,230)
Other liabilities	(32,425,225)	(2,330,021)	-	-	-	(34,755,246)
Lease liability	-	-	(161,175)	(17,414,920)	(4,869,686)	(22,445,781)
Borrowings	-	(116,584)	(5,336,615)	(34,503,995)	(226,036,728)	(265,993,922)
Total liabilities (contractual maturity dates)	**(1,685,596,294)**	**(66,347,868)**	**(66,907,273)**	**(144,968,523)**	**(595,055,147)**	**(2,558,875,105)**
Assets						
Cash and balances with Bank of Tanzania	227,166,392	-	-	-	-	227,166,392
Loans and advances to banks	410,883,701	295,929,977	86,040,716	-	-	792,854,394
Loans and advances to customers	237,808,360	431,153,222	1,354,476,727	332,368,879	1,415,026,388	3,770,833,576
Investment securities at amortized cost	-	-	1,515,938	38,903,609	-	40,419,547
Investment in government securities						
- At FVTPL	5,179,380	8,007,813	86,649,406	1,458,618	-	101,295,217
- At FVTOCI	6,518,418	56,470,572	130,330,855	25,683,148	-	219,002,993
Other assets	15,498,939	-	-	-	-	15,498,939
Total assets (expected maturity dates)	**903,055,190**	**791,561,584**	**1,659,013,642**	**398,414,254**	**1,415,026,388**	**5,167,071,058**
Maturity gap	**(782,541,104)**	**725,213,716**	**1,592,106,369**	**253,445,731**	**819,971,241**	**2,608,195,953**

*Restated to present the undiscounted cashflow position to comply with IFRS 7.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

5.3 Liquidity risk (Continued)

5.3.3 Non-derivative cash flows (Continued)

Assets available to meet all of the liabilities and to cover outstanding loan commitments include cash, central bank balances (excluding statutory minimum reserve), 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 bank would also be able to meet unexpected net cash outflows by selling securities and accessing additional funding sources such as asset-backed markets.

5.3.4 Derivative cash flows

The bank's foreign exchange derivatives (currency forward, currency swaps) will be settled on net basis while the interest rate derivatives (cross currency interest rate swaps) will be settled on gross basis. The table below analyses the bank's derivative financial instruments that will be settled on gross and net basis into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

At 31 December 2025	Up to 1 month TZS '000	1 - 3 months TZS '000	3 - 12 months TZS '000	1 – 5 years TZS '000	Total TZS '000
Foreign exchange derivatives: (currency forward and currency swaps)					
- Outflow	(110,019,074)	(186,301,694)	(142,312,500)	(128,922,000)	(567,555,169)
- Inflow	112,043,903	192,055,778	146,373,594	123,750,000	574,223,274
Interest rate derivatives (cross currency interest rate swaps)					
- Outflow	-	(235,125,002)	-	-	(235,125,002)
- Inflow	-	235,125,002	-	-	235,125,002
Commodity derivatives (options)					
- Outflow	-	(286,481,257)	-	-	(286,481,257)
- Inflow	-	286,481,257	-	-	286,481,257
Total outflow	**(110,019,074)**	**(707,907,953)**	**(142,312,500)**	**(128,922,000)**	**(1,089,161,428)**
Total inflow	**112,043,903**	**713,662,037**	**146,373,594**	**123,750,000**	**1,095,829,533**

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

5.3 Liquidity risk (Continued)

5.3.4 Derivative cash flows (Continued)

At 31 December 2024	Up to 1 month TZS '000	1 - 3 months TZS '000	3 - 12 months TZS '000	1 – 5 years TZS '000	Total TZS '000
Foreign exchange derivatives: (currency forward and currency swaps)					
- Outflow	(29,585,047)	(89,793,963)	(267,508)	-	(119,646,518)
- Inflow	31,987,440	97,586,788	273,670	-	129,847,898
Interest rate derivatives (cross currency interest rate swaps)	-	(319,272)	-	-	(319,272)
- Outflow	-	319,272	-	-	319,272
- Inflow					
Commodity derivatives (options)					
- Outflow	-	(91,874,992)	-	-	(91,874,992)
- Inflow	-	91,874,992	-	-	91,874,992
Total outflow	**(29,585,047)**	**(181,988,227)**	**(267,508)**	-	**(211,840,782)**
Total inflow	**31,987,440**	**189,781,052**	**273,670**	-	**222,042,162**

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

5.3 Liquidity risk (Continued)

5.3.5 Off-balance sheet items

Loan commitments, financial guarantees, other financial facilities, and capital commitments for the acquisition of equipment are summarised in the table below based on their respective earliest contractual maturity dates.

At 31 December 2025	No later than 1 year TZS '000	1 – 5 years TZS '000	Total TZS '000
Outstanding letters of credit	209,752,469	-	209,752,469
Guarantees and indemnities	802,775,750	721,304,432	1,524,080,182
Commitments to extend credit	144,478,722	-	144,478,722
Capital commitments	4,741,557	-	4,741,557
	1,161,748,498	**721,304,432**	**1,883,052,930**

At 31 December 2024	No later than 1 year TZS '000	1 – 5 years TZS '000	Total TZS '000
Outstanding letters of credit	120,265,994	-	120,265,994
Guarantees and indemnities	685,683,454	740,157,776	1,425,841,230
Commitments to extend credit	91,365,494	-	91,365,494
Capital commitments	2,859,141	-	2,859,141
	900,174,083	**740,157,776**	**1,640,331,859**

5.4 Operational risk

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:

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

5.3 Liquidity risk (Continued)

5.3.4 Derivative cash flows (Continued)

- 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.

5.5 Financial instruments by category

At 31 December 2025	Fair value through profit or loss TZS '000	Amortised cost TZS '000	Fair value through OCI TZS '000	Total carrying amount TZS '000
Financial assets				
Cash and balances with Bank of Tanzania	-	238,249,420	-	238,249,420
Derivative financial assets	26,927,900	-	-	26,927,900
Loans and advances to banks	-	942,865,423	-	942,865,423
Loans and advances to customers-net	-	1,896,284,182	-	1,896,284,182
Investment securities at amortized cost	-	35,113,765	-	35,113,765
Investment in government securities				
- At FVTPL	36,829,879	-	-	36,829,879
- At FVTOCI	-	-	217,574,169	217,574,169
Other assets	-	16,318,718	-	16,318,718
	63,757,779	**3,128,831,508**	**217,574,169**	**3,410,163,456**
Financial liabilities				
Derivative financial liabilities	(15,632,211)	-	-	(15,632,211)
Deposits and balances due to banks	-	(287,233,814)	-	(287,233,814)
Deposits from customers	-	(2,442,523,148)	-	(2,442,523,148)
Other liabilities	-	(34,148,461)	-	(34,148,461)
Lease liability	-	(15,919,785)	-	(15,919,785)
Borrowings	-	(66,760,529)	-	(66,760,529)
	(15,632,211)	**(2,846,585,737)**	-	**(2,862,217,948)**

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

5.5 Financial instruments by category (Continued)

At 31 December 2024	Fair value through profit or loss TZS '000	Amortised cost TZS '000	Fair value through OCI TZS '000	Total carrying amount TZS '000
Financial assets				
Cash and balances with Bank of Tanzania	-	227,166,392	-	227,166,392
Derivative financial assets	10,793,453	-	-	10,793,453
Loans and advances to banks	-	876,082,167	-	876,082,167
Loans and advances to customers-net	-	1,475,808,894	-	1,475,808,894
Investment securities at amortized cost	-	34,803,512	-	34,803,512
Investment in government securities				
- At FVTPL	101,295,217	-	-	101,295,217
- At FVTOCI	-	-	211,630,624	211,630,624
Other assets	-	15,325,676	-	15,325,676
	112,088,670	**2,629,186,641**	**211,630,624**	**2,952,905,935**
Financial liabilities				
Derivative financial liabilities	(2,106,157)	-	-	(2,106,157)
Deposits and balances due to banks	-	(107,778,542)	-	(107,778,542)
Deposits from customers	-	(2,144,799,395)	-	(2,144,799,395)
Other liabilities	-	(34,755,246)	-	(34,755,246)
Lease liability	-	(20,780,358)	-	(20,780,358)
Borrowings	-	(196,564,253)	-	(196,564,253)
	(2,106,157)	**(2,504,677,794)**	-	**(2,506,783,951)**

5.6 Fair value of financial assets and liabilities
Accounting classification and fair value of financial assets and liabilities

The bank does not have a very accurate basis for calculating the fair value of the other financial instruments at amortised cost. However, its overall assessment is that their fair values would not be significantly different from the amortised cost at which they are stated because the majority are short term or repeat in the short term.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

5.6 Fair value of financial assets and liabilities (Continued)

Accounting classification and fair value of financial assets and liabilities (Continued)

The table below summarises the carrying amounts and fair values of financial assets and liabilities.

At 31 December 2025	Fair value through profit or loss TZS '000	Amortised cost TZS '000	Fair value through OCI TZS '000	Total carrying amount TZS '000	Fair value TZS '000
Financial assets					
Cash and balances with Bank of Tanzania *	-	238,249,420	-	238,249,420	238,249,420
Derivative financial assets	24,992,299	-	-	24,992,299	24,992,299
Loans and advances to banks *	-	942,865,423	-	942,865,423	942,865,423
Loans and advances to customers	-	1,896,284,182	-	1,896,284,182	1,896,284,182
Investment securities at amortized cost	-	35,113,765		35,113,765	35,113,765
Investment in government securities					
- At FVTPL **	36,482,956	-	-	36,482,956	36,482,956
- At FVOCI	-	-	217,574,169	217,574,169	217,574,169
Other assets	-	16,318,718	-	16,318,718	16,318,718
	61,475,255	**3,128,831,508**	**217,574,169**	**3,407,880,932**	**3,407,880,932**
Financial liabilities					
Derivative financial liabilities	15,632,211	-	-	15,632,211	15,632,211
Deposits and balances due to banks *	-	287,233,814	-	287,233,814	287,233,814
Deposits from customers*	-	2,442,523,148	-	2,442,523,148	2,442,523,148
Other liabilities	-	34,138,461	-	34,138,461	34,138,461
Lease liability		15,919,785	-	15,919,785	15,919,785
Borrowings*	-	66,760,529	-	66,760,529	66,760,529
	15,632,211	**2,846,575,737**	-	**2,862,207,948**	**2,862,207,948**

* The disclosed fair value of these financial assets and financial liabilities measured at amortised cost approximate their fair values as their related interest rates approximate the industry rates. Cash and balances with Bank of Tanzania, deposit from banks as well as loans advances to banks (short term placements) also approximate their fair values. Borrowings have a floating interest rate hence their carrying amounts approximates fair value.
**Figures net of bid offer spread provision.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

5.6 Fair value of financial assets and liabilities (Continued)

Accounting classification and fair value of financial assets and liabilities (Continued)

At 31 December 2024	Fair value through profit or loss TZS '000	Amortised cost TZS '000	Fair value through OCI TZS '000	Total carrying amount TZS '000	Fair value TZS '000
Financial assets					
Cash and balances with Bank of Tanzania *	-	227,166,392	-	227,166,392	227,166,392
Derivative financial assets	10,793,453	-	-	10,793,453	10,793,453
Loans and advances to banks *	-	876,082,167	-	876,082,167	876,082,167
Loans and advances to customers	-	1,475,808,894	-	1,475,808,894	1,475,808,894
Investment securities at amortized cost	-	34,803,512	-	34,803,512	34,803,512
Investment in government securities					
- At FVTPL **	101,295,217	-	-	101,295,217	101,295,217
- At FVOCI	-	-	211,630,624	211,630,624	211,630,624
Other assets	-	15,325,676	-	15,325,676	15,325,676
	112,088,670	**2,629,186,641**	**211,630,624**	**2,952,905,935**	**2,952,905,935**
Financial liabilities					
Derivative financial liabilities	2,106,157	-	-	2,106,157	2,106,157
Deposits and balances due to banks *	-	107,778,542	-	107,778,542	107,778,542
Deposits from customers*	-	2,105,455,134	-	2,105,455,134	2,105,455,134
Other liabilities	-	34,755,246	-	34,755,246	34,755,246
Lease liability		20,780,358		20,780,358	20,780,358
Borrowings*	-	235,908,514	-	235,908,514	235,908,514
	2,106,157	**2,504,677,794**	**-**	**2,506,783,951**	**2,506,783,951**

* The disclosed fair value of these financial assets and financial liabilities measured at amortised cost approximate their fair values as their related interest rates approximate the industry rates. Cash and balances with Bank of Tanzania, deposit from banks as well as loans advances to banks (short term placements) also approximate their fair values. Borrowings have a floating interest rate hence their carrying amounts approximates fair value.
**Figures net of bid offer spread provision.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

5.6 Fair value of financial assets and liabilities (Continued)

Valuation models or techniques

The bank measures fair values using the fair value hierarchy, which reflects the significance of the inputs used in making the measurements as specified by IFRS 13 where the valuation models or techniques should be based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the bank's market assumptions. The hierarchy is explained below.

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes debt instruments on exchanges.

- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data. The sources of input parameters like LIBOR yield curve or counterparty credit risk are Reuters.

- Level 3 – inputs for the instruments that are not based on observable market data (unobservable inputs). This category includes all assets or liabilities for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

5.6 Fair value of financial assets and liabilities (Continued)

5.6.1 Assets and liabilities measured at fair value

At 31 December 2025	Level 1 TZS '000	Level 2 TZS '000	Level 3 TZS '000	Total TZS '000
Financial assets held for trading:				
– Derivatives financial asset	-	24,992,299	-	24,992,299
– Government securities at FVTPL	-	36,482,956	-	36,482,956
Financial assets at fair value through OCI:				
– Government securities at FVOCI	-	217,574,169	-	217,574,169
Total	-	**279,049,424**	-	**279,049,424**
Financial liability at fair value through profit or loss				
– Derivatives financial liability	-	-	15,632,211	15,632,211
Total	-	-	**15,632,211**	**15,632,211**

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

5.6 Fair value of financial assets and liabilities (Continued)

5.6.1 Assets and liabilities measured at fair value (Continued)

At 31 December 2024	Level 1 TZS '000	Level 2 TZS '000	Level 3 TZS '000	Total TZS '000
Financial assets held for trading:				
– Derivatives financial asset	-	10,793,453	-	10,793,453
– Government securities at FVTPL	-	101,014,957	-	101,014,957
Financial assets at fair value through OCI:				
– Government securities at FVOCI	-	211,630,624	-	211,630,624
Total	-	**323,439,034**	-	**323,439,034**
Financial liability at fair value through profit or loss				
– Derivatives financial liability	-	-	2,106,157	2,106,157
Total	-	-	**2,106,157**	**2,106,157**

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

5.7 Climate-related risk

Climate- related risks are potential negative impacts on the Bank arising from climate change. Climate-related risks have an impact on all the principal risk categories (i.e. credit, liquidity, and market risks), but due to their pervasive nature have been identified and managed by the bank on an overall basis.

The bank distinguishes between physical risks and transition risks. Physical risks arise as the result of acute weather events such as hurricanes, floods and wildfires, and longer-term shifts in climate-related patterns.

Transition risks arise as a result of measures taken to mitigate the effects of climate change and transition to a low-carbon economy e.g. changes to laws and regulations, litigation due to failure to mitigate or adapt, and shifts in supply and demand for certain commodities, product and services due to changes in consumer behavior and investor demand. The bank has set up a SEE Forum which among other duties is responsible for developing policies, processes and controls to incorporate climate-related risks in the management of principal risk categories.

The bank has developed a climate-relate risk policy for identifying risk factors and assessing their potential impact on the bank's financial statements and allocating responsibilities for managing each identified risk factor.

The bank has identified the following climate-related risk factors as having an impact on the Bank's financial instruments and included them in its principal risk management processes.

- **Industries exposed to increased transition risks:** The bank has identified industries that are subject to increased risk of climate-related regulation negatively affecting their business model.
- **Physical risk:** The bank has identified areas in which it operates that are exposed to increased physical risk. Heightened physical risk is considered in valuing collateral, such as real estate, plant or inventory.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

5.8 Capital management

The bank's objectives when managing capital, which is a broader concept than the 'equity' on the face of statement of financial position, are:

- to comply with the capital requirements set by the regulator of the banking markets where the bank operates (Bank of Tanzania).
- to safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored daily by the bank's management, employing techniques based on the guidelines developed by the Basel Committee, as implemented by the Bank of Tanzania (BoT), for supervisory purposes. The required information is filed with the BoT on a quarterly basis.

The BoT requires each bank or banking group to: (a) hold the minimum level of the regulatory capital of TZS 15 billion, and (b) maintain a ratio of total regulatory capital to the risk-weighted asset that comply with BoT minimum ratios.

The bank's regulatory capital is divided into two tiers:

- **Tier 1 capital:** share capital, retained earnings and reserves created by appropriations of retained earnings. Intangible assets, prepaid expenses and deferred charges are deducted in arriving at Tier 1 capital; and
- **Tier 2 capital:** qualifying subordinated loan capital, collective impairment allowances.

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.

The bank implemented the BOT changes published on 23 November 2024, effective 1 April 2025, in accordance with the revised regulations and new guidelines developed in line with the requirements of Basel II and III standards. The new regulations revoked the Banking and Financial Institutions (Capital Adequacy) Regulations, 2014.

The table below summarises the composition of regulatory capital and the ratios of the bank. During the period, the bank complied with all of the regulatory imposed capital requirements to which it is subject.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (CONTINUED)

5.8 Capital management (Continued)

Tier 1 capital	2025 TZS '000	2024 TZS '000
Share capital and share premium	120,796,480	120,796,480
Retained earnings	488,031,417	401,145,788
Prepaid expenses	(7,651,238)	(4,815,248)
Deferred tax asset	(31,165,689)	(22,822,316)
Total qualifying Tier 1 capital	**570,010,970**	**494,304,704**
Tier 2 capital		
Subordinated debt	-	-
Total qualifying Tier 2 capital	-	-
Total regulatory capital	570,010,970	494,304,704
Risk-weighted assets		
- On-balance sheet	1,715,211,658	1,289,809,705
- Off-balance sheet	396,046,461	805,019,070
Operational risk	164,228,109	177,368,932
Market risk	54,747,906	26,474,980
Total risk-weighted assets	**2,330,234,134**	**2,298,672,687**

	Bank's Ratio 2025 %	Bank's Ratio 2025 %	Bank's Ratio 2025 %
Tier 1 capital	**12.5**	**24.5%**	**24.5%**
Tier 1 + Tier 2 capital	**14.5**	**24.5%**	**24.5%**

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the financial statements, estimates and assumptions are made that could materially affect the reported amounts of assets and liabilities. Estimates and judgements are continually evaluated and are based on factors such as historical experience and current best estimates of future events. While models have been enhanced, no material changes to assumptions have occurred since year-end. The following represents the most material key management assumptions applied in preparing these financial statements.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

a) Expected credit losses on loans and advances (IFRS 9)

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.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

a) Expected credit losses on loans and advances (IFRS 9) (Continued)

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.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

a) Expected credit losses on loans and advances (IFRS 9) (Continued)

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 were applied in the determination of the ECL at the reporting date. A range of base, bull and bear forward looking economic expectations were determined, as at 31 December 2025, for inclusion in the bank's forward-looking process and ECL calculation:

Tanzania economic expectation

- The base case: The Bank of Tanzania and International forecasters (IMF, World Bank) project continued strong growth in the mid-6% range, reflecting robust performance in agriculture, mining, construction and Services. Inflation is expected to remain comfortable within BoT target range (3-5%) due to stable food prices and sound monetary policy Fiscal discipline and declining debt ratios support credit conditions. External current account stability and moderate inflation mitigate exchange rate stress. This scenario implies stable PDs, modest credit expansion, and controlled credit risk; expected credit losses remain at baseline historic levels (e.g. Single digit % of exposure depending on portfolio) . Base case holds a probability of 60%.
- The bull case: assuming faster investment uptake (e.g. Successful LNG and Agriculture projects), strong tourism rebound, and better global demand for African exports. Some policymakers' analysts see higher growth momentum than baseline. Expected stable inflation (2.5-3.5%) if commodity prices (especially food and energy) remain subdued and productivity increases take hold. Strong investor confidence, accommodative credit policies, and good weather conditions bolster economic performance. Lower PDs and LGDs than base, higher recoveries, improved portfolio performance – ECL rates could fall meaningfully compared to base (e.g.10-30% lower PD assumptions, subject to portfolio mix).Bull case holds a probability of 10%.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

a) Expected credit losses on loans and advances (IFRS 9) (Continued)

The Bank's forward-looking economic expectations (Continued)

Tanzania economic expectation (Continued)

- The bear case, assigned to a probability of 20%, assumes the occurrence of significant external shocks such as a global economic slowdown, supply chain disruptions, weak commodity prices, adverse weather conditions (e.g., drought affecting agriculture), and geopolitical risks. These factors would dampen domestic demand and investment activity. Global growth projections indicate broader downside risks, with forecasts ranging between 2.6% and 2.7%, which could transmit to the local economy. Inflation is projected to range between 4.0% and 7.0%, with upward pressure on prices arising from weather-related food supply disruptions and potential depreciation of the Tanzanian shilling, which would increase imported inflation. Additionally, tightening global financial conditions may result in reduced foreign direct investment (FDI) and remittance inflows, alongside a higher cost of credit.
- ECL Implication; Under this scenario, elevated credit risk would likely materialize through higher probabilities of default (PDs) and loss given default (LGDs) due to borrower stress. Slower recovery rates and rising non-performing loans (NPLs) would further strain asset quality. Consequently, Expected Credit Losses (ECL) could be significantly higher than in the base case, with PDs and LGDs potentially increasing by 1.5 to 2 times their baseline levels under severe stress conditions.

Main Macroeconomic Factors

In its ECL models, the bank applied Private Sector Credit Ratios (PSCR) and 6 months Tbill rates as its macros in its determination of forwarding looking probability of default.

Table (a) shows the main macroeconomic factors used to estimate the allowances for credit losses on loans. The table shows for each scenario, namely, the base case, bullish and bearish scenario, the average values of the factors over the next 12 months and over the remaining forecast period.

31 December 2025 6-month T-bill	Quarter four 2025 %	Quarter four 2026 %	Quarter four 2027 %	Quarter four 2028 %
Base	6.9	6.7	6.9	7.5
Bull	6.1	5.9	6.1	6.8
Bear	7.73	7.52	7.73	8.25

PSCR	Quarter four 2025 %	Quarter four 2026 %	Quarter four 2027 %	Quarter four 2028 %
Base	16.0	16.0	18.0	19.0
Bull	17.0	22.0	23.0	24.0
Bear	6.0	9.0	9.0	10.0

The assigned weightings of the scenarios at 31 December 2025 is 60% (base), 10% (bull) and 30% (bear).

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

a) Expected credit losses on loans and advances (IFRS 9) (Continued)

The Bank's forward-looking economic expectations (Continued)

Main Macroeconomic Factors (Continued)

31 December 2024 6-month T-bill	Quarter four 2024 %	Quarter four 2025 %	Quarter four 2026 %	Quarter four 2027 %
Base	14.0	18.53	16.3	13.6
Bull	23.0	23.0	15.0	
Bear	8.0	8.0	8.0	

PSCR	Quarter four 2024 %	Quarter four 2025 %	Quarter four 2026 %	Quarter four 2027 %
Base	8.2	7.1	5.5	4.6
Bull	8.2	6.5	4.6	3.9
Bear	8.2	11.3	8.5	7.6

The assigned weightings of the scenarios at 31 December 2024 is 60% (base), 10% (bull) and 30% (bear).

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

a) Expected credit losses on loans and advances (IFRS 9) (Continued)

The Bank's forward-looking economic expectations (Continued)

Sensitivity Analysis of BCB and PPB allowances for credit losses

Sensitivity of probability of weightings of three scenarios

The following table shows a comparison of the bank's allowances for credit losses on non-impaired exposures under IFRS 9 based on the probability weightings of three scenarios with allowances for credit losses resulting from simulations of each scenario weighted at 100%.

	ECL Performing exposures TZS '000	ECL impact 31 December 2025 TZS '000	ECL impact 31 December 2024 TZS '000
31 December 2025:	15,975,259		
31 December 2024:	18,079,288		
Scenario change:			
100% Base		(903,065)	(71,598)
100% Bear		(3,951,720)	271,079
100% Bull		(2,273,598)	(308,068)

Sensitivity of the macros

Set out below are the changes to the ECL that would result from reasonably possible changes in these macros from the actual assumptions used in the bank's economic variable assumptions by changing by the same percentage across all scenarios.

	PSCR ECL impact		6-month Tbill ECL impact	
	31 December 2025 TZS '000	31 December 2024 TZS '000	31 December 2025 TZS '000	31 December 2024 TZS '000
- 5% PSCR / - 2% Tbill	(2,134,470)	-	(1,307,911)	1,004,269
+ 5% PSCR / + 2% Tbill	4,456,051	-	(1,128,321)	(1,004,269)

Sensitivity of other key assumptions (PDs, LGDs and EAD)

Sensitivity Analysis of CIB allowances for credit losses:

The table below shows sensitivity analysis of impairment provision to changes in principal assumptions. The effect on the provisions is based on a change in one assumption while holding other assumptions constant.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

a) Expected credit losses on loans and advances (IFRS 9) (Continued)

Sensitivity of other key assumptions (PDs, LGDs and EAD) (Continued)

Sensitivity Analysis of CIB allowances for credit losses: (Continued)

31 December 2025 Stage 1 and 2 ECL: Assumption	Change in assumption TZS'000	Increase in provision TZS'000	Decrease in provision TZS'000
LGD	2%	256,781	(256,781)
PD	1%	3,292,483	(3,283,988)
EAD	1 Month	1,613,053	(1,613,053)

31 December 2024 Stage 1 and 2 ECL: Assumption	Change in assumption TZS'000	Increase in provision TZS'000	Decrease in provision TZS'000
LGD	2%	1,341,264	390,235
PD	1%	2,844,874	1,979,125
EAD	1 Month	1,064,871	865,750

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

b) Fair value of financial instruments

The fair value of financial instruments that are not quoted in active markets are determined by using valuation techniques. Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of the area that created them. All models are certified before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practical, models use only observable data; however, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect reported fair value of financial instruments.

c) Property and equipment and intangible assets

Critical estimates are made by the Directors in determining depreciation and amortization rates for property and equipment and intangible assets respectively and their residual values. The rates are set out in note 4(g) and 4(h).

The Bank reviews the estimated useful lives of property and equipment and intangible assets at the end of each reporting period.

d) Taxes

The bank is subjected to several taxes and levies by the government and quasi- government regulatory bodies. As a rule of thumb, the bank recognizes liabilities for the anticipated tax /levies payable with utmost care and diligence. However, significant judgment is usually required in the interpretation and applicability of those taxes /levies. Should it come to the attention of management, in one way or the other, that the initially recorded liability was erroneous, such differences will impact on the income and liabilities in the period in which such differences are determined. Matters under discussion with the revenue authority are discussed on note 36.

e) Provisions for legal liabilities

The bank has provided for the liabilities arising out of contractual obligations. The closing balance of provisions on litigations amounted to TZS 1,442 million (2024: TZS 1,561 million). Professional expert advice is taken in establishing litigation provisions. Provisions for legal proceedings and regulatory matters typically require a higher degree of judgement than other types of provisions.

When cases are at an early stage, accounting judgements can be difficult because of the high degree of uncertainty associated with determining whether a present obligation exists as a result of a past event, estimating the probability of outflows and making estimates of the amount of any outflows that may arise.

As matters progress through various stages of the cases, Management together with legal advisers evaluate on an ongoing basis whether provisions should be recognized, and the estimated amounts of any such provisions, revising previous judgements and estimates as appropriate. Details of legal matters are disclosed on note 33 and 36.

f) Leases

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

f) Leases (Continued)

For the leases of office space, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Bank is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Bank is typically reasonably certain to extend (or not terminate).
- Otherwise, the Bank considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset. Most extension options in offices and vehicles leases have not been included in the lease liability, because the Bank could replace the assets without significant cost or business disruption

The lease term is reassessed if an option is actually exercised (or not exercised) or the Bank becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. During the current financial year, there was no revision of lease terms to reflect the effect of exercising extension and termination options. To determine the incremental borrowing rate, the bank where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the bank is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low value assets include IT equipments e.g. printers.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

7. NET INTEREST INCOME

Interest income calculated using the effective interest method	2025 TZS '000	2024 TZS '000
Loans and advances to customers	205,350,622	178,488,240
Investment in government securities - FVOCI	22,729,448	20,604,278
Investment in government securities-amortized cost	2,327,636	553,761
Loans and advances to banks	23,388,990	12,667,863
Loans to group companies	19,378,960	23,050,408
Total interest income	**273,175,656**	**235,364,550**
Interest expense		
Deposits from customers	49,687,505	26,712,948
- Fixed deposits	32,509,712	14,176,208
- Current accounts	14,669,901	10,742,493
- Savings accounts	2,507,892	1,794,247
Deposits from banks	24,328,902	7,349,871
Borrowings	9,958,621	16,686,668
Lease liability	643,938	508,755
Total interest expense	**84,618,966**	**51,258,242**
Net interest income	**188,556,690**	**184,106,308**

8. IMPAIRMENT CHARGES

2025	Performing TZS '000	Non-Performing TZS '000	Total TZS '000
Impairment charges-impacting impairment stock			
Loans and advances to customers	(1,634,895)	(1,634,895)	9,391,383
Loans and advances to banks	(111,124)	(111,124)	(111,124)
Financial assets at FVOCI	17,523	17,523	17,523
Letters of credit, bank acceptances and guarantees			-
• Off balance sheet exposure (note 34.1)	172,144	172,144	172,144
Cured interest provision	-	-	(1,752,861)
Subtotal	**(1,556,352)**	**(1,556,352)**	**7,717,065**
Other charges-direct through P&L			
Recoveries: loans and advances previously written off	-	-	(6,640,476)
Subtotal	-	-	(6,640,476)
	(1,556,352)	**(1,556,352)**	**1,076,589**

2024	Performing TZS '000	Non-Performing TZS '000	Total TZS '000
Impairment charges-impacting impairment stock			
Loans and advances to customers	(1,477,442)	11,061,678	9,584,236
Loans and advances to banks	1,448,865	-	1,448,865
Financial assets at FVOCI	(195,145)	-	(195,145)
Letters of credit, bank acceptances and guarantees			-
• Off balance sheet exposure (note 34.1)	96,499	-	96,499
Cured interest provision	-	(6,305,235)	(6,305,235)
Subtotal	**(127,223)**	**4,756,443**	**4,629,220**
Other charges-direct through P&L	-		
Recoveries: loans and advances previously written off	-	-	-
Subtotal	-	(6,070,282)	(6,070,282)
	(127,223)	**(6,070,282)**	**(6,070,282)**

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

9. NET FEE AND COMMISSION INCOME

Fees and commission income from contracts with customers are 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.

Nature and timing of satisfaction of performance obligations: The bank provides services to retail and corporate customers at a specified rate. The transactions-based fees are charged to the customer when the transaction takes place. Servicing fees are charged monthly based on fixed rates.

Revenue recognition policy under IFRS 15: Revenue from services fees charged on a specified period are recognized over time as the services are provided. Revenue related to transactions is recognised at the point in time when the transaction takes place.

In the following table, fee and commission income from contract with customers in the scope of IFRS 15 is disaggregated by major service lines.

	2025 TZS '000	2024 TZS '000
Fee and commission income		
Representation transaction fees	5,876,764	5,362,376
Card based commission	8,559,621	6,801,287
Knowledge based fees	5,601,164	4,086,615
Electronic banking fees	6,825,922	6,056,500
Foreign transactions service fees	4,958,780	4,789,012
Documentation and administration fees	3,759,334	4,008,198
Bancassurance income	2,340,760	1,427,969
Guarantees commission	9,495,362	6,596,037
Custody fee income	1,367,365	1,414,764
Commitment fees	3,310,849	3,213,566
Other fees and commissions	3,693,187	3,915,742
Total fee and commission income	**55,789,108**	**47,672,066**
Fee and commission expense		
Card based commission	(6,511,529)	(5,984,566)
Other	(1,272)	-
Total fee and commission expense	**(6,512,801)**	**(5,984,566)**
Net fee and commission income	**49,276,307**	**41,687,500**

Contract balances

The following table provides information about receivables and contract liabilities from contracts with customers.

	2025 TZS '000	2024 TZS '000
Contract liabilities, which are included in other liabilities – note 34	9,478,059	7,792,981

The contract liabilities primarily relate to the non-refundable up-front fees received from customers on opening an asset management account. This fee is recognised as part of the effective interest rate and is therefore amortised over the expected life of the customer's facility.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

10. NET INCOME FROM FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 TZS '000	2024 TZS '000
Net income from government securities at FVTPL	11,556,761	16,215,956
Other traded instruments	9,959,766	6,893,451
	21,516,527	**23,109,407**

11. NET TRADING INCOME

	2025 TZS '000	2024 TZS '000
Income from foreign exchange dealings	**83,607,492**	**79,142,525**

12. OTHER INCOME

	2025 TZS '000	2024 TZS '000
Gain on sale of property and equipment	13,583	89,591
Realized gain on disposal of government securities at FVOCI	365,569	-
Other income	622,954	695,687
	1,002,106	**785,278**

13. EMPLOYEES BENEFITS EXPENSES

	2025 TZS '000	2024 TZS '000
Salaries	50,878,645	45,051,978
Pension and retirement benefits	5,874,581	5,045,846
Performance bonus	16,015,356	16,054,440
Share based incentives	1,008,081	953,354
Skills Development Levy (SDL) and Workman compensation (WCF)	2,358,260	2,079,118
Medical costs	3,834,119	3,333,938
Leave allowance	3,996,170	3,405,790
Staff housing allowance	570,814	272,668
Staff car allowance	401,604	360,130
Staff fair valuation expense	2,819,754	2,984,197
Other allowances	116,557	134,061
Motor vehicle expenses: Fringe Benefits	988,025	894,466
Staff costs - sports and social club	1,147,678	911,504
Other staff costs	1,257,084	1,100,103
	91,266,728	**82,581,593**

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

14. OTHER EXPENSES

	2025 TZS '000	2024 TZS '000
Auditors' remuneration	590,037	536,529
Depreciation of property and equipment (note 25)	4,288,378	4,536,216
Amortisation of right-of-assets (note 25)	5,135,440	4,323,725
Amortization of intangible assets (note 26)	3,349,666	3,349,668
Repairs and maintenance	895,954	1,126,025
Professional fees	1,517,331	859,608
Directors' fees and expenses	1,069,758	1,139,865
Communication expense	2,459,878	2,302,693
Information technology expenses	7,538,512	9,104,183
Marketing and advertising	3,550,538	3,598,201
Travel expenses	3,425,675	2,705,874
Training expenses	3,442,397	2,967,464
Insurance expenses	3,980,893	3,346,318
Security expenses	1,932,716	1,997,251
Printing and stationery expenses	490,573	496,504
Non recoverable taxes	7,193,201	6,793,627
Operational losses	16,950	305,356
Bank charges	1,898,455	2,003,995
Other operating expenses*	6,011,850	6,170,231
	58,788,202	**57,663,333**

*Other operating expenses comprise of levies, donations, entertainment, utilities and subscription related costs.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

14. OTHER EXPENSES (Continued)

14.1 AUDITOR'S REMUNERATION

	2025 TZS '000	2024 TZS '000
Audit of the financial statements	435,863*	423,780
Regulatory related service - Enhanced IT review	111,510*	101,185
Other non-audit services – Bancassurance	9,558*	11,564
Custody audit	33,106	-
	590,037	**536,529**

*The fees relate to services offered by Deloitte & Touche to the Bank in the current year.

15. INCOME TAX

	2025 TZS '000	2024 TZS '000
(a) Income tax expense		
Current income tax – current year	59,166,750	50,609,683*
Current income tax – prior year	7,715,393	-
Current income tax – prior year	2,708	396,454
Deferred tax - current year (note 23)	(1,666,690)	-
Deferred tax (credit)/charge related to prior year (note 23)	(7,715,392)	11,018,052*
	57,502,769	**62,024,189**

Prior year current income tax relates to assessed taxes for the year of income 2024, following a tax audit conducted by the Tanzania Revenue Authority.

The tax on the Bank's profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	2025 TZS '000	2024 TZS '000
Profit before income tax	192,827,603	190,027,155
Tax calculated at the tax rate of 30%	57,848,281	57,008,147
Tax effect of:		
Prior year assessed corporate tax charges	2,708	396,454
Income not subject to tax	(2,906,540)	-
Expenses not deductible for tax purposes	2,558,320	4,619,588
	57,502,769	**62,024,189**

Effective tax rate reconciliation	2025 (%)	2024 (%)
Effective tax rate	29.8	32.6
Standard tax rate	30	30
Tax effects of:		
Prior year assessed corporate tax charge	0.0	0.2
Income not subject to tax	(1.5)	0.0
Expenses not deductible for tax purposes	1.3	2.4
	29.8	**32.6**

*Comparative amounts have been restated. Refer to note 42.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

15. INCOME TAX (CONTINUED)

	2025 TZS '000	2024 TZS '000
(b) Current tax assets		
At 1 January	**17,586,931**	**1,543,453**
Tax charge for the year	(59,166,750)	(50,609,683)
Tax charge for prior years	(2,708)	(396,454)
Current income tax – prior year	(7,715,393)	-
Prior withholding tax recoverable	79,975	56,026
Tax paid	51,018,961	66,993,589
At 31 December	**1,801,016**	**17,586,931**

16. CASH AND BALANCES WITH BANK OF TANZANIA

	2025 TZS '000	2024 TZS '000
Cash in hand	34,138,633	28,066,611
Balances with the Bank of Tanzania	204,110,787	199,099,781
	238,249,420	**227,166,392**
Balances with the Bank of Tanzania		
Statutory Minimum Reserves (SMR)	154,114,129	127,731,889
Clearing account	49,996,658	71,367,892
	204,110,787	**199,099,781**

The Bank must maintain at least 80% of the required SMR deposit in their clearing account with the Bank of Tanzania on a daily basis, while ensuring that the average balance over the maintenance period meets 100% of the required SMR amount. This adjustment allows banks daily access to up to 20% of their SMR deposit while still complying with the regulatory requirements. The restricted amount is not available to finance the bank's day-to-day operations and is therefore excluded from cash and cash equivalents for the purpose of the cash flow statement. Cash in hand and balances with Bank of Tanzania are non-interest-bearing assets.

17. DERIVATIVE ASSETS AND LIABILITIES

Use and measurement of derivative instruments

In the normal course of the business, the bank enters into a variety of derivative transactions for both trading and hedging purposes. Derivative financial instruments are entered for trading purposes and for hedging foreign exchange and interest rate exposures. Derivative instruments used by the bank in both trading and hedging activities include swaps, forwards and other similar types of instruments based on foreign exchange rates, interest rates, credit risk and prices of equities. The risks associated with derivative instruments are monitored in the same manner as for the underlying instruments. Risks are also measured across the product range in order to take into account possible correlations. The fair value of all derivatives is recognized on the statement of financial position and is only netted to the extent that a legal right of set off exists and there is an intention to settle on a net basis.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

17. DERIVATIVE ASSETS AND LIABILITIES (CONTINUED)

Use and measurement of derivative instruments (Continued)

Swaps are transactions in which two parties exchange cash flows on a specified notional amount for a predetermined period. The major types of swap transactions undertaken by the bank are as follows:

- Interest rate swap contracts generally entail the contractual exchange of fixed and floating rate interest payments in a single currency, based on a notional amount and an interest reference rate.
- Cross-currency interest rate swaps involve the exchange of interest payments based on two different currency principle balances and interest reference rates and generally also entail exchange of principal amounts at the start and/or end of the contract.

Forwards are contractual obligations to buy or sell financial instruments on a future date at a specified price. Forward contracts are tailor-made agreements that are transacted between counterparties over the counter market.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

17. DERIVATIVE ASSETS AND LIABILITIES (Continued)

Use and measurement of derivative instruments (Continued)

The table below presents the maturity analysis of the fair values of derivative financial assets and liabilities.

2025			Maturity analysis of net fair value		Net fair value
Derivatives held for trading	Up to 1 month TZS '000	1 - 3 months TZS '000	3 - 12 months TZS '000	1 – 5 years TZS '000	TZS '000
Derivative assets					
Foreign exchange derivatives	13,502	-	-	-	13,502
Forward exchange contracts	2,572,734	4,314,593	2,713,278	-	9,600,605
Foreign currency swaps	205,102	813,607	-	1,726,058	2,744,767
Interest rate swaps	-	401,203	-	-	401,203
Foreign exchange options	763,926	6,201,480	7,201,641	-	14,167,047
Commodity options	-	-	775	-	775
Credit valuation adjustment	-	-	-	(1,935,600)	(1,935,600)
Total derivative assets	**3,555,264**	**11,730,883**	**9,915,694**	**(209,542)**	**24,992,299**
Derivative liabilities					
Foreign exchange derivatives	(13,385)	-	-	-	(13,385)
Forward exchange contracts	(368,864)	(54,150)	(47,940)	-	(470,954)
Foreign currency swaps	(390,936)	(212,896)	-	-	(603,832)
Foreign exchange options	(763,926)	(6,201,480)	(7,201,641)	-	(14,167,047)
Commodity options	-	-	(775)	-	(775)
Interest rate swaps	-	(376,217)	-	-	(376,217)
Total derivative liabilities	**(1,537,111)**	**(6,844,743)**	**(7,250,356)**	**-**	**(15,632,210)**

The contractual/notional amounts have been disclosed in note 5.3.4

2024			Maturity analysis of net fair value		Net fair value
Derivatives held for trading	Up to 1 month TZS '000	1 - 3 months TZS '000	3 - 12 months TZS '000	1 – 5 years TZS '000	TZS '000
Derivative assets					
Forward exchange contracts	2,392,784	5,972,533	12,224	-	8,377,541
Foreign currency swaps	-	1,609,363	-	-	1,609,363
Interest rate swaps	-	371,953	-	-	371,953
Foreign exchange options	-	434,596	-	-	434,596
Total derivative assets	**2,392,784**	**8,388,445**	**12,224**	**-**	**10,793,453**
Derivative liabilities					
Trading liabilities	(968,752)	(241,471)			(1,210,223)
Forward exchange contracts	(9,810)	(72,045)	(7,531)	-	(89,386)
Foreign currency swaps	-	-	-	-	-
Interest rate swaps	-	(371,953)	-	-	(371,953)
Foreign exchange options	-	(434,595)	-	-	(434,595)
Total derivative liabilities	**(978,562)**	**(1,120,064)**	**(7,531)**	**-**	**(2,106,157)**

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

18. INVESTMENT IN GOVERNMENT SECURITIES AT FVTPL

The table below presents the cash flows receivable by the bank under trading assets and liabilities by remaining contractual maturities at the balance sheet date. The amounts disclosed in the table are the expected cash flows.

	2025 TZS '000	2024 TZS '000
Classification		
Government securities	36,482,956	101,014,957
Maturity analysis		
Treasury bonds:		
Maturing within 3 months	-	5,179,380
Maturing between 3 months and 1 year	-	21,173,827
Maturing after one year	10,678,173	1,458,618
	10,678,173	**27,811,825**
Treasury bills:		
Maturing within 3 months	21,868,087	-
Maturing between 3 months and 1 year	3,936,696	73,203,132
	25,804,783	**73,203,132**

The movement in financial assets held for trading is summarized as follows:

	2025 TZS '000	2024 TZS '000
At 1 January	101,014,957	87,062,753
Net income from government securities at FVTPL – note 10	11,556,761	16,215,956
Additions	13,834,245	66,790,999
Interest received	(1,943,248)	(6,596,634)
Proceeds from disposal	(87,979,759)	(62,458,117))
At 31 December	**36,482,956**	**101,014,957**

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

19. INVESTMENT IN GOVERNMENT SECURITIES AT FVOCI

	2025 TZS '000	2024 TZS '000
Classification		
Government securities	217,574,169	211,630,624
Maturity analysis		
Treasury bonds:		
Maturing within 3 months	5,258,663	22,559,148
Maturing between 3 months and 1 year	-	24,097,914
Maturing after one year	101,125,094	5,059,926
	106,383,757	51,716,988
Treasury bills:		
Maturing within 3 months	95,443,631	55,250,572
Maturing between 3 months and 1 year	15,746,781	92,909,493
Maturing after one year	-	11,753,571
	111,190,412	159,913,636
	217,574,169	**211,630,624**

Treasury bills and treasury bonds are debt securities issued by the Bank of Tanzania for a term of three months, six months, and one year. However, treasury bonds could be issued for more than one year.

The movement in financial assets at fair value through OCI is summarized as follows:

	2025 TZS '000	2024 TZS '000
At 1 January	211,630,624	251,375,938
Interest income (note 7)	22,729,448	20,604,278
Additions	189,931,520	167,721,708
Interest received	(7,153,628)	(18,718,884)
Matured	(147,000,000)	(212,850,897)
Proceeds from disposal	(56,672,685)	-
Realized gain/ on disposals	365,569	-
Change in fair value	3,743,321	3,498,481
At 31 December	**217,574,169**	**211,630,624**

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

20. INVESTMENT SECURITIES AT AMORTIZED COST

	2025 TZS '000	2024 TZS '000
At 1 January	34,803,512	-
Additions	-	34,280,334
Interest income	2,327,636	553,761
Interest received	(2,388,375)	-
Foreign exchange gain/(loss)	370,992	(30,583)
At 31 December	**35,113,765**	**34,803,512**

The corporate bond was issued in 2025 from Eastern and Southern African Trade and Development Bank (TDB) at an average of 6.5% for a tenor of 6 years.

21. LOANS AND ADVANCES TO BANKS

	2025 TZS '000	2024 TZS '000
Gross	944,090,596	877,401,088
Expected credit loss	(1,225,173)	(1,318,921)
Net loans and advances to Banks	**942,865,423**	**876,082,167**
Nostro	99,846,744	83,725,845
Placements	843,831,645	792,854,505
Clearing balances	412,207	820,738
Gross loans and advances to Banks	**944,090,596**	**877,401,088**
Redeemable on demand	-	-
Maturing within 1 – 3 months	733,017,900	791,360,372
Maturing after 3 months but within 12 months	211,072,696	86,040,716
	944,090,596	**877,401,088**
Expected credit loss		
At 1 January	1,318,921	17,147
Charge for the year	(111,124)	1,448,865
Foreign exchange loss/(gain)	17,376	(147,091)
At 31 December	**1,225,173**	**1,318,921**

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

22. LOANS AND ADVANCES TO CUSTOMERS

The Bank extends advances to personal, commercial and corporate sectors as well as the public sector. Advances made to individuals are mostly in the form of installment credit, overdrafts and other loans. A significant portion of the bank's advances to commercial and corporate borrowers consist of advances made to companies engaged in financial activities, construction, manufacturing, transportation and trade and distribution.

	2025 TZS '000	2024 TZS '000
Term lending and other loans and advances	1,230,778,448	1,034,127,962
Vehicle Assets Finance	654,638,303	438,064,784
Staff loans	46,418,689	38,828,158
Overdrafts and other demand lending	3,515,377	1,318,080
Gross	**1,935,350,817**	**1,512,338,984**
Expected credit loss - non-performing loans	(24,316,549)	(20,189,971)
Expected credit loss - performing loans	(14,750,086)	(16,340,119)
	(39,066,635)	(36,530,090)
Net loans and advances to customers	**1,896,284,182**	**1,475,808,894**

Maturity analysis

Maturity analysis is based on the remaining periods to contractual maturity from year end.

	2025 TZS '000	2024 TZS '000
Maturity analysis:		
Redeemable on demand	-	-
Maturing within 1 month	327,348,487	241,985,594
Maturing after 1 month but within 12 months	331,686,738	316,282,969
Maturing after 12 months	1,276,315,592	954,070,421
	1,935,350,817	1,512,338,984
Current	659,035,225	558,268,563
Non- current	1,276,315,592	954,070,421
	1,935,350,817	**1,512,338,984**

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

22. LOANS AND ADVANCES TO CUSTOMERS (Continued)

Segmental analysis of the gross amount – industry

	2025 TZS '000	2024 TZS '000
Agriculture	122,860,448	24,456,976
Construction	48,088,675	341,325,568
Manufacturing	306,023,471	355,065,236
Transport	100,951,761	100,364,223
Individuals	341,542,469	253,921,712
Mining	163,637,434	25,707,596
Trade and distribution	219,050,793	159,641,552
Communication	87,815,723	88,645,613
Other services	490,875,901	110,124,960
Real estate	40,913,017	42,146,943
Financial intermediaries	13,591,125	10,938,605
	1,935,350,817	**1,512,338,984**

Segmental analysis – geography

The following table sets out the distribution of the bank's loans and advances to customers (gross) by geographical areas where the loans are recorded:

	2025 TZS '000	2024 TZS '000
Arusha	73,062,302	53,031,004
Dar es Salaam	1,661,061,704	1,288,407,998
Dodoma	15,828,503	12,640,952
Geita	5,053,425	-
Kilimanjaro	38,600,386	26,837,039
Mbeya	38,164,121	37,417,017
Mwanza	79,912,763	71,156,188
Shinyanga	150,066	-
Tanga	23,450,830	22,848,756
Zanzibar	66,717	-
	1,935,350,817	**1,512,338,954**

Geographical segmental analysis for loans and advances that is based on the country of residency of the counterparty is included in note 5.1.10.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

22. LOANS AND ADVANCES TO CUSTOMERS (Continued)

Expected credit loss for loans and advances

A reconciliation of expected credit loss for loans and advances to customers, by class:

Non-Performing loans

	2025 TZS '000	2024 TZS '000
At 1 January	20,189,971	23,834,606
Charge for the year	11,026,278	11,061,678
Impaired accounts written off	(5,955,568)	(10,390,939)
Interest receivable provision written off	(913,875)	(3,895,516)
Foreign exchange gain	(30,257)	(419,858)
At 31 December	**24,316,549**	**20,189,971**

Performing loans

	2025 TZS '000	2024 TZS '000
At 1 January	16,340,119	18,079,288
Charge for the year	(1,634,895)	(1,380,943)
Foreign exchange loss/(gain)	44,862	(358,226)
At 31 December	**14,750,086**	**16,340,119**

Segmental analysis of expected credit loss for non-performing loans per industry

	2025 TZS '000	2024 TZS '000
Agriculture	17,596	118,669
Construction	-	797,569
Individuals	10,461,995	7,644,024
Transport	611,761	850,460
Trade and Distribution	1,552,556	1,216,052
Manufacturing	7,147,545	7,077,043
Other services	4,525,096	2,486,154
	24,316,549	**20 189 971**

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

23. DEFERRED TAX

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes using the principal tax rate of 30%.

2025	At 1 January	Prior year recognised in profit or loss	Current year recognised in profit or loss	Recognised in other OCI	At 31 December
Financial assets at FVOCI	632,277	-	-	(1,122,852)	(490,575)
Property and equipment	2,741,944	-	67,321	-	2,809,265
Financial assets at fair value	(2,768,207)	-	(315,303)	-	(3,083,510)
Provisions	15,380,672	7,715,392	1,219,015	-	24,315,079
Others	6,771,000	-	695,657	-	7,466,657
	22,757,686	**7,715,392**	**1,666,690**	**(1,122,852)**	**31,016,916**
2024	**At 1 January**	**Prior year recognised in profit or loss**	**Current year recognised in profit or loss**	**Recognised in other OCI**	**At 31 December**
Financial assets at FVOCI	1,681,966	-	-	(1,049,689)	632,277
Property and equipment	2,608,988	-	132,956	-	2,741,944
Financial assets at fair value	257,261	-	(3,025,468)	-	(2,768,207)
Provisions	23,275,332	-	(7,894,660)	-	15,380,672
Others	7,001,880	-	(230,880)	-	6,771,000
	34,825,427	-	**(11,018,052)**	**(1,049,689)**	**22,757,686**

24. OTHER ASSETS

	2025 TZS '000	2024 TZS '000
Staff loans fair value adjustment	17,126,278	14,263,639
Prepaid expenses	7,651,238	4,815,249
Sundry debtors	14,750,316	14,765,318
Stationery stock	101,433	119,605
Cheques in the course of collection	271,941	-
Other receivables	3,924,600	1,191,985
	43,825,806	**35,155,796**
Current	**43,825,806**	**35,155,796**

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

25. PROPERTY AND EQUIPMENT AND RIGHT OF USE ASSETS

	Leasehold improvements TZS '000	Computer equipment TZS '000	Motor vehicles TZS '000	Furniture and fittings TZS '000	Office equipment TZS'000	Work in progress TZS'000	ROU assets TZS'000	Total TZS'000
Cost								
At 1 January 2024	**13,323,388**	**23,829,630**	**524,059**	**5,658,051**	**10,921,589**	-	**32,717,576**	**86,974,293**
Additions		1,644,281	-	134,573	265,476	-	5,859,044	7,903,374
Disposals	(331,263)	(628,168)	-	(482,553)	(389,371)	-	-	(1,831,355)
Transfers	-	-	-	-	-	-	-	-
Modification	-	-	-	-	-	-	-	-
At 31 December 2024	**12,992,125**	**24,845,743**	**524,059**	**5,310,071**	**10,797,694**	-	**38,576,620**	**93,046,312**
At 1 January 2025	12,992,125	24,845,743	524,059	5,310,071	10,797,694	-	38,576,620	93,046,312
Additions	1,771,498	1,339,580	533,375	554,495	931,766	735,605	859,382	6,725,701
Disposals		(67,863)	-	(21,423)	(13,008)	-	-	(102,294)
Transfers	-	-	-	-	-	-	-	-
Terminations	-	-	-	-	-	-	(67,467)	(14,900,541)
Modification	-	-	-	-	-	-	(14,900,541)	(67,467)
At 31 December 2025	**14,763,623**	**26,117,460**	**1,057,434**	**5,843,143**	**11,716,452**	**735,605**	**24,467,994**	**84,701,711**
Accumulated depreciation								
At 1 January 2024	8,142,679	20,104,531	524,059	4,059,150	9,153,962	-	13,160,165	55,144,546
Charge the year	1,086,781	2,282,227	-	452,621	714,587	-	4,323,725	8,859,941
Released on disposal	(330,657)	(625,251)	-	(470,349)	(387,376)	-	-	(1,813,633)
At 31 December 2024	**8,898,803**	**21,761,507**	**524,059**	**4,041,422**	**9,481,173**	-	**17,483,890**	**62,190,854**
At 1 January 2025	**8,898,803**	**21,761,507**	524,059	4,041,422	9,481,173	-	17,483,890	62,190,854
Charge the year	1,089,148	2,007,712	62,227	464,050	665,241		5,135,440	9,423,818
Released on disposal	-	(67,656)	-	(18,207)	(13,008)	-	-	(98,871)
Terminations	-	-	-	-	-	-	(37,805)	(37,805)
Modification	-	-	-	-	-	-	(14,498,849)	(14,498,849)
At 31 December 2025	**9,987,951**	**23,701,563**	**586,286**	**4,487,265**	**10,133,406**	-	**8,082,676**	**56,979,147**
Net Book Value								
At 31 December 2024	**4,093,322**	**3,084,236**	**-**	**1,268,649**	**1,316,521**	-	21,092,730	30,855,458
At 31 December 2025	**4,775,672**	**2,415,897**	**471,148**	**1,355,878**	**1,583,046**	**735,605**	**16,385,318**	**27,722,564**

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

26. INTANGIBLE ASSETS

	2025 TZS '000	2024 TZS '000
Cost		
At 1 January	39,830,181	39,830,181
At 31 December	**39,830,181**	**39,830,181**
Amortisation		
At 1 January	28,415,962	25,066,294
Current year charge	3,349,666	3,349,668
At 31 December	31,765,628	28,415,962
Net book value	**8,064,553**	**11,414,219**

Intangible assets relate to the core banking system & business online system.

27. ORDINARY SHARE CAPITAL

Authorised:

The Bank's authorized ordinary share capital comprises of 10,000,000 ordinary shares of TZS 1,000 each.

	2025 TZS '000	2024 TZS '000
Issued and fully paid:		
8,400,000 (2024: 8,400,000) shares of TZS 1,000 each	**8,400,000**	**8,400,000**

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.

The following amounts were recognised as distributions to equity holders of the Bank during the years ended 31 December.

	2025 TZS '000	2024 TZS '000
Dividends: TZS5,766.57 per ordinary share (2024: TZS 3,166.67)	**48,439,205**	**26,600,000**

28. ORDINARY SHARE PREMIUM

	2025 TZS '000	2024 TZS '000
Share premium on issue of ordinary shares	**112,396,480**	**112,396,480**

29. FAIR VALUE RESERVES OF FINANCIAL ASSETS THROUGH OTHER COMPREHENSIVE INCOME

	2025 TZS '000	2024 TZS '000
At 1 January	85,354	(2,170,979)
Fair value changes	3,743,321	3,498,481
Net expected credit losses raised/(released)	19,694	(192,604)
Deferred income tax on fair value changes	(1,122,852)	(1,049,544)
At 31 December	**2,725,517**	**85,354**

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

29. FAIR VALUE RESERVES OF FINANCIAL ASSETS THROUGH OTHER COMPREHENSIVE INCOME (Continued)

Reconciliation of expected credit losses through other comprehensive income

	2025 TZS '000	2024 TZS '000
At 1 January	170,673	363,277
Expected credit loss charge/(credit)	17,523	(195,145)
Foreign exchange loss	2,171	2,541
At 31 December	**190,367**	**170,673**

30. DEPOSITS AND BALANCES DUE TO BANKS

	2025 TZS '000	2024 TZS '000
Deposits and current accounts with banks	222,667,867	64,497,750*
Other deposits and balances due to banks	64,565,947	43,280,792*
	287,233,814	**107,778,542**

Deposits from banks as presented in the face of statement of financial position in prior year financial statements has been expanded to refer to deposits and balances due to banks taking into account accepted letters due to banks. The note has also been split to reflect the same.

31. DEPOSITS FROM CUSTOMERS

Call deposits, savings accounts and term deposits are interest-bearing accounts. These interest-bearing customer deposit accounts carry variable interest rates.

	2025 TZS '000	2024 TZS '000
Current accounts	1,760,132,095	1,509,621,832
Call deposits	138,216,563	92,029,404
Savings accounts	129,115,013	107,018,788
Term deposits	415,059,477	396,785,110*
	2,442,523,148	**2,105,455,134***
Current	2,163,423,322	1,650,117,352
Non-current	279,099,826	455,337,782*
	2,442,523,148	**2,105,455,134***

	2025 TZS '000	2024 TZS '000
Maturity analysis		
Repayable on demand	157,573,828	184,942,352
Maturity within 1 month	1,589,316,512	1,358,417,932
Maturity after 1 month but within 6 months	179,519,984	62,335,819
Maturity after 6 months but within 12 months	237,012,998	44,421,249
Maturity after 12 months	279,099,826	455,337,782*
	2,442,523,148	**2,105,455,134***

*Comparative amounts have been restated. Refer to note 42.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

32. BORROWINGS

	2025 TZS '000	2024 TZS '000
Isle of Man (i)	-	196,564,253
Bond funding (ii)	27,465,949	27,049,979*
Eco-Business - USD (iii)	-	12,294,282*
Eco-Business - TZS (iv)	39,294,580	-
	66,760,529	235,908,514*
Current portion	985,529	958,531*
Non-current portion	65,775,000	234,949,983*
	66,760,529	**235,908,514***

*Comparative amounts have been restated. Refer to note 42.

(i) Isle of Man

	2025 TZS '000	2024 TZS '000
At 1 January	196,564,253	199,388,259
Interest expense	3,573,365	15,814,968
Loans received	-	73,414,123
Interest paid	(4,137,635)	(14,330,124)
Principal payment	(195,999,983)	(81,585,818)
Foreign exchange loss	-	3,862,845
At 31 December	**-**	**196,564,253**

In 2019 the Bank entered into a seven (7) years facility with SBSA to support financing of government of Tanzania loan. The facility is intended to match off the underlying loan therefore negating liquidity mismatches and interest rate risk on the bank's balance sheet for the term of the asset. The interest rates of the borrowings are six months SOFR plus 2.4% and six months SOFR plus 2.15% split into two tranches of USD 30million and USD 70 million, respectively.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

32. BORROWINGS (Continued)

(ii) Bond Funding

	2025 TZS '000	2024 TZS '000
At 1 January	27,049,979	-
Interest expense	3,443,110	349,979*
Loans received	-	26,700,000*
Interest paid	(3,027,140)	-
At 31 December	**27,465,949**	**27,049,979***

*Comparative amounts have been restated. Refer to note 42.

In 2024, the Bank issued its inaugural bond, raising TZS 26.7 billion for five years at an average rate of 12.93% from local and international investors. The bonds pay semi-annual coupons with bullet repayment at maturity. Proceeds were deployed into retail and SME sectors to advance client growth aspirations, while the issuance itself broadened the bank's funding base beyond traditional funding and enhanced its capacity to meet clients' long-term funding needs.

(iii) Eco-Business - USD

	2025 TZS '000	2024 TZS '000
At 1 January	12,294,282	-
Interest expense	862,596	521,721*
Loans received	-	13,387,500*
Interest paid	(1,086,845)	(490,532)*
Principal payment	(12,070,033)	-
Foreign exchange gain	-	(1,124,407)*
At 31 December	**-**	**12,294,282***

In 2024, the Bank secured USD 5 million for four years from Eco-Business Fund S.A., SICAV-SIF at SOFR +2.35% annually. The facility was directed toward agriculture and tourism and was fully prepaid in Q1 2025, underscoring the bank's proactive transition to organic funding while maintaining focus on strategic sectors.

(iii) Eco-Business - TZS

	2025 TZS '000	2024 TZS '000
At 1 January	-	-
Loans received	39,075,000	-
Interest expense	2,079,550	-
Interest paid	(1,859,970)	-
At 31 December	**39,294,580**	-

In 2025, the Bank executed its inaugural sustainable-linked funding transaction, raising TZS 39.075 billion for four years from Eco-Business Fund S.A., SICAV-SIF at 11.90% annually. The structure featured a one-year principal grace period followed by quarterly amortizations. Proceeds were allocated to agriculture, tourism, and sustainable-linked client transactions, reinforcing the bank's commitment to promoting both economic growth and environmental resilience.

*Comparative amounts have been restated. Refer to note 42.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

33. PROVISIONS

	2025 TZS '000	2024 TZS '000
Provision for litigation		
At 1 January	1,560,603	2,444,041
Legal settlement	(158,615)	(471,410)
Charge/(release) in provision during the year	40,000	(412,028)
At 31 December	**1,441,988**	**1,560,603**

As at 31 December 2025, there were several pending legal cases where the Bank was a defendant. Provision has been made for legal cases where professional advice indicates that it is probable that significant loss will arise. The Directors have considered it probable that the unfavorable outcome of these cases to the bank could result into an estimated loss of TZS 1,442 billion (2024: TZS 1,561 billion). According to the nature of such disputes the timing of settlement of these cases is uncertain.

34. OTHER LIABILITIES

	2025 TZS '000	2024 TZS '000
Accrued expenses	15,569,905	18,117,816
Unclaimed balances	10,427,895	10,339,454
Bonus provisions	16,594,640	15,455,178
Intercompany sundry creditor	86,270	(50,676)
Expected credit losses for off-balance sheet items (note 34.1)	1,156,394	970,154
Deferred contract income	9,478,059	7,792,981
VAT payable	9,062	(113,775)
Other*	9,645,955	6,942,027
	62,968,180	**59,453,159**

Other liabilities are expected to be settled within 12 months after the reporting date.

*Other comprises of tax-related liabilities (i.e. withholding and excise duty), statutory levies, leave pay provisions and sundry creditors.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

34. OTHER LIABILITIES (CONTINUED)

34.1 OFF BALANCE SHEET

Expected credit loss movement for off-balance sheet exposure

	At 1 Jan 2025 TZS'000	Net profit or loss charge during the year TZS'000	Currency translation and other movements TZS'000	31 Dec 2025 TZS'000
BCB and PPB:				
Letters of credit and bank acceptances:				
Stage 1	218,191	355,023	182,196	755,410
Guarantees:				
Stage 1	164,511	(172,384)	72,870	64,997
Stage 2	-	8,228	-	8,228
Sub total	**382,702**	**190,867**	**255,066**	**828,635**
CIB:				
Letters of credit and bank acceptances:				
Stage 1	329,907	32,834	(311,955)	50,786
Stage 2	-	(9,294)	9,293	(1)
Guarantees:				
Stage 1	255,770	(39,479)	60,681	276,972
Stage 2	1,775	(2,784)	1,011	2
Sub total	**587,452**	**(18,723)**	**(240,970)**	**327,759**
BCB and PPB and CIB total	**970,154**	**172,144**	**14,096**	**1,156,394**

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

34. OTHER LIABILITIES (CONTINUED)

34.1 OFF BALANCE SHEET (CONTINUED)

Expected credit loss movement for off-balance sheet exposure (Continued)

	At 1 Jan 2024 TZS'000	Net profit or loss charge during the year TZS'000	Currency translation and other movements TZS'000	31 Dec 2024 TZS'000
BCB and PPB:				
Letters of credit and bank acceptances:				
Stage 1	234,525	12,562	(28,896)	218,191
Guarantees:				
Stage 1	163,153	18,058	(16,700)	164,511
Sub total	**397,678**	**30,620**	**(45,596)**	**382,702**
CIB:				
Letters of credit and bank acceptances:				
Stage 1	329,906	40,650	(40,649)	329,907
Stage 2	-	(116)	116	-
Guarantees:				
Stage 1	255,770	26,183	(26,183)	255,770
Stage 2	1,775	(838)	838	1,775
Sub total	**587,451**	**65,879**	**(65,878)**	**587,452**
BCB and PPB and CIB total	**985,129**	**96,499**	**(111,474)**	**970,154**

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

35. LEASES

See accounting policy in note 4 (g) and (n).

A. Leases as lessee

The Bank leases several branch and office premises. The leases typically run for a period of 5 years, with an option to renew the lease after that date. For some leases, payments are renegotiated every five years to reflect market rentals. Some leases provide for additional rent payments that are based on changes in local price indices. The Bank also leases IT equipment with contract terms of one to three years. These leases are short-term and/or leases of low-value items. The Bank has elected not to recognise right-of-use assets and lease liabilities for these leases.

Information about leases for which the Bank is a lessee is presented below.

i. Right-of-use assets

Right-of-use assets relate to leased branch and office premises that are presented within property and equipment (see note 25).

ii. Lease liabilities

a) Reconciliation of lease liability:

	At 1 January TZS'000	Additions TZS'000	Early terminations and/or cancellations TZS'000	Modifications TZS'000	Interest expense TZS'000	Payment TZS'000	At 31 December TZS'000
2025:	20,780,358	859,382	(6,073)	(516,998)	643,938	(5,840,822)	15,919,785
2024:	19,899,470	5,859,045	-	-	508,753	(5,486,910)	20,780,358

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

35. LEASES (CONTINUED)

ii. Lease liabilities (Continued)

b) Maturity of undiscounted contractual cash flows:

	2025 TZS '000	2024 TZS '000
Less than a year	328,577	161,176
Maturity within 1 to 5 years	16,693,787	17,414,920
Maturity after 5 years	231,606	4,869,687
	17,253,970	**22,445,783**

c) Amounts recognised in profit or loss

	2025 TZS '000	2024 TZS '000
Leases under IFRS 16		
Interest on lease liabilities	643,938	508,755
	643,938	**508,755**

d) Amounts recognised in cashflow statement

	2025 TZS '000	2024 TZS '000
Principal payment	5,196,884	4,978,157
Interest payment	643,938	508,753
	5,840,822	**5,486,910**

e) Extension options

Some leases of office premises contain extension options exercisable by the bank up to one year before the end of the non-cancellable contract period. Where practicable, the bank seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the bank and not by the lessors. The bank assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Bank reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

B. Leases as lessor

The Bank sub-leases a small portion of its office space. The Bank has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The sub-lease is not material.

36. CONTINGENT LIABILITIES

As at 31 December 2025, claims amounting to TZS 3.1 billion (2024: TZS 4.3 billion) were considered probable losses. Accordingly, a provision of TZS 1.4 billion has been provided for (2024: TZS 1.6 billion). A significant portion of the claims are labor related proceedings. Note 33 further illustrates the provisions made.

Furthermore, the Bank has claims amounting to TZS 12.3 billion (2024: TZS 11.7 billion) that were considered probable losses in respect to tax disputes for which a provision of TZS 8.62 billion (2024: TZS 8.62 billion) has been made based on the most likely possible outcome.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

37. COMMITMENTS

(a) Capital commitments

At 31 December 2025, the bank had capital commitments of TZS 4,741 million (2024: TZS 2,859 million) in respect of equipment purchases. The Bank's management is confident that future net revenues and funding will be sufficient to cover these commitments.

(b) Loan commitment, guarantee and other financial facilities

At 31 December 2025, the Bank had contractual commitments to extend credit to customers, guarantee and other facilities as follows:

	2025 TZS '000	2024 TZS '000
Commitment to extend credit	144,478,722	91,365,494
Guarantees and indemnities	1,524,080,182	1,425,841,230
Letters of credit	209,752,469	120,265,994
	1,878,311,373	**1,637,472,718**

38. NOTES TO THE STATEMENT OF CASH FLOWS

38.1 (Increase)/decrease in operating assets

	2025 TZS '000	2024 TZS '000
Statutory minimum reserve	(21,105,792)	(21,200,379)
Investment in government securities at FVTPL (note 18)	(13,834,245)	(66,790,999)*
Proceeds from government securities at FVTPL (note 18)	87,979,759	62,458,117*
Derivative financial assets	(14,198,846)	(8,079,393)*
Loans and advances to banks	(51,650,948)	(309,202,468)*
Loans and advances to customers	(429,313,013)	(21,156,361)*
Other assets	(8,670,010)	(2,463,187)
	(450,793,095)	**(366,434,670)***

38.2 Increase/(decrease) in deposits and other liabilities

	2025 TZS '000	2024 TZS '000
Derivate financial liabilities	13,526,054	1,095,174*
Deposits and balances due to banks	179,302,910	(15,079,788)*
Deposits from customers	331,925,255	305,752,178*
Other liabilities	3,302,877	479,067*
Provisions	(158,615)	(471,410)
	527,898,481	**291,775,221***

*Comparative amounts have been restated. Refer to note 42.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

39. CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following balances:

	2025 TZS '000	2024 TZS '000
Cash in hand (note 16)	34,138,633	28,066,611
Clearing account with Bank of Tanzania (note 16)	49,996,658	71,367,892
Unrestricted cash with Central Bank	30,822,826	25,546,378
Balances with other banks	582,863,239	568,021,526*
Treasury bills with a tenor of 3 months	19,901,500	-
	717,722,856	**693,002,407**

*Comparative amounts have been restated. Refer to note 42.

For the purposes of cash flow statement, cash and cash equivalents comprise of short-term cash commitments and highly liquid investments, which are readily convertible into known amounts of cash and subject to insignificant risk of changes. Such investments should have maturity of three months or less from the date of acquisition.

40. RELATED PARTY TRANSACTIONS

There are companies which are related to Stanbic Bank Tanzania Limited through common shareholding.

All loans, deposits, derivatives and Letters of credit agreements have been entered on an arm's length basis. The nature of the agreements are such that the related parties offering the relevant services, assuming relevant risks and owning relevant assets in the day-to-day business activities of the bank, are compensated on an arm's length basis.

A number of banking transactions are entered with related parties in the normal course of business. These include loans, deposits and foreign currency transactions. The related party transactions, outstanding balances at the year end and the related expenses and income for the year are as follows:

(i) Loans and advances to banks

Loans and advances to banks comprise nostro balances, overdrawn vostro balances, interbank placements and other short-term lending. Outstanding balances as at 31 December are as follows:

	2025 TZS '000	2024 TZS '000
CFC Stanbic Bank Limited – sister company	2,219,398	790,479
Stanbic Bank Uganda Ltd – sister company	2,667,735	2,289,475
Standard Bank of South Africa Limited – sister company	435,755,883	385,323,739
Expected credit loss	(40,837)	(20,809)
	404,202,179	**388,382,884**

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

40. RELATED PARTY TRANSACTIONS (CONTINUED)

(ii) Deposits from banks

Deposits from banks comprise vostro balances and other deposits. Outstanding balances as at 31 December are as follows:

	2025 TZS '000	2024 TZS '000
CFC Stanbic Bank Limited - sister company	5,748,137	2,538,455
Stanbic Bank Zambia Limited – sister company	294	20,237
Stanbic Bank Uganda Limited – sister company	2,498,800	1,550,816
Standard Bank South Africa Limited – sister company	71,671,978	216,576,320
	79,919,209	**220,685,828**

(iii) Accepted letters of credit

	2025 TZS '000	2024 TZS '000
Standard Bank South Africa Limited – fellow subsidiary	24,361,180	17,204,789

(iv) Derivative assets

	2025 TZS '000	2024 TZS '000
Standard Bank of South Africa Limited - fellow subsidiary		
- Forward exchange contracts	2,157,149	269
- Foreign currency swaps	82,987	1,609,363
- Interest rate swaps	27,434	1,960
- Foreign exchange options	175,905	-
- Commodity options	775	-
	2,444,250	**1,611,592**

(v) Derivative liabilities

	2025 TZS '000	2024 TZS '000
Standard Bank South Africa - fellow subsidiary		
- Forward exchange contracts	(64,443)	(19,598)
- Foreign currency swaps	(212,896)	
- Interest rate swap	(376,217)	-
- Foreign exchange options	(13,991,144)	(369,993)
	(14,644,700)	**(389,591)**

Remuneration to regional staff is paid by the related party where the staff is based, and the costs shared among the member banks being served by the regional staff.

	2025 TZS '000	2024 TZS '000
Accrued IT costs: SBSA - fellow subsidiary	-	687,558

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

40. RELATED PARTY TRANSACTIONS (CONTINUED)

(vi) Borrowings

	2025 TZS '000	2024 TZS '000
Standard Bank South Africa Limited - fellow subsidiary	-	196,564,253

(vii) Transactions with related parties

	2025 TZS '000	2024 TZS '000
Standard Bank of South Africa Limited		
Income		
- Interest income: Standard Bank South Africa Limited	17,723,671	17,717,488
Expenses		
- Interest expenses: Standard Bank South Africa Limited	3,573,365	15,814,968
- IT expenses: Standard Bank South Africa Limited	(452,181)	351,941

Key management compensation

Key management personnel are described as those persons having authority and responsibility for planning, directing and controlling the activities of the bank directly or indirectly.

	2025 TZS '000	2024 TZS '000
Salaries and short-term benefits		
Salaries and short-term benefits	8,564,942	5,990,297
Directors' emoluments		
Executive Directors		
Emoluments of Directors in respect of services rendered	2,292,366	1,296,762
Non-executive Directors		
Emoluments of Directors in respect of services rendered	1,069,758	1,139,865
	3,081,231	**2,436,627**

A schedule detailing remuneration of each director will be annexed to these financial statements for presentation to the annual general meeting.

Movement in related party loans

	Key management personnel		Related companies	
	2025 TZS'000	2024 TZS'000	2025 TZS'000	2024 TZS'000
Loans and advances				
At 1 January	3,102,202	2,369,031	568,503,693	245,697,477
Loans issued during the year	1,633,879	1,195,175	5,065,128	8,115,580
Loan repayments during the year	(785,708)	(462,004)	(132,925,805)	(7,792,774)
At 31 December	**3,950,373**	**3,102,202**	**440,643,016**	**246,020,283**
Interest income earned	**230,026**	**157,742**	**17,723,671**	**17,717,488**

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

40. RELATED PARTY TRANSACTIONS (CONTINUED)

Movement in related party deposits

	Key management personnel		Related companies	
	2025 TZS'000	2024 TZS'000	2025 TZS'000	2024 TZS'000
Deposits				
At 1 January	857,531	832,708	220,685,828	203,488,798
Deposits received during the year	12,510,789	8,574,808	569,467,682	765,565,575
Deposits repaid during the year	(11,997,441)	(8,549,985)	(710,234,301)	(748,368,545)
At 31 December	**1,370,879**	**857,531**	**79,919,209**	**220,685,828**
Interest expense	**60,483**	**13,652**	**3,121,184**	**15,814,968**

The above deposits are unsecured, carry variable interest rates and are repayable on demand.

41. BANCASSURANCE REPORTING

The Bank conducts Bancassurance Business in accordance with the Bancassurance guidelines for Banks and financial institutions, 2019.

Through partnership with reliable insurance companies, the Bank enables customers to conveniently access a wide range of insurance products including life, general, and health.

Insurance services and products are available across the branch network for both Stanbic customers and non-customers from ten Insurance Companies which are Alliance Insurance Corporation Limited, Britam Insurance Tanzania Limited, Mayfair Insurance Company Tanzania Ltd, Strategies Insurance Tanzania Ltd, Sanlam General Insurance (Tanzania) Limited, The Heritage Insurance Company Tanzania Limited, Jubilee Allianz General Insurance Company of Tanzania Limited, UAP Insurance Tanzania Limited, Alliance Life Assurance Limited and Sanlam Life Insurance (T) Limited.

The covers are mainly Motor, Health Insurance, Property, Life, Education, Bonds and Agriculture risk, Insurance and other Retail and Commercial line products. In accordance with the Bancassurance guidelines for Banks and financial institutions, 2019 the bank is required to separately disclose in their notes to annual financial statements the income and expenses associated with the provision of bancassurance services.

During the year the bank recognized in the statement of profit or loss and other comprehensive income an income of TZS 2,341 million (2024: TZS 1,427 million) being commission from bancassurance business. In generating this income, the Bank incurred a cost amounting to TZS 523 million (2024: TZS 574 million) which include staff cost and other operating expenses.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

41. BANCASSURANCE REPORTING (CONTINUED)

The table below further illustrates.

	2025 TZS '000	2024 TZS '000
Commission income	2,340,760	1,427,969
Operating expenses		
Staff cost	435,426	507,318
Other operating expenses	88,152	67,245
	523,578	574,563
Net profit	**1,817,182**	**853,406**

42. RESTATEMENTS

Statement of Financial Position

The statement of financial position for the comparative period ended 31 December 2024 has been restated to correct TZS 39.3 billion that was previously classified under deposits instead of borrowings. The amount relates to a private bond issued by the bank in 2024, as well as a USD 5 million facility obtained from Eco-Business Fund S.A., SICAV-SIF. The change affected presentation only and had no impact on profit or equity.

	As previously presented TZS'000	Amount changed TZS'000	Restated TZS'000
Deposits from customers	2,144,799,395	(39,344,261)	2,105,455,134
Borrowings	196,564,253	39,344,261	235,908,514
Total liabilities	**2,533,042,467**	-	**2,533,042,467**
Total equity and liabilities	**3,055,070,089**	-	**3,055,070,089**
Deposits from customers			
Term deposits	436,129,371	(39,344,261)	396,785,110
Total deposits from customers	2,144,799,395	(39,344,261)	2,105,455,134
Non-current	494,682,043	(39,344,261)	455,337,782
Maturity after 12 months	494,682,043	(39,344,261)	455,337,782
Borrowings			
Bond funding	-	27,049,979	27,049,979
Eco-Business - USD	-	12,294,282	12,294,282
	196,564,253	**39,344,261**	**235,908,514**

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

42. RESTATEMENTS (CONTINUED)

Statement of Cash Flows

The cash flow statement for the comparative period ended 31 December 2024 has been restated to make the following corrections as required by IAS 7. The change affected presentation only and had no impact on profit or equity.

a. The Bank revised its comparative numbers for the year ended 31 December 2024 for cash and cash equivalents to include balances with other banks with maturity of three months or less from the date of acquisition, in line with the requirements of IAS 7. This resulted in a reclassification of prior-period balances amounting to TZS 308.1 billion whereby comparative cash and cash equivalents decreased accordingly, with a corresponding increase in operating assets.

b. Post-write-off recoveries from loans and advances to customers amounting to TZS 6.1 billion had been incorrectly included in the impairment charge and adjusted as non-cash item. Since the recoveries represent actual cash inflows, they have been reclassified to changes in operating assets.

c. Acquisition of investment securities at amortised cost of TZS 34.2 billion was presented as cash flows from operating activities as opposed to cash flows from investing activities. In accordance with IAS 7, such transactions represent investing activities and have been reclassified to cash flows from investing activities.

d. Acquisition of investment in government securities at FVOCI of TZS 167.7 billion and matured investment in government securities at FVOCI of TZS 212.8 billion had been incorrectly presented as changes in operating assets of TZS 43.1 billion under cash flows operating activities. In accordance with IAS 7, such transactions represent investing activities and have been reclassified to cash flows from investing activities.

e. Interest received from government securities held at FVOCI, totalling TZS 12.4 billion, was not disclosed separately under operating activities in the cash flow statement. Presentation of interest received was done to comply with IAS 7.

f. The Bank has revised adjustment of net interest income as non-cash item to separately disclose interest income of TZS 235.3 billion and interest expense of TZS 35.4 billion as opposed to net interest income of TZS 184.1 billion Interest expense of TZS 15.8 billion on borrowings was adjusted as part of interest paid. The adjustment was done to comply with IAS 7.

g. Effects of exchange rate changes on cash and cash equivalents has been correctly adjusted by TZS 1.4 billion and adjusted as non-cash item under operating activities. Furthermore, total effects (gain) of exchange rate changes on cash and cash equivalents of TZS 1.8 billion was not adjusted as non-cash item and it was included as part of the net movement of investment in government securities at FVOCI of TZS 43.1 billion.

h. Interest paid on lease liabilities of TZS 0.5 billion and interest paid on borrowings of TZS 14.3 billion have been reclassified from cash flows from financing activities to cashflows from operating activities. The adjustment was done to comply with IAS 7.

i. Proceeds from borrowings of TZS 113.5 billion and principal repayment of borrowings of TZS 73.4 billion were presented as changes in operating liabilities when included as part of customer deposits under cash flows from operating activities as opposed to cash flows from financing activities. Respective deposits have been expanded on the note as (TZS 331.1 billion), TZS 305.7 and (TZS 15.0 billion). Furthermore, foreign exchange gain on borrowing of TZS 1.1 billion has been adjusted as non-cash items under cash flows from operating activities. The reclassification was done to comply with IAS 7.

j. Net movement of derivative financial assets and derivative financial liabilities of TZS 6.9 billion, which were previously presented on a net basis under operating assets note, have now been separately presented to provide a more accurate presentation of the underlying cash outflow movement of derivative financial assets of TZS 8.1 billion under operating assets and cash inflow movement of derivative financial liabilities of TZS 1.1 billion under operating liabilities.

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

42. RESTATEMENTS (CONTINUED)

Statement of Cash Flows (Continued)

k. Movements of investment in government securities measured at FVTPL, which were previously presented on a net basis, have now been disaggregated under operating assets note to separately disclose acquisition of investment in government securities of TZS 60.1 billion and proceeds from government securities at FVTPL of TZS 62.4 billion, providing a clearer presentation of the underlying cash flows. Corresponding net income from investment in government securities at FVTPL of TZS 16.2 billion has been adjusted as non-cash items under cashflows from operating activities.

l. Foreign exchange loss on ECL (TZS 144.5 million) and investment in securities at amortized cost (TZS 30.5 million), gain on disposal of property and equipment (TZS 1.0 million), interest receivable on cash and cash equivalent at the start of the year (TZS 17.1 million, correction of the movement in other liabilities (TZS 96.5 million) and income tax paid (TZS 56.0 million) have been adjusted in the statement of cashflow although immaterial to the financial statements.

The following table summarizes the impacts of the correction of errors on the Bank's statements of cash flows for the comparative period.

	As previously presented TZS'000	Amount changed TZS'000		Restated TZS'000
Cash flows from operating activities				
Profit before tax	190,027,154	-		190,027,154
Adjusted for:				
Interest income	-	(235,364,550)	F	(235,364,550)
Interest expense	15,814,968	35,443,274	F	51,258,242
Net interest income	(184,106,308)	184,106,308	F	-
Impairment charges	(1,441,062)	6,070,282	B	4,629,220
Net income from government securities at FVTPL	-	(16,215,956)	K	(16,215,956)
Foreign exchange gain on ECL	-	(144,550)	L	(144,550)
Foreign exchange loss on investment securities at amortized cost	-	30,583	L	30,583
Gain on disposal of property and equipment	(88,591)	(1,000)	L	(89,591)
Foreign exchange loss on borrowings	3,862,845	(1,124,407)	I	2,738,438
Foreign exchange gain on cash and cash equivalents	-	(1,806,762)	G	(1,806,762)
Operating cash flows before changes in operating assets and liabilities	**35,866,587**	**(29,006,778)**		**6,859,809**
Changes in operating assets and liabilities				
Operating assets – 38.1	(44,736,651)	(321,698,019)	42.1	(366,434,670)
Deposits and other liabilities – 38.2	331,205,199	(39,429,978)	42.2	291,775,221
	286,468,548	**(361,127,997)**		**(74,659,449)**
Interest received	233,417,057	12,464,630	E	245,881,687
Interest paid	(47,215,708)	2,441,651	H,F,I	(44,774,057)
Income tax paid	(66,993,589)	(56,026)	L	(67,049,615)
Net cash generated from operating activities	**441,542,895**	**(375,284,520)**		**66,258,375**

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

42. RESTATEMENTS (CONTINUED)

Statement of Cash Flows (Continued)

	As previously presented TZS'000	Amount changed TZS'000		Restated TZS'000
Cash flows from operating activities				
Acquisition of investment securities at amortized cost	-	(34,280,334)	C	(34,280,334)
Acquisition of investment in government securities at FVOCI	-	(167,721,708)	D	(167,721,708)
Matured investment in government securities at FVOCI	-	212,850,897	D	212,850,897
Net cash (used in)/generated from investing activities	**(1,937,017)**	**10,848,855**		**8,911,838**
Cash flows from financing activities				
Proceeds from borrowings	-	113,501,623	I	113,501,623
Repayment of borrowings - principal	(8,171,695)	(73,414,123)	I	(81,585,818)
Repayment of borrowings - interest	(14,330,124)	14,330,124	H	-
Repayment of lease liabilities - principal	(5,486,910)	508,753	H	(4,978,157)
Net (used in)/generated from financing activities	**(54,588,729)**	**54,926,377**		**337,648**
Net increase in cash and cash equivalents	**385,017,149**	**(309,509,288)**		**75,507,861**
Cash and cash equivalents at the start of the year	615,670,639	17,145	L	615,687,784
Effects of exchange rate changes on cash and cash equivalents	375,260	1,431,502	G	1,806,762
Cash and cash equivalents at 31 December	**1,001,063,048**	**(308,060,641)**	A	**693,002,407**

42.1* (Increase)/ decrease in operating assets

	As previously presented TZS'000	Amount changed TZS'000		Restated TZS'000
Investment in government securities at FVTPL	(6,662,387)	(60,128,612)	K	(66,790,999)
Proceeds from government securities at FVTPL	-	62,458,117	K	62,458,117
Investment in government securities at FVOCI	43,051,191	(43,051,191)	D	-
Net derivative financial liabilities	(6,984,219)	6,984,219	J	-
Derivative financial assets	-	(8,079,393)	J	(8,079,393)
Loans and advances to banks	-	(309,202,468)	A	(309,202,468)
Loans and advances to customers	(16,436,338)	(4,720,023)	K	(21,156,361)
Investment securities at amortized cost	(34,041,332)	34,041,332	C	-
	(44,736,651)	**(321,698,019)**		**(366,434,670)**

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

42. RESTATEMENTS (CONTINUED)

42.2* Increase/ (decrease) in deposits and other liabilities

	As previously presented TZS'000	Amount changed TZS'000		Restated TZS'000
Derivate financial liabilities	-	1,095,174	J	1,095,174
Customers and other deposits	331,101,043	(331,101,043)	I	-
Deposits from customers	-	305,752,178	I	305,752,178
Deposits and balances due to banks	-	(15,079,788)	I	(15,079,788)
Other liabilities	575,566	(96,499)	L	479,067
	331,205,199	**(39,429,978)**		**291,775,221**

Cash and cash equivalents

The Bank revised its comparative numbers for the year ended 31 December 2024 for cash and cash equivalents to only include balances with other banks with maturity of three months or less from the date of acquisition, in line with the requirements of IAS 7. This resulted in a reclassification of prior-period balances with other banks with maturity of more than three months from the date of acquisition amounting to TZS 308.1 billion from cash and cash equivalents which resulted into a decrease in cash and cash equivalent, with a corresponding increase in operating assets.

	As previously presented TZS'000	Amount changed TZS'000	Restated TZS'000
Balances with other banks	876,082,167	(308,060,641)	568,021,526
	1,001,063,048	**(308,060,641)**	**693,002,407**

Income tax

The comparative period ended 31 December 2024 has been restated to correct a TZS 11.0 billion deferred tax charge that had been erroneously presented as a credit rather than as a charge. Consequently, the current income tax expense previously disclosed was overstated by TZS 22.0 billion. The change affected presentation only and had no impact on profit or equity.

	As previously presented TZS'000	Amount changed TZS'000	Restated TZS'000
Current income tax - current year	72,645,789	(22,036,104)	50,609,685
Deferred income tax	(11,018,052)	22,036,104	11,018,052
	62,024,189	-	**62,024,189**
Profit after tax	**128,002,965**	-	**128,002,965**

STANBIC BANK TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

43. EVENTS AFTER THE REPORTING DATE

There were no events after reporting period which requires adjustment or disclosure in the financial statements.

44. HOLDING COMPANY

The ultimate holding company is Standard Bank Group Limited. The parent company of the bank is Stanbic Africa Holdings Limited, a company incorporated in United Kingdom.

45. COMPARATIVES

Where necessary, comparative amounts have been adjusted to conform with changes in presentation in the current year.

Stanbic Bank

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