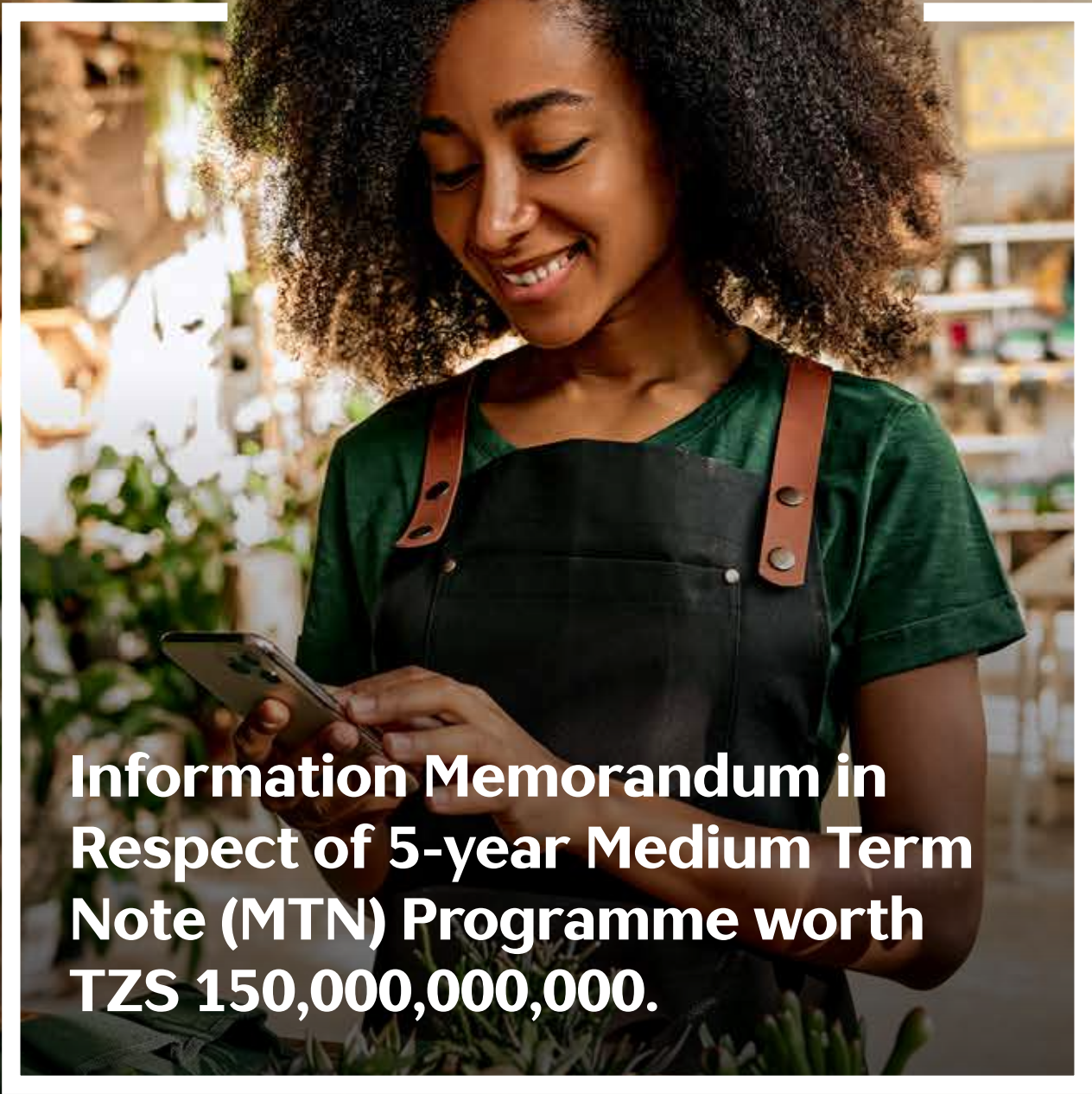




**Tanzania
Commercial
Bank**

**Stawi
Bond**



**Information Memorandum in
Respect of 5-year Medium Term
Note (MTN) Programme worth
TZS 150,000,000,000.**

15th SEPTEMBER 2025



www.tccbbank.co.tz



@Tanzaniacommercialbank

CAUTIONARY STATEMENT

This Information Memorandum has been prepared in compliance with the Capital Markets and Securities Act, Cap 79, Companies Act, Cap 212 (Act No.212 of 2023) of the Laws of United Republic of Tanzania, Capital Market and Securities (Guideline for the issuance of Corporate Bonds, Municipal Bonds and Commercial Papers), 2019 and the Dar es Salaam Stock Exchange PLC. Rules, 2022

A copy of this Information Memorandum has been delivered to the Capital Markets and Securities Authority (CMSA) for approval and to the Registrar of Companies (BRELA) for registration. Approval of this Information Memorandum by the CMSA should not be taken as an indication of the merits of TCB Bank PLC or its application. The securities offered in this Information Memorandum have not been approved or disapproved by the CMSA.

Prospective investors should carefully consider the matters set forth under the caption “Risk Factors” in section 8 of this Information Memorandum. If you are in doubt about the contents of this Information Memorandum, or what action you should take, you are advised to consult your Investment Advisor, Stockbroker, Lawyer, Banker, or any other Financial Consultant.

IMPORTANT NOTICES

This Information Memorandum is issued by Tanzania Commercial Bank PLC (the “Issuer”) and has been prepared in respect of the TZS 150,000,000,000 (Tanzanian Shillings One Hundred and Fifty Billion) Medium Term Note Programme (the “Programme”) subject to the terms and conditions (“Terms and Conditions”) contained in this Information Memorandum (the “IM”). Any other terms and conditions not contained in the Terms and Conditions which are applicable to any Notes will be set forth in a pricing supplement (the “Pricing Supplement”).

Under this 5-year Medium Term Note Programme (“Programme”), Tanzania Commercial Bank PLC (the “Issuer” or “TCB” or the “Company” or the “Bank”) may from time-to-time issue debt securities (“Notes”) and may rank as senior unsecured obligations of the Issuer or subordinated obligations of the Issuer. This Information Memorandum will only apply to Notes issued under the Programme in an aggregate nominal amount which does not exceed TZS 150,000,000,000 or its equivalent in such other currencies as Notes are issued.

The Notes, unless previously redeemed, will be redeemed in full in accordance with the provisions of the relevant Applicable Pricing Supplement. The Notes will be issued in registered form in denominations specified in the relevant Applicable Pricing Supplement.

The register of Noteholders will be maintained by CSD & Registry Company Limited as the Registrar, Fiscal & Calculating, Paying and Transfer Agent.

The sale or transfer of Notes by Noteholders will be subject to the rules of the DSE, and, where applicable, the prevailing Central Securities Depository Rules and the Terms and Conditions of the Notes. There are currently no other restrictions on the sale or transfer of the Notes under Tanzanian law. In particular, there are no restrictions on the sale or transfer of the Notes by or to non-residents of the United Republic Tanzania.

The Notes may be issued on a continuing basis and placed by one or more of the Collecting Agents specified under “Summary of the Programme” and any additional Collecting Agents appointed under the Programme from time to time, whose appointment may be for a specific issue or on an ongoing basis (each a “Collecting Agent” and together the “Collecting Agents”).

Consents

iTrust Finance Limited as Lead Transaction Advisor, Lead Collecting Agent and Sponsoring Broker; TCB Bank PLC as the Receiving Bank; CSD & Registry Company Limited as Registrar, Fiscal & Calculating, Paying and Transfer Agent; Endoxa Law as the Transaction Legal Counsel and; Auditax International as the Reporting Accountant have consented in writing to act in the capacities stated and to their names being included in this IM and have not withdrawn their consents prior to the publication of this IM.

Auditax International has given and not withdrawn its written consent to the issue of this IM with the inclusion in it of their reports in the form and context in which they are included. Endoxa Law has given and not withdrawn its written consent to the issue of this IM with the inclusion in it of their legal opinion in the form and context in which it is included.

DISCLAIMER STATEMENTS

The Issuer, having made all reasonable enquiries, confirms that this Information Memorandum contains all information with respect to itself and the Notes to be issued by it which is material in the context of the Programme. The Issuer further confirms that the information contained in this Information Memorandum is true and accurate in all material respects and is not misleading. This has been revised in the most recent copy of the Information Memorandum are held, and that there are no other facts, the omission of which, would make any such information or the expression of any such opinions or intentions misleading in any material respect. The Bank and all its Directors accept responsibility accordingly.

The Lead Transaction Advisor and the Collecting Agents have relied on the information provided by the Issuer and the Issuer's professional advisors. Accordingly, the Lead Transaction Advisor and the Collecting Agents do not make any representations as to the accuracy or completeness of the information contained in this Information Memorandum and therefore do not accept any liability or responsibility in relation to information contained in this Information Memorandum.

An application has been made to the Capital Markets and Securities Authority ("CMSA") for approval of this IM and listing of the securities on the DSE and the CMSA has granted the approval. As a matter of policy, the CMSA does not assume responsibility for the accuracy of any of the statements made or opinions or reports expressed or referred to in this IM. Approval by the CMSA of the Programme should not be taken as an indication of the merit of the issuer or of the Notes.

The DSE has no objection to the Issuer listing the Notes on the DSE. The DSE assumes no responsibility for the accuracy of the statements made or opinions or reports expressed or referred to in this IM. Admission by the DSE of the Notes should therefore not be taken as an indication of the merits of the Issuer or of the Notes.

FORWARD LOOKING STATEMENTS

This Information Memorandum includes 'forward-looking statements. These statements contain words such as "anticipate", "believe", "intend", "estimate", "expect" and words of similar meaning. All statements other than statements of historical facts included in this document, including, without limitation, those regarding the Bank's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the Bank's products and services) are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Bank to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Bank's present and future business strategies and the environment in which the Bank will operate in the future. None of the advisors to the Programme have reviewed or confirmed any of the forward-looking statements made by the Issuer.

These forward-looking statements speak only as at the date of this Information Memorandum. Without prejudice to any requirements under applicable laws and regulations, the Bank expressly disclaims any obligations or undertaking to disseminate after the date of this Information Memorandum any updates or revisions to any forward-looking statements contained herein to reflect any change in their expectations with regard thereto or any change in events, conditions or circumstances on which any forward-looking statement is based.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, many of which are beyond the Issuer's control, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. These risks, uncertainties and other factors include, among other things, those listed in the section entitled "Risk Factors," as well as those included elsewhere in this Information Memorandum. Investors should be aware that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. There may be other risks, including some risks of which the Issuer is unaware, that could affect the Issuer's results or the accuracy of forward-looking statements in this Information Memorandum. Investors should not consider the factors discussed here or under "Risk Factors" to be a complete set of all potential risks or uncertainties

Representation of Financial Information

The Issuer's financial year ends on 31st December of each year. Financial information presented in this IM is derived from the audited financial statements of the issuer for the years ended 31st December 2022, 2023 and 2024.

The forecasted financial information for the years ending 31st December 2025, 2026, 2027 and 2028 set out in the section "Reporting Accountant's Report" has been prepared to comply with the requirements of the Capital Markets and Securities Authority ("CMSA"), the Dar es Salaam Stock Exchange ("DSE"), and as per the market's best practices in Tanzania.

Some numerical figures included in this Information Memorandum have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in certain figures may not be an arithmetic aggregation of the figures that preceded them.

CORPORATE INFORMATION

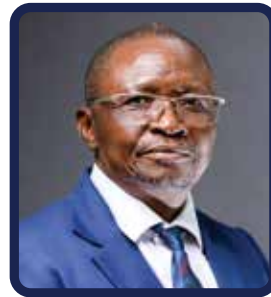


Mr. Adam C. Mihayo
Chief Executive Officer
and Managing Director



Mr. Dotto M. Kahabi
Company Secretary

Non-Executive Directors



Mr. Martin E.
Kilimba



Dr. Issack S.
Allan



Mr. Aboud H.
Mwinyi



Mr. Laibu L.
Ngulo



Mr. Macrice D.
Mbodo



Mr. Goodluck C.
Lukumay



Ms. Imelda
Lutebinga

Company's Registered Office

PSSSF Millenium Towers II,
Bagamoyo Road | P.O BOX 9300,
Dar es salaam, Tanzania

Principal Auditor

Controller & Auditor General
National Audit Office
P.O Box 950, Tambukareli, Dodoma.

Principal Banker

The Bank of Tanzania
16 Jakaya Kikwete Road 40184
P.O Box 2303, Dodoma, Tanzania

Delegated Auditor

Deloitte & Touche - Certified Public Accountants (Tanzania)
3rd Floor, ARIS House, Plot 152, Haile Selassie Road, Oysterbay,
P.O Box 1559, Dar es Salaam, Tanzania.

TRANSACTION TEAM



Lead Transaction Advisor

iTrust Finance Limited
Block C, 429 Mahando Street
P.O. Box 22636 Masaki, Dar es Salaam



Sponsoring Broker and Collecting Agent

iTrust Finance Limited
Block C, 429 Mahando Street
P.O. Box 22636 Masaki, Dar es Salaam



Transaction Legal Counsel

Endoxa Law
12TH Floor, Treasury Registrar Tower, Morocco
Square, Plot No. 1-3 Mwai Kibaki Road, & 44
Urisno Street, Dar es Salaam, Tanzania.



Auditax International
Expertise for Your Growth.

Reporting Accountant

Auditax International
Auditax House, 3rd Floor
P.O Box 77949 Coca Cola Rd,
Dar Es Salaam, Tanzania



Receiving Bank

TCB BANK PLC
PSSF Millenium Towers II,
Bagamoyo Road, P.O BOX 9300,
Dar es salaam, Tanzania.



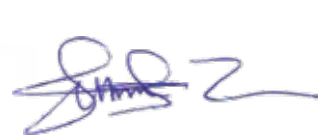
Registrar, Fiscal & Calculating, Paying and Transfer Agent

CSD & REGISTRY COMPANY LIMITED
1st Floor, Exchange Tower, NHC Morocco Square,
Mwai Kibaki and Ali Hassan Mwinyi Roads,
P.O. Box 70081, Dar es salaam, Tanzania

DIRECTOR'S DECLARATION

We, the Board of Directors of Tanzania Commercial Bank PLC, having conducted all reasonable inquiries, hereby confirm and accept full responsibility for the contents of this Information Memorandum. We confirm that it includes all material information concerning the Company and the Offer, that such information is true, accurate, and not misleading in any material respect. We further affirm that the opinions and intentions expressed within this document are honestly held and that no facts have been omitted that would render this Information Memorandum, or any information, opinions, or intentions contained herein, misleading in any material respect.

The Directors, whose names are listed in section 7 of this Information Memorandum, collectively and individually accept responsibility for the accuracy and completeness of this statement.



Board Chairman



Company Secretary

16th July 2025.

BOARD CHAIRMAN'S STATEMENT

Dear Investors,

It is with immense pride and optimism that I present this Information Memorandum on behalf of the Board of Directors of Tanzania Commercial Bank PLC. This document outlines an exceptional opportunity to participate in our TZS 150,000,000,000 Medium-Term Notes Programme, issued by Tanzania Commercial Bank PLC under the terms detailed herein.

This Programme marks a landmark milestone for Tanzania Commercial Bank PLC (TCB), representing our inaugural notes issuance and public offering. The notes may be issued in upto 3 tranches to finance the Bank's lending activities, in accordance with TCB's internal credit policies. The total principal amount of Notes outstanding will not exceed TZS 150,000,000,000 or its equivalent.

As one of Tanzania's trusted financial institutions, TCB is committed to delivering accessible, innovative, and inclusive banking solutions. We intend to empower individuals, businesses, and communities through financial services that drive national development.

Through a strong nationwide network and growing digital capabilities, TCB is well-positioned to meet the evolving needs of our customers. As part of our strategy to expand funding sources and support sustainable growth, we are now deepening our engagement with the capital markets.

We continue to invest in technology, operational efficiency, and risk management to ensure we remain a reliable and forward-looking financial partner. Our focus remains on responsible lending, customer satisfaction, and creating value for all stakeholders.

On behalf of the Board, management, and staff of TCB, I thank all our customers, partners, regulators, and the Government for their unwavering support.

We warmly invite you, our valued investors, to join us on this transformative journey as we work together to build a brighter, more prosperous future.

Sincerely,



**Mr. Martin E. Kilimba
Chairman of the Board**

CHIEF EXECUTIVE OFFICER'S STATEMENT

Dear Investors,

On behalf of the management of Tanzania Commercial Bank, I am pleased to present this Information Memorandum and invite you to participate in Tranche 1 of our TZS 5-Year Medium-Term Note (MTN) Programme. This inaugural Programme offers an investment opportunity of Tanzanian Shillings one hundred and fifty billion (TZS 150,000,000,000) in nominal value, issued under the terms outlined herein. This marks a significant milestone for TCB as we formally enter the local capital markets to support our next phase of strategic growth.

As a fully-fledged commercial bank with a nationwide footprint and a legacy of trust built over decades, TCB plays a critical role in promoting financial inclusion and supporting Tanzania's economic development. Since our transformation, the Bank has delivered solid financial performance and continued to expand its reach, particularly among underserved communities. The proceeds from this MTN Programme will be used to further strengthen our capital base, support loan book growth, and invest in innovation to enhance service delivery. Our strong track record is underpinned by the following core strengths: Resilient Loan Book: TCB has maintained a growing and diversified lending portfolio supported by prudent credit risk management and continued investment in recovery and monitoring systems.

- **Digital Transformation:** We have made substantial progress in expanding our digital banking platforms, including TCB Popote, Internet Banking, and QR-based payments, enhancing convenience and accessibility for our customers.
- **National Reach and Financial Inclusion:** With a wide network of branches, agents, and mobile channels, we remain focused on bridging the financial gap, especially in rural and low-income areas.
- **Strong Governance and Public Confidence:** Backed by a credible governance structure and a growing capital base, the Bank is well-positioned to responsibly manage investors' capital and deliver sustained value.

This issuance is more than a fund-raising effort, it is a reaffirmation of TCB's commitment to supporting Tanzania's economic agenda, empowering entrepreneurs, and facilitating access to affordable credit for individuals, SMEs, and communities across the country.

We are confident that this MTN Programme will strengthen our capacity to deliver on our mandate and unlock broader socioeconomic impact. We thank our investors, stakeholders, and partners for the continued confidence and trust in TCB. Together, we look forward to building a more inclusive and prosperous financial future for all Tanzanians.

Sincerely,



Adam Charles Mihayo
Chief Executive Officer

DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and to form part of, this Information Memorandum which shall be deemed to modify and supplement the contents of this Information Memorandum:

- any supplements to this Information Memorandum circulated by the Issuer from time to time in accordance with the Agency Agreement relating to the Programme;
- the audited annual financial statements, and notes thereto, of the Issuer for the three financial years ended 31 December 2022-2024 as well as the published audited annual financial statements, and notes thereto, of the Issuer in respect of further financial years, as and when such become available;
- each relevant Pricing Supplement relating to any tranche of Notes issued under the Programme on or after the Programme Date;
- all information pertaining to the Issuer which is relevant to the Programme and/or this Information Memorandum which is submitted to the CMSA and DSE save that any statement contained herein or in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

The Issuer will, in connection with the listing of Notes on DSE or on such other exchange or further exchange or exchanges as may be selected by the Issuer as indicated on the relevant Pricing Supplement, and for so long as any Notes remain outstanding and listed on such exchange, publish a supplement to the Information Memorandum on the occasion of any subsequent issue of Notes where there has been:

- a material adverse change in the condition (financial or otherwise) of the Issuer which is not then reflected in the Information Memorandum or any supplement to the Information Memorandum; or
- any modification of the terms of the Programme which would then make the Information Memorandum inaccurate or misleading.

Any such supplemental Information Memorandum shall be deemed to have been substituted for the previous Information Memorandum from the date of its issue.

The Issuer will provide, free of charge, to each person to whom a copy of the Information Memorandum has been delivered, upon request of such person, a copy of any of the documents deemed to be incorporated herein by reference, unless such documents have been modified or superseded. Requests for such documents should be directed to the Issuer at its registered office as set out herein.

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1 Definitions and Abbreviations

Defined Term	Definitions
“Applicable Laws”	means any laws or regulations (including any foreign exchange rules or regulations) of any governmental or other regulatory authority which may govern the Issue, the Conditions of the Notes and the Notes issued thereunder in accordance with which the same are to be construed
ARCC	means the Audit, Risk Management and Compliance Committee
“Lead Transaction Advisor”	means iTrust Finance Limited
“Company” or “Tanzania Commercial Bank” or “TCB Bank” or “the Issuer”	means Tanzania Commercial Bank (TCB) PLC
“Banking Act”	means the Banking and Financial Institutions Act, R.E of 2023 of the laws of Tanzania
“Board” or “Directors”	means the Board of Directors of the Bank
“BCC”	means the Board Credit Committee
“Bank of Tanzania” or “BOT”	means the Bank of Tanzania that was established in 1965 and operates pursuant to the Bank of Tanzania Act, 2006 of the laws of Tanzania.
“Calculation/Fiscal Agent”	means the person at its Specified Office appointed or acting as Calculation/Fiscal Agent pursuant to the Agency Agreement and the Conditions and/or, if applicable, any Successor Calculation/Fiscal Agent at its Specified Office
“Capital Markets and Securities Authority” or “CMSA”	means the Capital Markets and Securities Authority set up pursuant to the provisions of the Capital Markets and Securities Act (Cap 79 R.E 2023 of the laws of Tanzania)
“CDS”	Central Depository System maintained by the CSDR
“Collecting Agent”	means all licensed dealing members of the DSE.
“DSE” or “DSE PLC”	means the Dar es Salaam Stock Exchange PLC
“GRCC”	means the Governance, Recruitment and Remuneration Committee
“Issue”	Means the notes denominated in Tanzania Shillings, or such other currency specified in the applicable Pricing Supplement

Defined Term	Definitions
“Issue Date”	means the date from which the Notes are deemed to be issued and from which interest begins to accrue.
“Issue Price”	means the price at which the Notes are issued by the Issuer (being, at the election of the Issuer, at par or at discount to, or premium to par or at such other price or such other basis as agreed and specified in the relevant Pricing Supplement)
“Maturity Date”	means the date as specified in each relevant Pricing Supplement on which the Principal Amount is due
“Nominal Amount”	means in relation to any Note, the total amount, excluding interest owing by the Issuer under the Note, as specified in the applicable Pricing Supplement
“Noteholders”	means the persons in whose name Notes are registered in the Register maintained by the Registrar pursuant to the Agency Agreement in respect of a particular Tranche or Series and “holders” shall be construed accordingly and, in addition, where the context so admits or requires
“Notes”	means the medium-term notes issued or to be issued by the Issuer in the Specified Denominations under the Programme and represented by the records maintained by the CDS
“Information Memorandum” or “IM”	means the Information Memorandum dated 15 September 2025 which will apply to all Notes issued under the Programme on or after the Programme Date.
“Placing Agent”	means the person at its Specified Office initially appointed as Placing Agent pursuant to the Placing Agreement or if applicable, any Successor Placing Agent at its Specified Office
“Pricing Supplement”	means, in relation to a Tranche, a pricing supplement, supplemental to the Information Memorandum, issued for the purpose of specifying the relevant issue details of such Tranche and references in the Information Memorandum to the “relevant Pricing Supplement” shall, in relation to any Tranche of Notes, be references to the pricing supplement in respect of that Tranche
“Principal Amount”	means the Nominal Amount excluding interest owing by the Issuer in respect of that Note as specified in the applicable Pricing Supplement

Defined Term	Definitions
“Programme”	means the Tanzanian Shillings one hundred and fifty billion (TZS 150,000,000,000) Medium Term Note Programme as amended from time to time, under which the Issuer may from time-to-time issue Notes denominated in Tanzania Shillings
“Register”	means, in relation to the Notes, the record of investors who are the holders of the Notes maintained by the DSE in accordance with the provisions of the CSDR
“Registrar”	means the person at its Specified Office appointed or acting as Registrar pursuant to the Conditions and the Agency Agreement or, if applicable, any Successor Registrar at its Specified Office
“Regulations”	means the regulations concerning the transfer of Notes as the same may from time to time be promulgated by the Issuer and approved by the Registrar and detailed under Schedule 1 (Regulations Concerning the Transfer and Registration of Notes) of the Agency Agreement
“Series”	means, in relation to those Notes of that Tranche that are issued on the same date, Issue Price and in respect of which the first payment of interest is identical and which may otherwise have differing terms as stipulated in the relevant Pricing Supplement and “Series” shall be construed accordingly
“SMEs”	means Small and Medium Enterprises
“Specified Denominations”	means the denominations in which the Notes are issued and held being the minimum denominations specified in the relevant Pricing Supplement
“Stock Exchange”	means the DSE and references in these Terms and Conditions to the “relevant Stock Exchange(s)” shall, in relation to any Notes, be a reference to the exchange(s) on which such Notes are from time to time, or are intended to be listed

Defined Term	Definitions
“Successor”	means, in relation to any party appointed under an Issue, any successor to any one or more of them which shall become a party pursuant to the provisions of these presents and/or such other or further agent (as the case may be) in relation to the Notes as may from time to time be appointed as such, and/or, if applicable, such other or further specified offices as may from time to time be nominated, in each case by the Issuer and (except in the case of the initial appointments and specified offices made under and specified in the Conditions) notice of whose appointment or, as the case may be, nomination has been duly given to the Noteholders
“Tanzania”	means the United Republic of Tanzania and “Tanzanian” shall be construed; accordingly,
“Tanzania Shillings” or “Shilling” or “TZS”	means the lawful currency of Tanzania pursuant to the Bank of Tanzania Act, 2006 of the laws of Tanzania.
“Terms and Conditions”	means the terms and conditions incorporated in the IM under section 10 headed “Terms and Conditions of the Notes” and in accordance with which the Notes will be issued under the Programme and references to “these Conditions” shall mean the Terms and Conditions
“Tier 1 Capital”	means core capital (as defined in the Banking and Financial Institutions Act, 2006 R.E. Of 2023)
“Tier 2 Capital”	means supplementary capital (as defined in the Banking and Financial Institutions Act, 2006 R.E. Of 2023)
“Tranche”	means a series of Notes comprising one or more Series that (except in respect of the first payment of interest and their Issue Price) have the identical terms of issue and are expressed to have the same Tranche number



2 General Description of the Programme

**Stawi
Bond**

The Issuer may from time-to-time issue Notes under the TZS 150 billion Programme. The applicable terms of the notes are set out in the Terms and Conditions as incorporated under Section 10 of this Information Memorandum and as modified and supplemented by the relevant Pricing Supplement relating to the Notes and any supplemental Information Memorandum.

This Information Memorandum will only apply to Notes issued under the Programme and shall be an aggregate Nominal Amount which does not exceed TZS 150,000,000,000 or its equivalent in such other currencies as Notes are issued unless such amount is increased in accordance with the Information Memorandum. Below is the indicative issuance timeline of the Programme

Indicative Issuance Timelines of the Programme

Tranche	Indicative Amount	Indicative Issue Date *
1	TZS 50 Billion	FY 2025
2	TZS 50 Billion	FY 2027
3	TZS 50 Billion	FY 2028/29

“Table 1: Indicative Issuance Timelines”

* The Indicative Dates will be announced through the relevant Pricing Supplement. The dates may change at the discretion of the Issuer and will be communicated to the potential Noteholders where appropriate, subject to obtaining approval from the CMSA.



3

Summary of the
Programme

The Programme is for a total of Tanzanian Shillings One Hundred and Fifty Billion (TZS 150,000,000,000) or an equivalent amount in TZS or such other currencies and will provide the Issuer the flexibility to tap into the capital markets for fund mobilization as and when needed to meet its deal pipeline.

The following summary is qualified in its entirety by the more detailed information and consolidated financial statements, including the Notes thereto, incorporated by reference in this Information Memorandum. The information disclosed in this section should therefore be read in conjunction with the Reporting Accountant’s report, other sections of this Information Memorandum, the Terms and Conditions of any Tranche of Notes and the relevant Pricing Supplement.

3.1 Salient Features of the Programme

A	PARTIES	
	Issuer	Tanzania Commercial Bank PLC (“TCB” or the “Bank” or the “Issuer”).
	Lead Transaction Advisor	iTrust Finance Limited
	Sponsoring Broker	iTrust Finance Limited
	Lead Collecting Agent	iTrust Finance Limited
	Receiving Bank	Tanzania Commercial Bank PLC
	Registrar, Fiscal & Calculating, Paying and Transfer Agent	CSD & Registry Company Limited
	Transaction Legal Counsel	Endoxa Law
	Reporting Accountant	Auditax International
B:	GENERAL	
	Description of the Programme	Notes issued under a TZS 150,000,000,000 Medium Term Note Programme.
	Form of Notes	Book entry form or as specified in the relevant Pricing Supplement.
	Denomination of Notes	As specified in the relevant Pricing Supplement. Notes will be issued in such denominations as may be specified in the relevant Pricing Supplement.
	Programme Amount	Tanzanian Shillings One Hundred and Fifty billion (TZS 150,000,000,000).
	Minimum Subscription Amount	As specified in the relevant Pricing Supplement

Status of the Senior Notes	Unless otherwise specified in the Applicable Pricing Supplement, the Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank pari passu among themselves and (save for certain debt preferred by law) equally with all other unsecured obligations (other than subordinated obligations (if any)) of the Issuer outstanding from time to time
Status of Subordinated Notes	Subordinated Notes will constitute direct, unsecured and subordinated obligations of the Issuer, all as described in Terms and Conditions 10.4.2 (Status of Subordinated Notes) and the Applicable Pricing Supplement
Currency	Tanzanian Shillings.
Governing Law	The Information Memorandum, the Terms and Conditions and the Notes will be governed by and construed in accordance with the laws of Tanzania.
Use of Proceeds	To finance or refinance SMEs across various sectors or as may be specified in the relevant Pricing Supplement.
Issue Price	Notes will be issued at an issue price which is at their Nominal Value
Listing	Notes will be listed on DSE.
Oversubscription	In the event of oversubscription, at the option of the Issuer, the Issuer will seek approval from CMSA to take on the oversubscribed amounts.
Interest Period(s) or Interest Payment Date(s)	The Interest Rate(s), Interest Payment Date(s) and Interest Period(s) applicable to interest-bearing Notes will be specified in the relevant Pricing Supplement.
Noteholder	The holder of a Note from time to time and recorded as such in the Register.
Register	The Register will be maintained by the Registrar.
Risk Factors	Investing in the Notes involves certain risks (see section 8 of the Information Memorandum headed "Risk Factors.")
Redemption or Redemption Date	As specified in the relevant Pricing Supplement.
Taxation	All payments in respect of the Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("Taxes") imposed or levied by, or any authority in, or of, Tanzania having power to tax, unless such withholding or deduction of Taxes is required by law.
Eligibility	The offer for subscription is open to all Tanzanian's and Non-Tanzanian's individuals and institutions.

3.2 Programme Theme

3.2.1 Socio-Economic Impact

This Medium Term Note Programme is intended to raise long-term financing to support lending to Small and Medium Enterprises, aligning with the government's agenda to foster SME growth. The programme's theme, *"Transforming, formalizing, and growing SMEs from informal to formal sectors for overall economic development of Tanzania,"* focuses on driving inclusive economic transformation, enhancing productive capacity, and strengthening institutional resilience across key sectors.

The programme intends to support the formalization of business practices through credit facilities by enabling SMEs to adopt proper accounting and banking systems. This will allow businesses to maintain accurate financial records and comply with Tanzania Revenue Authority (TRA) tax requirements, thereby increasing national revenue and fostering transparency in business operations.

Additionally, the programme is intended to facilitate and support SMEs in formalizing land ownership (from mere sales agreements to formal title deeds) through credit facilities that will be offered to them. This initiative will further enhance revenue collection for the Ministry of Lands through land rents and helps reduce land-related conflicts, contributing to social stability and economic development.

By addressing these SMEs' challenges as identified by the Bank, the programme's goal is to facilitate the transition of SMEs from informal to formal operations through credit facilities granted by the bank and consistent advisory thereby contributing to sustainable economic growth in Tanzania.

3.3 Use of Proceeds

The net proceeds of the Notes issued under the Programme will be used from time to time by the Issuer to finance or refinance SMEs across various sectors or as may be specified in the relevant Pricing Supplement.

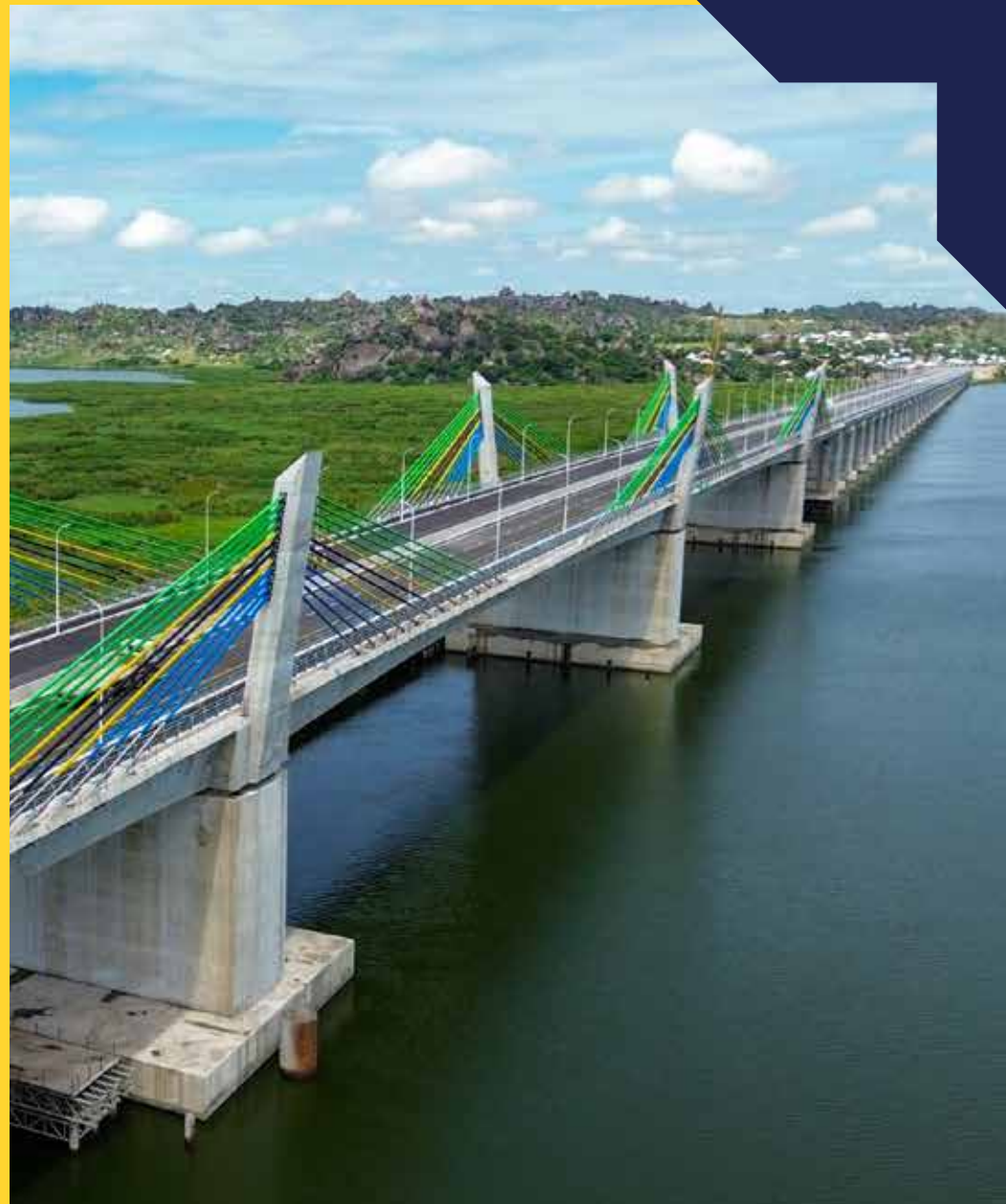
Unless otherwise stated in a particular tranche;

- Proceeds will be primarily used in supporting lending activities that contribute to economic transformation, sustainability, institutional development, and financial inclusion among SMEs.

3.4 Management of Proceeds

Allocation of proceeds will be managed in a manner consistent with the Issuer's internal governance, risk framework, and relevant guidelines.

Proceeds will be allocated within a reasonable period following each issuance. Pending full allocation, unutilised proceeds may be temporarily invested in liquid, low-risk instruments such a government securities or money market placements, in accordance with the Issuer's treasury policies and regulatory requirements.



4 Overview of the issuer's Operating Environment

Tanzania's macroeconomic landscape provides a solid foundation for corporate bond issuances, characterized by strong economic growth, disciplined monetary policy, and a resilient financial system. This section offers a comprehensive analysis of key economic and banking sector dynamics relevant to investors in TCB's MTN Programme, drawing on the Bank of Tanzania's (BOT) May 2025 Monthly Economic Review, the BOT Annual Report 2023/24, and the Finance Act, 2024. The focus is on critical factors that underscore the Programme's attractiveness, emphasizing stability, yield potential, and alignment with Tanzania's economic transformation, while subtly reflecting the broader benefits of financial market deepening.

4.1 Tanzania Economic Overview

Tanzania's economy recorded a 5.6% year on year GDP growth in Q1 2025, driven by agriculture, infrastructure, logistics, and financial services, with the African Development Bank projecting 6.3% growth for 2025. This resilience, against a global growth slowdown to 2.8% (IMF, April 2025), stems from robust domestic demand and fiscal prudence, evidenced by enhanced revenue mobilization through improved tax administration and targeted infrastructure spending. Inflation averaged 3.2% over the first five months of 2025, within BOT's 3% to 5% target range, with core inflation registering at 2.2% in April 2025, reflecting subdued demand pressures. Further, the Monetary Policy Committee maintained the Central Bank Rate at 6% through June 2025, ensuring a stable interest rate environment. Lending rates averaged 15.16% in April, down from 15.50% in March, with deposit rates at 7.82%, narrowing the lending-deposit spread to 7.34%, signaling improved liquidity in the banking system as banks capitalize on disbursing loans at rates closer to their cost of funding. This policy supports cost effective financing for issuers and attractive yields for investors in TZS denominated bonds.

The external sector bolstered this stability, with exports reaching USD 9,753.9 million year to April 2025, up from USD 7,813.3 million in the preceding year, led by gold exports at USD 3,900.7 million amid global prices over USD 3,000 per troy ounce. A narrowing current account deficit, supported by horticulture, tourism, and remittances, combined with foreign exchange reserves covering over six months of imports, stabilized the Tanzanian shilling at approximately TZS 2,600/USD. BOT interventions further mitigate currency volatility, reducing foreign exchange risk for TZS denominated bond investors, enhancing the MTN Programme's appeal in a turbulent global market.

4.2 Political Environment and Upcoming Elections

The general elections scheduled for October 2025 in Tanzania mark a significant democratic milestone, determining the leadership of the Presidency, Parliament, and local councils under the oversight of the Independent National Electoral Commission. As a key event in Tanzania's stable political framework, the elections will shape policy priorities amidst a dynamic economic landscape.

4.3 Overview of Tanzania's Banking Sector

The banking sector demonstrated a strong performance as of December 2024, as per BOT's Annual Report 2023/24, total assets amounted to TZS 62.1 trillion (+15% YoY) and customer deposits registered at TZS 42 trillion (+13% YoY). Profit before tax surged 34% to TZS 3.01 trillion, driven by operational efficiency, with the cost to income ratio (CIR) declining to 47.8% from 50.8%. Net loans and advances grew 14% to TZS 36.7 trillion, with non-performing loans dropping to 4.1% from 5.3%, reflecting prudent risk management. Return on assets rose to 5.7% from 4.5%, and return on equity reached 27.3% from 21.5%.

underscoring robust profitability and capital efficiency. The sector's liquidity remains accommodative, with the Interbank Cash Market rate anchored around the 6% policy rate.

The sector significantly contributed to economic development, evidenced by a compound annual growth rate (CAGR) of 15.8% in private sector credit from 2020 to 2024. Holding 31% of the nation's domestic public debt, the banks have established a robust foundation for financial intermediation and economic activity. Strategic credit allocation to high multiplier sectors like manufacturing, transport, and MSMEs aligns with Tanzania's structural transformation goals, supporting inclusive growth and economic diversification. Foreign currency deposits, comprising 25% of total deposits, signal depositor confidence, while FinTech integration, facilitated by the Finance Act's support for non-bank payment providers, enhances operational efficiency and service reach.

As of Q1 2025, TCB commands an asset base of TZS 1.8 trillion, reflecting a compound annual growth rate (CAGR) of 11.74% since 2022, when assets registered at TZS 1.29 trillion. This sustained growth underscores TCB's disciplined execution and strategic positioning within Tanzania's financial system. Representing 2.62% of the banking sector's total assets of TZS 68.93 trillion as of Q1 2025, TCB continues to solidify its role as a key contributor to the financial system.

TCB vs Peer Group (in TZS Trillions)

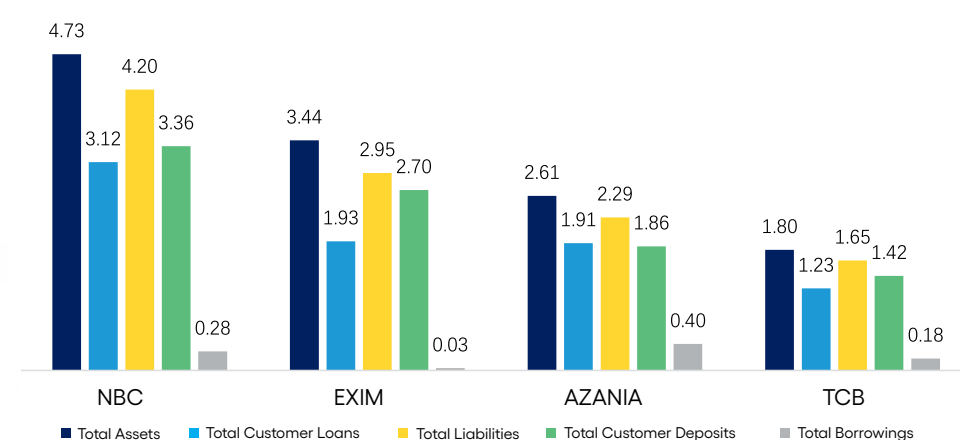


Figure 1: TCB vs Peer Group as of Q1 2025

TCB's deposit mobilization strategy has proven highly effective, with deposits achieving a 12.345 CAGR, rising from TZS 1 trillion in 2022 to TZS 1.42 trillion in Q1 2025. This growth has fueled a corresponding expansion in the loan portfolio, which increased from TZS 838 billion in 2022, to TZS 1.23 trillion in Q1 2025, highlighting TCB's ability to leverage deposit inflows to drive credit creation and support economic activity. Within its peer group, TCB holds a competitive position with its current asset base. The peer group comprises NBC, dominating the group with TZS 4.73 trillion in assets, followed by EXIM Bank at TZS 3.44 trillion, and Azania Bank at TZS 2.61 trillion. TCB's performance reflects its operational resilience and strategic focus, positioning itself in this competitive peer group (see Figure 1). This trajectory signals TCB's capacity to sustain growth, optimize capital deployment, and enhance its market presence while navigating the evolving demands of the banking sector.

In April 2025, average lending rates moderated to 15.16%, a decline from 15.50% in March 2025, while deposit rates remained steady at 7.82%. This contraction in the lending-deposit spread to 7.34% reflects enhanced liquidity within the banking system, as institutions increasingly optimize loan disbursements at rates more closely aligned with their cost of funds. The tightening spread underscores a favorable environment for banks to drive credit growth while maintaining profitability, supported by stable deposit costs and prudent risk pricing. This accommodative landscape represents an opportunity for TCB to capitalize on, leveraging favorable funding conditions and investor appetite for the MTN Programme.

4.4 Capital Markets Overview

The capital markets sector demonstrated a strong performance as of August 2025, the capital markets as regulated by the Capital Markets and Securities Authority (CMSA) serve as an increasingly vital mechanism for diversified financing and investment opportunities, supporting Tanzania's economic growth trajectory. The total market capitalization at the Dar es Salaam Stock Exchange as of August 20th 2025, stood at TZS 22,297.75 billion. This market capitalization has been propelled by strong performances in counters in the banking and industrial sectors. Further, the introduction of the Capital Markets Tribunal in 2025 has enhanced market integrity by establishing a formal dispute resolution mechanism, thereby bolstering investor confidence and fostering a stable environment for the TCB MTN Programme.

The market is witnessing a prominence of corporate bond issuances, particularly those associated with developmental projects. In 2024, a total of TZS 386.3 billion was raised from corporate bond through public issuances by banks and 2025 saw the issuance of Samia Infrastructure Bond through which CRDB Bank raised TZS 313 billion making it the largest public bond issuance in Tanzania. The performance of these issuances underscores the significant investor appetite for bonds linked to tangible economic benefits.

Further, 2024 also witnessed increased appetite for unit trust schemes. Supported by digital platforms and financial inclusion initiatives, these investment vehicles have attracted significant interest, as evidenced by the launch of new funds in 2024, including Sanlam Pesa, Inuka, Alpha Halal Fund, Timiza Fund, and iTrust's five funds (iCash, iSave, ilncome, iGrowth and Imaan Fund). These investment avenues continue to support investor appetite as excess income flows toward the more productive segments of the economy.

In parallel, the DSE's revised 2025 trading rules have aligned the market with international standards, improving liquidity, transparency, and settlement efficiency. These developments, coupled with the growing demand for corporate bonds and increasing unit trust participation, create a robust and supportive framework for the Bond Market, positioning it to benefit from a liquid secondary market and competitive pricing, attracting both domestic and international investors within a stable and well-regulated financial environment.

4.5 Future Outlook

Looking ahead, Tanzania's 5.5% to 6.3% GDP growth forecast, driven by infrastructure investments and a diversified market base, positions the banking sector to capitalize on emerging opportunities. The bond market offers investors exposure to a stable, regulated financial system, delivering attractive yields with low systemic risks, underpinned by a dynamic economy fostering broad-based prosperity.



5

Description of the Issuer's Business

5.1 History and Evolution

Tanzania Commercial Bank PLC traces its origins to the Tanganyika Post Office Savings Bank, established under the Tanganyika Post Office Savings Bank Ordinance of 1925 and becoming operational by 1927 as a government-backed savings institution during British colonial rule. Originally part of the Tanzania Posts and Telecommunications Corporation after the collapse of the East African Community, it was reconstituted as an independent entity by the Tanzania Postal Bank Act No. 11 of 1991 under which the bank's mandate was to mobilize local savings and extend banking services nationwide. Following the repeal of the 1991 Act on 29 June 2015, the bank was incorporated under the Companies Act (Cap 212) on 29 March 2016, and on 19 January 2017 publicly rebranded to TPB Bank PLC, unveiling a modern corporate identity and the tagline "Grow with Us".

In May and August 2018, the Bank of Tanzania approved the merger of Twiga Bancorp and Tanzania Women's Bank into TPB Bank PLC to strengthen the capital base and operational efficiency of state-owned banks. A further consolidation occurred in June 2020, when TIB Commercial Bank Limited was merged into TPB Bank PLC raising total assets above TZS 1 trillion and marking TPB's entry into Tanzania's first-tier banking club. To reflect its expanded mandate, broadened product suite, and renewed governance framework, on 14 July 2021 TPB Bank PLC formally adopted the name Tanzania Commercial Bank PLC.

5.2 Overview of the Bank

Tanzania Commercial Bank PLC is a licensed commercial bank headquartered in Dar es Salaam. The bank's vision is to be the leading bank in providing innovative financial solutions and promoting financial inclusion in Tanzania. Its mission is to offer convenient banking products and services through the deployment of innovative solutions, enhance value to stakeholders, and contribute to the country's socio-economic development.

As of the date of this IM, TCB Bank has a solid financial position, with total assets at approximately TZS 1.9 Trillion and a workforce of about 1100 employees supported by a growing customer base and a nationwide presence. The bank reported a record net profit of TZS 31.6 billion for the year ended 31st December 2024, reflecting operational resilience. TCB's performance demonstrates its strategic focus on expanding retail and SME lending, enhancing digital banking channels, and maintaining stringent risk management practices.

5.3 Nature of Business

TCB offers a comprehensive range of financial services, including personal banking (savings and checking accounts, loans, and digital banking solutions), business banking (corporate accounts, credit facilities, and trade finance services), digital banking (internet banking, mobile banking, and agency banking services), and foreign exchange services for various currencies. TCB operates an extensive network of branches and ATMs across Tanzania, ensuring accessibility for its customers nationwide.

5.4 Description of the Banking Business

5.4.1 Retail Banking

TCB offers a broad suite of retail banking services targeting individuals and households. TCB's Retail Banking business provides a full range of lending, transactional and savings solutions through personal banking (including civil servants) and micro small and medium sized enterprises banking.

As of June 2025, the Bank's Retail Banking division maintained a loan portfolio of over TZS 700 billion, accounting for approximately 55% of the total loans issued by the Bank. This reflects the Bank's strong position and continued commitment to serving the consumer and small business segments through tailored financial solutions.

The main retail banking products include:

- Fixed Deposit Accounts
- Pensioner Loans
- Staff loans
- Bonus Accounts
- Consumer Loans
- Group Lending
- Credit, Debit, Prepaid
- Mortgage & Construction Loans

5.4.2 Corporate and Institutional Banking

The Wholesale Banking business line includes corporate banking (large corporate customers and parastatals), government banking (central and local government), institutional banking (insurance, pension funds, non - Governmental organizations (NGOs), governmental agencies), transactional banking and agribusiness (crop financing), supported by a specialized transactional services team.

As of June 2025, the Bank's Corporate and Institutional Banking division accounted for approximately TZS 580 billion in outstanding loans, representing around 45% of the Bank's total loan portfolio. Under its newly adopted five-year strategic plan, the Bank aims to further expand this segment to enhance its contribution to socio-economic development.

The wholesale banking solutions offered by the bank include:

- Corporate lending
- Deposit-taking
- Trade finance
- Structured Financing
- Contract Financing
- Call Accounts
- Asset Financing
- Trade Finance
- Term Deposits
- Bank Guarantees

5.4.2 Treasury

The Treasury business is subdivided into ALM (Asset and Liability Management) which manages assets and liabilities of the bank and Global markets which manages the bank's forex risk and interest rate risk exposures as well as engaging in both forex and government securities trading activities. The Treasury business serves a wide range of clients including the government, individuals, small to large corporates and institutions.

The bank offers comprehensive range of services related to foreign trade and exchange, as well as advisory services for capital market investments and complete custodial services, including safekeeping, asset management, and recordkeeping. The product offerings include foreign currency exchange, hedging solutions to manage currency and interest rate risks, custodial services, and advisory support for high-net worth individuals, as well as other retail, business, and corporate clients.

Treasury services offered by the bank include:

- Fixed Income instruments Trading
- Spot foreign currency sales
- Risk management products (e.g. Forwards and swaps)
- International transfers

5.4.3 Distribution Networks

TCB delivers its products and services through a wide-reaching and multi-channel distribution network, ensuring accessibility for customers across both urban and rural Tanzania. These include;

- Branches and mini branches: The Bank operates 52 branches and 30 mini branches across mainland Tanzania and Zanzibar, ensuring broad access to its services for customers.
- ATMs: The Bank operates 86 ATMs and provides customers with access to an additional 281 ATMs through the Umoja Switch network, as well as 750 ATMs via Umoja Switch's partnership with NMB Bank.
- Mobile App (TCB Popote App)
- Internet banking

5.4.4 Loan Book Composition by Sector

TCB Loan Book Composition Q1 2025 (in TZS Billions)

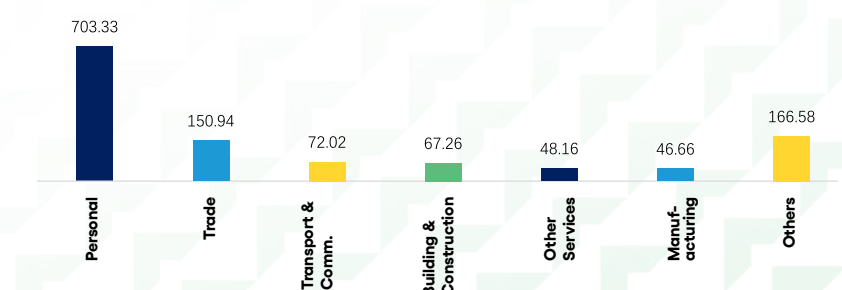


Figure 2: TCB Loan Book Portfolio as at Q1 2025

The loan book exposure (see Figure 2 above) is concentrated across 6 key sectors, personal (56.04%), trade (12.03%), transport and communication (5.74%), building and construction (5.36%), other services (3.84%) and manufacturing (3.72%). This unique exposure profile positions TCB well as these sectors continue to be key drivers of economic activity. According to BOT's monetary policy statement in June 2025, as of Q1 2025, credit allocation to the personal segment dominated contribution to credit growth, registering at 5.1%, followed by agriculture (3.2%), other activities (1.7%), trade (1.7%), manufacturing (0.7%), transport and communication (0.9%) and building and construction (1.5%). This credit profile aligns well with TCB's overall loan book exposure signifying its effectiveness in credit allocation that is expected to reflect in its profitability for FY2025.

Looking ahead, the Bank remains committed to investing in technology and innovation to enhance operational efficiency, customer experience, and financial inclusion. In parallel, the Bank continues to expand its customer base across Tanzania, with a strong emphasis on digital innovation, affordable credit, and access to banking services. Investments in mobile and internet banking platforms such as the TCB Popote mobile app and the QR-based payment solution, have significantly improved customer convenience. Through its expanding agency banking network and nationwide branch footprint, the Bank remains focused on extending its reach to underserved and rural communities.

While recognizing the potential for volatility in interest rates due to evolving global economic conditions, the Bank anticipates general price stability. Rather than competing on price alone, the Bank positions to differentiate itself through product innovation, superior service delivery, and value creation. The deposit mobilization strategy will emphasize stable and cost-effective funding through current and savings accounts. Furthermore, the Bank is expected to broaden its product offerings and foster strategic partnerships aimed at deepening customer engagement and enhancing product utilization. This positions the Bank strategically for long-term growth and on course to become one of Tanzania's leading banks.

5.5 Current and Future Development Plans

The Bank is undergoing a significant phase of transformation aimed at expanding its focus beyond traditional retail clients to actively serve small and medium-sized enterprises (SMEs), while accelerating its digitalization agenda. A new organizational structure has been established to align with the Bank's ambition of becoming one of the leading financial institutions in the United Republic of Tanzania. This transformation also supports the Bank's commitment to key national development initiatives.

The Bank has successfully rolled out its new Strategic Plan that covers the five (5) year period 2024-2028 with a focus on delivering more value to a broader market base while ensuring a continued leverage of technology to deepen current revenue streams and taking advantage of the foundations laid in previous periods to drive future growth. The Bank now serves all customers and has a strong focus on SMEs. The Bank has leveraged technology to achieve this. The Bank is now in its second phase of transformation to being more universal in the customers it serves following the revamp of the Retail and SME Banking as well as the previous establishment of Corporate Banking.

5.6 The Bank's Five-Year Strategy (2024 – 2028)

In 2024, the bank began the implementation of the most recent 5-year strategy (2024-2028) which sets the foundation for the bank transformation. The Bank has continued to grow and ringfence its business and puts the customers at the centre of what it does by addressing their evolving needs.

The bank's key focus areas in the 2024-2028 strategy are:

- Balance sheet transformation
- Brand repositioning
- Digitalization
- Risk review
- Human capital management



6

Summary of Financial

Information

6.1

Financial Highlights

The Issuer’s financial information set out below has, unless otherwise indicated, been derived from its audited consolidated financial statements for the years ended 31 December 2024 and management accounts ended March 2025, in each case prepared in accordance with IFRS as issued by the International Accounting Standards Board. Such summary should be read in conjunction with the financial statements and related notes.

6.2

Statement of Profit and Loss

In TZS'000	2022	2023	2024
Interest Income	139,782,422	151,237,933	178,860,234
Interest Expenses	(48,565,235)	(51,385,740)	(57,958,533)
Net Interest Income	91,217,187	99,852,193	120,901,701
Impairment credit/(charge) on financial instruments	(13,942,889)	(57,487,969)	4,083,139
Net interest income after impairment	77,274,298	42,364,224	124,984,840
Fees and commission income	26,034,638	20,372,171	27,537,971
Fees and commission expense	(300,000)	(250,000)	(225,000)
Net fees and Commission Income	25,734,638	20,122,171	27,312,971
Foreign exchange income	2,903,487	6,663,353	9,559,812
Other income	4,111,292	3,910,511	10,471,309
Net operating income	110,023,715	73,060,259	172,328,932
Administrative expenses	(92,324,235)	(107,258,968)	(118,750,357)
Depreciation and amortization	(10,828,637)	(10,221,643)	(9,642,732)
Profit/(Loss) from operations	6,870,843	(44,420,352)	43,935,843
Income tax expense	(3,716,999)	(1,854,357)	(12,297,317)
(Loss)/profit for the year	3,153,844	(46,274,709)	31,638,526
Other comprehensive income Items that will not be reclassified subsequently to profit or loss			
Actuarial gain/(loss) from defined benefit obligation	900,621	(149,248)	208,555
Tax thereon	(270,186)	44,774	(62,567)
Other comprehensive income/(loss), net of tax	630,435	(104,474)	145,988
Total comprehensive income/(loss) for the year	3,784,279	(46,379,183)	31,784,514

6.3 Statement of Financial Position

In TZS'000	2022	2023	2024
Assets			
Cash and Balances with Bank of Tanzania	113,952,048	160,965,549	222,113,529
Cheques and items for Collection	270,979	256,663	178,912
Placements and balances with other banks	165,931,752	110,599,730	95,561,550
Treasury Bills	-	19,857,689	79,953,363
Treasury Bonds	103,441,723	127,687,134	129,214,637
Loans and advances to customers	838,044,376	911,150,315	1,137,048,515
Other assets	22,406,844	12,277,657	30,039,104
Deferred tax asset	7,421,575	10,264,091	11,814,120
Tax recoverable	-	5,284,515	920,967
Intangible assets	1,866,654	2,129,923	1,574,381
Property and Equipment	20,609,908	18,511,985	19,577,598
Right of use assets	11,466,672	10,346,319	10,328,655
Total Assets	1,285,412,531	1,389,331,570	1,738,325,331
Liabilities			
Customer deposits	1,000,576,826	1,120,731,908	1,303,419,571
Balances due to other banks	117,548,333	80,009,367	197,456,069
Borrowings	12,587,836	12,132,164	33,687,253
Lease Liabilities	8,502,402	7,184,933	6,069,641
Other Liabilities	19,109,066	41,373,673	37,978,803
Current tax Liabilities	2,679,487	-	-
Revenue Grant	75,300	42,589	204,641
Staff benefit obligation	7,702,672	8,948,912	8,816,815
Total Liabilities	1,168,781,922	1,270,423,546	1,587,632,793
Capital and Reserves			
Share Capital	31,371,963	80,028,561	80,028,561
Other reserves	9,693,731	2,104,510	2,104,510
Defined Benefit reserve	(2,261,020)	(2,365,494)	(2,219,506)
Retained earnings	77,825,935	39,140,447	70,778,973
Total equity	116,630,609	118,908,024	150,692,538
Total equity and Liabilities	1,285,412,531	1,389,331,570	1,738,325,331

6.4 Statement of Cashflow

In Million TZS	2022	2023	2024
Cashflow from operating activities			
Net cashflow generated from (used in) operations	(75,914)	(28,793)	83,548
Cashflow from investing activities			
Purchase of intangible assets	(577)	(1,049)	(254)
Purchase of property and equipment	(2,330)	(2,225)	(5,021)
Proceeds from disposal of property and equipment and intangible assets	-	-	131
Proceeds from treasury bills	-	-	20,000
Investment in treasury bills	22,834	(19,861)	(80,096)
Proceeds from treasury bonds	-	-	11,000
Investment in treasury bonds	(23,574)	(24,214)	(12,519)
Net cash used in investing activities	(3,648)	(47,349)	(66,759)
Cashflow from financing activities			
Payments on lease liabilities- principal	(6,151)	(5,548)	(6,164)
Receipt from capital injection	-	46,783	-
Proceeds from borrowings	-	-	33,470
Repayment on borrowings- principal	-	-	(12,000)
Withhold tax on bonus issue	(367)	-	-
Grant received	93	-	201
Net cash generated from financing activities	(6,425)	41,236	15,507
Net increase in cash and cash equivalents	(85,987)	(34,906)	32,296
Cash and cash equivalents at 31 December	111,197	228,814	192,360
Effect of foreign exchange rate changes	-	(1,548)	(92)
Cash and cash equivalents at 31 December	25,211	192,360	224,563
Analysis of cash and cash equivalents at 31 December			
Cash and cash balances with the Bank of Tanzania	113,984	161,026	222,121
Statutory Minimum Reserve (SMR)	(46,506)	(77,330)	(93,370)
Placements with other banks	87,598	108,407	95,660
Cheques and items in the course of collection	271	257	179
Balances due to other banks	(117,548)	-	-
Borrowings	(12,588)	-	-
	25,211	192,360	224,590

6.5. Management Accounts

6.5.1 Condensed Statement of Financial Position as at 30 June 2025

No.	In TZS'000	30.06.2025	31.03.2025
ASSETS			
1	Cash	76,780,118	68,841,234
2	Balances with Bank of Tanzania	157,802,574	86,611,462
3	Investments in Government securities	254,388,844	229,620,065
4	Balances with other banks and financial institutions	20,120,448	75,081,917
5	Cheques and items for clearing	661,306	281,421
6	Interbank Loans Receivables	114,488,158	51,844,854
7	Loans, advances and overdrafts (net of allowances for probable losses)	1,269,531,733	1,227,418,159
8	Other assets	38,222,622	44,623,013
9	Property, Plant and Equipment	19,443,980	19,654,867
10	TOTAL ASSETS	1,951,439,785	1,803,976,992
LIABILITIES			
11	Deposits from other banks and financial institutions	8,473,647	20,889,248
12	Customer deposits	1,373,051,622	1,275,478,913
13	Special deposits	99,135,933	102,087,328
14	Payment orders/transfers payable	4,649,719	6,210,968
15	Accrued taxes and expenses payable	34,315,603	30,535,610
16	Unearned income and other deferred charges	9,569,300	9,291,683
17	Other liabilities	22,045,473	23,137,799
18	Borrowings	236,661,375	178,884,250
19	TOTAL LIABILITIES	1,787,902,671	1,646,515,798
20	NET ASSETS/(LIABILITIES) (10 minus 20)	163,537,114	157,461,194
SHAREHOLDERS' FUNDS			
21	Paid up share capital	80,028,561	80,028,561
22	Retained earnings	63,559,575	68,628,912
23	Profit (Loss) account	17,844,468	6,699,211
24	Other capital accounts	2,104,510	2,104,510
25	TOTAL SHAREHOLDERS' FUNDS	163,537,114	157,461,194
26	Contingent liabilities	281,317,809	238,477,574
27	Non-performing loans & advances	45,284,708	39,987,593
28	Allowances for probable losses	23,622,037	24,635,177
SELECTED FINANCIAL CONDITION INDICATORS			
(i)	Shareholders' Funds to total assets	8.38%	8.73%
(ii)	Non-performing loans to total gross loans	3.49%	3.19%
(iii)	Gross loans and advances to total deposits	87.54%	89.74%
(iv)	Loans and Advances to total assets	65.06%	68.04%
(v)	Earning Assets to Total Assets	83.96%	83.64%
(vi)	Deposits Growth	5.88%	8.94%
(vii)	Assets growth	8.17%	3.78%

6.5.2 Condensed Statement of Profit or Loss and Other Comprehensive Income

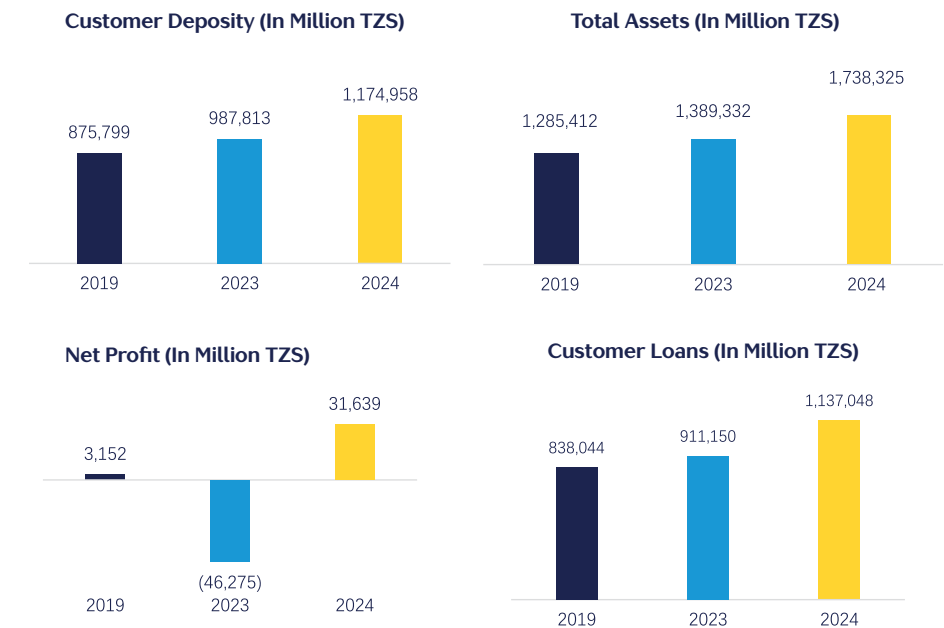
No	In TZS'000	Current Quarter 30-Jun-25	Comparative Quarter (Previous year) 30-Jun-24	Current year (Cumulative) 30-Jun-25	Comparative year (Previous year) 30-Jun-24
1	Interest Income	53,016,099	40,417,744	102,357,234	83,141,208
2	Interest Expense	(20,085,718)	(13,871,584)	(37,937,272)	(27,543,266)
3	Net Interest Income (1 minus 2)	32,930,381	26,546,160	64,419,962	55,597,942
4	Bad Debts Written Off	-	(198,580)	-	(323,432)
5	Impairment Losses on Loans and Advances	(321,207)	(3,487,023)	(1,019,595)	(5,496,066)
6	Non-Interest Income:	18,855,434	15,987,000	32,817,563	30,044,602
	6.1 Foreign Currency Dealings and Translation Gains/(Loss)	2,104,233	2,135,446	4,161,170	5,448,269
	6.2 Fees and Commissions	10,118,072	6,742,648	18,810,180	13,684,904
	6.3 Dividend Income	-	-	-	-
	6.4 Other Operating Income	6,633,130	7,108,906	9,846,213	10,911,429
7	Non-Interest Expenses:	(36,303,568)	(28,318,216)	(70,535,005)	(55,654,578)
	7.1 Salaries and Benefits	(17,926,198)	(9,648,035)	(35,403,097)	(27,701,199)
	7.2 Fees and Commission	(2,491,668)	(2,394,526)	(6,053,654)	(4,568,453)
	7.3 Other Operating Expenses	(15,885,702)	(16,275,655)	(29,078,253)	(23,384,926)
8	Operating Income/(Loss)	15,161,040	10,529,341	25,682,926	24,168,468
9	Income Tax Provision	(4,015,783)	(2,318,013)	(7,838,458)	(4,182,603)
10	Net Income/ (Loss) After Income Tax	11,145,257	8,211,327	17,844,468	19,985,865
11	Other Comprehensive Income (itemize)	-	-	-	-
12	Total comprehensive income / (loss) for the year	11,145,257	8,211,327	17,844,468	19,985,865
13	Number of Employees	1,145	1,063	1,145	1,063
14	Basic Earnings Per Share	139	103	223	250
15	Number of Branches (Full-fledged)	52	52	52	52
SELECTED PERFORMANCE INDICATORS					
i	Return on Average Total Assets	0.59%	0.56%	1.03%	1.37%
ii	Return on Average Shareholders' Fund	6.85%	6.04%	11.69%	15.24%
iii	Non-Interest Expense to Gross Income	70.10%	66.58%	72.54%	64.98%
iv	Net Interest Income to Average Earning Assets	2.08%	2.27%	4.55%	4.83%

Note: Average figures are computed by summing up the end balances for respective months in the period divided by number of months in the period.

6.5.3 Condensed Statement Of Cashflow For the Quarter/ Year ended 30 June 2025

No	In TZS'000	Current Quarter 30-Jun-25	Previous Quarter 31-Mar-25	Current year Cumulative 30-Jun-25	Comparative Year (Previous Year) Cumulative 30-Jun-24
I: Cash flow from operating activities:					
	Net income(loss)	15,161,040	10,521,885	25,682,926	24,168,468
	Adjustments for:				
	- Impairment/Amortization	2,816,742	3,217,899	6,034,641	10,765,851
	- Net change in Loans and Advances	(42,113,574)	(90,369,770)	(132,483,344)	(101,199,075)
	- Net change in Deposits	82,205,713	114,749,488	196,955,201	88,534,751
	- Net change in Other Liabilities	(1,167,326)	(4,441,660)	(3,113,694)	11,626,931
	- Net change in Other Assets	6,400,390	10,054,339	16,454,729	(6,185,014)
	- Tax Paid	(3,313,962)	(3,313,962)	(6,627,924)	(4,182,603)
	- Others (SMR Movement / Government securities)	(7,378,979)	(2,313,021)	(11,998,037)	(24,628,629)
	Net cash provided (used) by operating activities	52,610,043	38,105,198	90,904,497	(1,099,320)
II: Cash flow from investing activities:					
	Purchase of Fixed Assets	(922,459)	(1,151,418)	(2,073,878)	(1,577,298)
	Purchase of Non- Dealing Securities	(25,011,140)	(48,088,600)	(73,099,740)	-
	Proceeds from Sale of Non-Dealing Securities	-	30,250,750	30,250,750	-
	Net cash provided (used) by investing activities	(25,933,599)	(18,989,268)	(44,922,868)	(1,577,298)
III: Cash flow from financing activities:					
	Payment of Cash Divi- dends	(5,000,000)	-	(5,000,000)	-
	Others (Payment of Lease liability/Grant received)	(225,190)	(2,102,749)	(2,517,195)	(2,509,373)
	Net Cash Provided (used) by Financing Activities	(5,225,190)	(2,102,749)	(7,517,195)	(2,509,373)
IV: Cash and Cash Equivalents:					
	Net Increase/ (Decrease) in Cash and Cash Equiva- lents	21,451,254	17,013,180	38,464,434	(5,185,991)
	Cash and Cash Equiva- lents at the Beginning of the Quarter/Year	46,690,180	29,677,000	29,677,000	69,706,390
	Cash and Cash Equiv- alents at the end of the Quarter/Year	68,141,434	46,690,180	68,141,434	64,520,400

6.6. Financial Trends



6.7 Financial Ratios

Key Financial Ratios	2022	2023	2024
Net Income growth	(65.6%)	(1568.1%)	168.4%
Loans and advances growth	16.6%	8.7%	24.8%
Total Assets growth	8.9%	8.1%	25.1%
Customer Deposits growth	(4.6%)	12.8%	18.9%
Return on Equity	2.7%	(38.9%)	21.0%
Return on Assets	0.3%	(3.3%)	1.8%
Net Interest Margin	9.7%	9.4%	9.8%
Non-Performing Loans ratio	8.4%	3.7%	3.4%
Tier 1 Capital Ratio	13.4%	12.4%	13.4%
Total Capital Ratio	13.4%	12.4%	13.4%
Earnings per Share	39	(578)	395
Book Value per Share	1457.37*	1,485.83	1,883.00

*Note: In 2022, the number of shares increased from 28,071,743 to 80,028,561. For consistency in analysis, all per share calculations have been based on the most recent share count of 80,028,561.

6.8 Analysis of Borrowings

The borrowings are as follows;

- TZS 23.4 billion from Bank of Tanzania to support housing finance and other eligible borrowers such as smallholder farmers, rural microenterprises, farmers' groups, cooperatives and other value chain actors with linkages to smallholder farmers and/or rural microenterprises.
- TZS 10.0 billion from Tanzania Agriculture Development Bank to support various beneficiaries of agricultural, aquatic, and livestock production.

	2024 TZS'000	2023 TZS'000
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BORROWINGS

Borrowings	33,470,000	12,000,000
Interest payable	217,253	132,164
	33,687,253	12,132,164
Interest expense due to banks	1,319,939	720,000

The movement in borrowings during the year is as below:

At 1 January	12,132,164	12,000,000
Addition	33,470,000	-
Interest expense	1,319,939	720,000
Repayments – principal	(12,000,000)	-
Repayments - interest	(1,234,850)	(587,836)
At 31 December	33,687,253	12,132,164



7 Corporate Governance and Management

7.1 Structure of the Board

The Board of Directors (the “Board”) is responsible for the governance of the Bank and is committed to ensure that its business and operations are conducted with integrity and in compliance with the laws of the United Republic of Tanzania. The Board observes sound corporate governance principles and business ethics in managing the Bank. In this regard, the Board oversees that the Bank complies with all relevant legislation including the provisions of the Banking and Financial Institutions Act, R.E. 2023 and the prudential guidelines issued by the Bank of Tanzania.

The Board has three committees namely, the Governance, Recruitment and Remuneration Committee; the Audit, Risk Management and Compliance Committee; and the Board Credit Committee. The three Board committees discharge their functions as vested onto each one of them under their respective charters. Each of the Committees is required to meet at least once quarterly.

The Board delegates the day-to-day management of the Bank business to Chief Executive Officer who is assisted by Senior Management. Senior Management are invited to attend Board Meetings and facilitates the effective control of all the Bank’s operational activities, acting as a medium of communication and coordination between all the various business units.

The Bank attaches great importance to sound corporate governance practice because it ensures integrity and transparency in managing the relationship that exists between the Bank and all its stakeholders. It is in that vein that the Bank ensures that it is in compliance with the requirements of various legislations which govern its operations including the Companies Act, Cap 212 R.E. of 2023, the Banking and Financial Institutions Act, R.E. 2023, the Public Corporations Act, R.E. 2023, the Public Procurement Act, R.E 2022, the Public Finance Act, R.E 2022 and the Prudential Regulations and Guidelines, Circulars and Rules issued by the Bank of Tanzania. Members of the Management team also participate in various industry initiatives and affairs through the Tanzania Bankers Association and the Tanzania Institute of Bankers.

7.2 Composition of the Board of Directors

The new composition of the Board of Directors is as approved in the extraordinary general meeting held on 1st March 2024, is to have ten (10) members having nine (9) seats for non-executive directors and one (1) seat of executive director. The approved new composition is as shown below;

- The Government of United Republic of Tanzania – 4 Board members including the Chairman;
- Revolutionary Government of Zanzibar – One Board Member;
- Tanzania Posts Corporation – One Board Member
- The remaining minority shareholders: POSTA NA SIMU SACCOS, PSSSF and WCF – One Board Member.
- Two Independent Directors to be sourced competitively from the market; and
- One executive director (Chief Executive Director) with no voting right.
- The tenure of Board Members is three years per term and they are eligible for reappointment for two additional terms.

7.2 Board Meetings

The Board of Directors meets regularly, with at least four scheduled meetings each year, to provide strategic oversight, review financial and operational performance, assess risk management, and ensure regulatory compliance. Special meetings are convened as needed to address urgent matters. Board packs including financial reports, risk updates, and key management proposals are circulated in advance to enable informed and constructive discussion. Minutes are formally recorded, and all decisions are documented to ensure accountability and transparency in line with good corporate governance practices.

7.3 Succession Planning

Succession planning is an integral part of the Bank’s governance and human capital strategy, aimed at ensuring business continuity and leadership stability. The Board, in collaboration with senior management and the Human Resources function, oversees a structured process to identify, develop, and retain high-potential talent for critical roles across the organization. This includes both short-term emergency replacements and long-term leadership development plans. Regular reviews are conducted to assess readiness levels and align succession pipelines with the Bank’s strategic objectives, ensuring that the institution is well-positioned to sustain performance through leadership transitions.

7.4 Board of Directors

S/N	Name of Director	Board	Entity	Age
1.	Mr. Martin Emmanuel Kilimba	Chairman	URT	65
2.	Dr. Issack Shimba Allan	GRCC	URT	57
3.	Mr. Aboud Hassan Mwinyi	GRCC	RGZ	48
4.	Mr. Laibu L. Ngulo	GRCC	Posta na Simu SACCOS	51
5.	Mr. Macrice D. Mbodo	ARCC	TPC	42
6.	Mr. Adam Charles Mihayo	EXCO	CEO	44
7.	Ms. Imelda Lutebinga	ARCC	Independent	43
8.	Mr. Goodluck C. Lukumay	ARCC	Independent	45

*BCC – Board Credit Committee,

*ARCC - Audit, Risk Management and Compliance Committee and

*GRCC - Governance, Recruitment and Remuneration Committee.

7.5 Board Committees

The Board committees are:-

- The Governance, Recruitment and Remuneration Committee;
- The Audit, Risk Management and Compliance Committee; and
- The Board Credit Committee.

The Governance, Recruitment and Remuneration Committee

The Governance, Recruitment and Remuneration Committee is chaired by the Chairperson of the Committee and consists of two other Board Members. The Chief Executive Officer and other senior management members are in attendance. The committee meets at least once quarterly to receive and discuss quarterly performance reports and matters relating to Strategy, Financial and Business Performance as well as Human Resource Management.

The Committee operates under a formal charter approved by the Board of Directors and Committee members have unlimited access to all information. Members of senior management are invited to attend and present quarterly performance reports and give feedback at Committee meetings. The Committee also handles recruitment process for senior management positions and recommends to the Board of Directors the appointments and remuneration of senior Management staff. The Committee also is responsible for disciplining of senior management members. The Company Secretary provides secretariat services to the Committee.

The Audit, Risk Management and Compliance Committee

The Audit, Risk Management and Compliance Committee is chaired by the Chairperson of the Committee and consists of two other Board members. The Chief Executive Officer, Director of Internal Audit and management also attend. The Committee meets at least once quarterly to evaluate, among others accounting practices, internal control systems and auditing and financial reporting. Its task includes evaluating critical risk areas identified with the help of the internal auditors.

The Committee operates under a formal charter approved by the Board of Directors and Committee members have unlimited access to all information. Certain members of management are invited to attend and give feedback at Committee meetings. The Committee also negotiates with external auditors on their remuneration. The Committee also holds separate meetings with the head of internal audit department and the external auditors, when required, to ensure that matters are considered without undue influence. The Company Secretary provides secretariat services to the Committee.

The Board Credit Committee

The Board Credit Committee is chaired by the Chairperson of the Committee and consists of two other Board Members. The Chief Executive Officer and other senior management members are in attendance. The committee meets at least once quarterly to receive and discuss quarterly performance reports and matters relating to credit facilities that are notified to Board noting.

The Committee operates under a formal charter approved by the Board of Directors and committee members have unlimited access to all information. Members of senior management are invited to attend and present quarterly performance reports and give feedback at committee meetings. The Committee also reviews credit performance of the bank, non-performing loans management as well credit risk management. The Company Secretary provides secretariat services to the Committee

The Board is required to meet at least four times a year. The board of directors delegate the day-to-day management of the business to the Chief Executive Officer assisted by heads of department. The company is committed to the principles of effective corporate governance. The directors also recognise the importance of integrity, transparency and accountability.

Company secretary

The Board of Directors appoints the Company Secretary and all Board members have access to the services of the Company Secretary. The Company Secretary is the principal advisor of the Board on legal and corporate governance matters. Where necessary the Board seeks independent professional advice on some matters. The Company Secretary ensures that:

- (i) Annual calendar for Board meetings is prepared and circulated to all Board members after approval.
- (ii) Adequate information is provided to all the members prior to commencement of the Board and committee meetings.
- (iii) Proceedings of the Board and those of Board Committees are recorded and Minutes written soon thereafter the meeting.
- (iv) Resolutions and directives of the Board and/ or Board Committees are communicated to Management for implementation and status of implementation is reported to the Board or Committee at the next meeting.
- (v) To promote a culture of good Corporate Governance.
- (vi) Maintaining the statutory registers.
- (vii) Communication link between the Board of Directors and Management.

Profiles of Directors



Mr. Martin E. Kilimba
Board Chairman

Mr. Martin Emmanuel Kilimba holds master's degree of Science in Finance from University of Strathclyde in collaboration with Institute of Finance Management (IFM) and Advanced Diploma in Economic Planning from Mzumbe University. He has worked as a Manager in the Debt Management Department at Bank of Tanzania over Thirty years. He has participated in several workshops, trainings and short courses in Economic, Finance and Commercial Banking, Financial Management of Development Projects, International Loan Negotiation and Central Banking Operation. Mr Kilimba is a Certified Director from Institute of Directors Tanzania (IoDT).



Dr. Issack Shimba Allan

Dr. Issack Shimba Allan represents the Government of the United Republic of Tanzania. He is a Senior lecturer at the University of Dar es Salaam Business School. He holds a PhD in Business Administration from the University of Dar es Salaam, an MBA from the TSM Business School, University of Twente in the Netherlands and a Bachelor of Commerce (Marketing) from the University of Dar es Salaam.

Dr. Allan is a Certified Director from Institute of Directors Tanzania (IoDT) and an Associate of the University of Dar es Salaam Entrepreneurship Centre and a Member of the International Society for Marketing and Development.



Mr. Aboud Hassan Mwinyi

Mr. Aboud Hassan Mwinyi represents the Revolutionary Government of Zanzibar where he is the Deputy Principal Secretary - President's Office Finance and Planning. He holds master's degree of Science (Social Protection Financing), master's degree of Finance (Finance), a Bachelor of Business Administration, a Certified Public Accountant and a Certified Director from Institute of Directors Tanzania (IoDT). He has vast experience in governance and finance.



Mr. Laibu Ngulo

Mr. Laibu Ngulo represents the Posta na Simu Savings and Credit Cooperative Society Limited. Mr. Ngulo works at TTCL as Manager Customer Services, Regional Manager Arusha and Manyara, Fleet Management as an Accountant. He holds a master's degree in business administration from ESAMI in Arusha, CPA from the National Board of Accountants & Auditors, B.COM from University of Dar es salaam, a Certified Public Accountant as well as a Certified Director from Institute of Directors Tanzania (IoDT).



Mr. Macrice Mbodo

Mr. Macrice Mbodo represents the Tanzania Posts Corporation where he works as the Postmaster General, he worked as a Head of Internal Audit & Function, General Manager Corporate Resources Management. He has a master's degree of National Security and Strategic Studies from National Defense College (NDC), MBA/ Corporate from Mzumbe University and Advanced Diploma in Accounting from the Institute of Finance Management (IFM), he is also a Certified Public Accountant and a Certified Director from Institute of Directors Tanzania (IoDT).



Ms. Imelda Lutebinga

Ms. Imelda is a trailblazing business leader and the first local and female CEO to head a multinational security company in Tanzania. Her pioneering leadership and transformative impact across industries have earned her recognition as a respected and influential figure in the corporate world, with over a decade of leadership across sectors including oil and gas, telecommunications, logistics, and security. Imelda is widely regarded as a trusted strategic partner with a proven ability to lead global businesses within local markets. She currently serves as Country Manager for G4S Tanzania where she provides strategic direction, drives sustainable growth, and oversees policy implementation, compliance, and stakeholder engagement. She was named among the 100 Tanzanian Changemakers of 2024 featured alongside H.E. President Samia Suluhu Hassan and featured in Pivoting in Heels 2023 with a special foreword by the President.

Ms. Imelda holds an MBA in Corporate Management from Mzumbe University and a BSc in Food Science and Technology from Sokoine University of Agriculture. She is a certified director, a member of the Institute of Directors UK, and an associate member of the Institute of Directors Tanzania. She currently serves as Vice Chair of the Association of Employers Tanzania (ATE), continuing to shape the business landscape through board leadership and advocacy.



Mr. Goodluck Charles Lukumay

Mr. Lukumay is a seasoned business executive and currently serves as the Managing Director of GardaWorld Tanzania. He has held several senior leadership positions including CEO of Oya Microcredit, Chief Operating Officer of Bayport, and executive roles at Tigo Tanzania (now Yas), where he received the prestigious 2012 Investment AB Kinnevik Sales Award. He has also served with Standard Chartered Bank and the East African Development Bank in Uganda and Kenya. Goodluck is a Certified Public Accountant (CPA [T]) and a Certified Board Member through the Institute of Directors in Tanzania (IoDT).

He holds MSc in Finance from the University of Strathclyde (UK), a Bachelor of Commerce in Accounting from the University of Dar es Salaam, and a postgraduate certificate in Project Planning, Appraisal, and Financing from the University of Bradford (UK). He is known for turning around organizations, driving sustainable profitability, and building strong, high-performing teams.

7.8 Executive Management of the Bank

- Management of the Bank is under the Chief Executive Officer and is organized into the following Directorates:
- 1. Finance;
 - 2. Operation and Information Communication Technology;
 - 3. Credit Administration;
 - 4. Marketing and Public Relations;
 - 5. Risk Management and Compliance;
 - 6. Human Resources;
 - 7. Internal Audit;
 - 8. Treasury;
 - 9. Retail & Business Banking;
 - 10. Corporate Banking; and
 - 11. Legal Services and Company Secretary.

The key management personnel of the bank are as below:

Name	Position	Nationality	Age
Adam Charles Mihayo	Chief Executive Officer	Tanzanian	44
Mr. Dotto M. Kahabi	Director of Legal Services and Company Secretary	Tanzanian	47
Ms. Masala Ndobho Korosso	Director of Risk Management and Compliance	Tanzanian	48
Eric Chijoriga	Director of Treasury	Tanzanian	41
Mr. Zahoro Kaguo	Director of Human Resources	Tanzanian	48
Daniel F. Mbotto	Director of credit	Tanzanian	56
Richard Mtapu	Director of Corporate banking	Tanzanian	40
Lilian Kidee Mtali	Director of Retail and SME Banking	Tanzanian	52
Andrew Sandewa	Director of Internal Audit	Tanzanian	35
Alex Dwashi	Director of Marketing and Public Relations	Tanzanian	33
Andrew Thomas Mlingi	Chief Financial Officer	Tanzanian	37
Erick Zakayo	Chief Manager Procurement	Tanzanian	45
Jema Msuya	Chief Operating Officer	Tanzanian	50
Jesse Jackson	Chief Manager Digital and Innovation	Tanzanian	34
John Mwangulangu	Chief Manager Project Management	Tanzanian	35

7.9 Management's Profiles

Adam Charles Mihayo Chief Executive Officer



Mr. Adam Mihayo is an accomplished executive with a wealth of experience in the banking industry and career spanning local and international banks. He currently serves as the Chief Executive Officer and Managing Director of Tanzania Commercial Bank (TCB Bank), a position he assumed in November 2023 following his appointment by the President of the United Republic of Tanzania, H.E. Dr. Samia Suluhu Hassan.

Prior to joining TCB Bank, he served as Managing Director and CEO of Bank of Africa (BOA) Tanzania Limited, where he spearheaded structural reforms and reinforced the bank's market position. He has also held senior leadership roles at Absa Bank Tanzania and Stanbic Bank Tanzania.

Mr. Mihayo holds a Bachelor of Commerce (Hons) degree in Corporate Finance from the University of Dar es Salaam. He has pursued advanced leadership programmes and is a Certified Director by the Institute of Directors in Tanzania (IoDT).

Mr. Dotto M. Kahabi Director of Legal Services and Company Secretary



Mr. Dotto M. Kahabi is a highly skilled legal professional with experience in corporate law, compliance, and governance. As a strategic legal expert, he leverages his deep understanding of corporate governance, regulatory compliance, lending, contractual agreements, and legal risk management to support business objectives effectively.

Prior to joining TCB Bank, Dotto served as Head of Legal and Company Secretary at ABSA Bank Tanzania, where he played a pivotal role in ensuring regulatory compliance and strengthening the bank's governance framework.

Mr. Kahabi holds a Bachelor of Laws (LL.B.) degree with Honours. His academic background has provided him with a solid understanding of legal principles and practice, and he brings this wealth of knowledge to his current role.

Ms. Masala Ndobho Korosso Director of Risk Management and Compliance



Ms. Masala Ndobho Korosso is an experienced banker with a wealth of experience in the banking industry. She has held various positions in local, regional and international banks in the Tanzanian market where she successfully managed key functions in Risk & Compliance, Consumer/Retail Banking, Channels Management and High Net worth Segment.

Prior to joining TCB Bank, she worked at CRDB Bank, BancABC, Standard Chartered Bank, FNB Bank, Tigo and the former TIB Corporate Bank Limited.

Ms. Korosso holds a Bachelor of Arts Degree (Hons) majoring in International Relations & French from University of Dar es Salaam and holds a Certificate in Leadership from UONGOZI Institute in collaboration with Aalto University Executive Education and Professional Development. She is a certified Director by The Institute of Directors in Tanzania (IODT) and a certified Female Future Tanzania Executive by ATE (Association of Tanzania Employers) in collaboration with Confederation of Norwegian Enterprise (NHO) and ESAMI (Eastern & Southern African Management Institute).

Eric B. Chijoriga Director of Treasury



Mr. Eric B. Chijoriga is a highly accomplished finance leader with experience in global markets and treasury management. His international experience includes impactful short-term assignments at Stanbic Bank Ghana (2019), where he contributed to fixed income market development, and Absa Capital in Johannesburg, where he traded African local currency bonds, interest rates, and FX products, expanding his expertise in diverse financial markets.

Prior to joining TCB, he was the Head of Trading, Global Markets at Stanbic Bank Tanzania, where he led innovative initiatives across Financial Institutions (FI) and Non-Bank Financial Institutions (NBFI), establishing his reputation for making impactful decisions and building strong stakeholder relationships.

Eric holds a bachelor's degree in commerce and management (Corporate Finance) from the University of Dar es Salaam and is currently pursuing an MBA at the University of Cape Town's Graduate School of Business. He has also attained the ACI Dealing Certificate and leadership programs such as the Future Fit Senior Banker Program from Wits Business School.

Mr. Zahoro Kagu

Director of Human Resources



Mr. Zahoro Kagu is experienced in human capital management with a wealth of expertise in strategic workforce planning, leadership development, employee engagement, and organizational transformation.

Prior to joining TCB, he served as the Head of Human Resources at Ecobank and acting Head of Human Resources for the East Africa Community Cluster of Ecobank, where he played a pivotal role in driving HR strategies across multiple countries, fostering talent development, and strengthening operational efficiencies.

Mr. Kagu holds an MBA with a focus on General Management, complementing his undergraduate background of a Bachelor of Commerce in Finance. This skillset has equipped him with both strategic leadership skills and a strong foundation for his current role at the Bank.

Daniel F. Mbotto

Director of Credit



Mr. Daniel F. Mbotto is an experienced banker with refined experience in credit management and strategic leadership of financial institutions.

Prior to joining TCB Bank, he served as Chief Credit Officer of NMB Bank PLC where he fostered innovation in digital lending and sustainability. He was responsible for Credit Risk Management at Stanbic Bank Tanzania, where he oversaw origination, monitoring and control and Collections and Recoveries for both domestic and international clients across all segments.

Mr. Mbotto is a holder of a Bachelor of Business Management majoring in Finance, awarded by Mysore University, India, and a Diploma of Business Administration With a specialisation in Marketing, granted by College of Business Education, Tanzania, both with First Class Honours.

Richard Mtap

Director Corporate banking



Richard Mtap is a seasoned corporate banking professional with expertise in managing complex financial relationships across a diverse range of sectors. As the Director of Corporate Banking at TCB Bank, Richard is renowned for his strategic client management, innovative financing solutions, and deep understanding of transactional banking.

Prior to joining TCB Bank, he was the Senior Manager for Institutional Banking at NMB where he led a team of senior relationship managers, overseeing a diverse portfolio of government clients.

Richard holds an MBA in Corporate Management and a Bachelor of Commerce in Accounting, providing a solid financial foundation.

Lilian Kidee Mtali

Director of Retail and SME Banking



Ms. Lilian Mtali has exceptional expertise in managing and leading retail and consumer banking operations, including affluent clients, business banking, and digital banking. Throughout her career, she has made significant contributions to business growth, spearheading various bank-wide initiatives such as the alignment of retail banking business, portfolio segmentation, the introduction of private

banking propositions, SME banking, agency banking, bancassurance, custodial services, and digital lending.

Prior to joining TCB Bank, she worked as Chief Manager Commercial at DCB Commercial Bank, Head of Consumer Banking at I&M Bank Tanzania Limited, Head of Personal Markets at Stanbic Bank Tanzania and Standard Chartered Bank.

Ms. Lilian holds a Bachelor of Business Administration degree from the International University of America, London Campus, United Kingdom, and a General Certificate of Education (GCE) from Modern Tutorial College, London, United Kingdom. She has attended various leadership courses and seminars within and outside the country, including in the UK, South Africa, Kenya, Zimbabwe, Angola, and Singapore.

Andrew Sandewa

Director of Internal Audit



Andrew joined TCB as Director of Internal Audit, with experience of over a decade in the banking industry holding various roles in external audit, internal audit and finance function. He is expert in financial management, risk management, internal controls, compliance and governance while leading teams to ensure comprehensive best audit practices and operational efficiencies. Adept at fostering strong relationship with stakeholders to enhance internal control frameworks to drive sustainable business improvements.

Before joining TCB Andrew held a Leadership role in Finance Function at Bank of Africa, his career started as an external Auditor at KPMG and later Joined Absa Bank as an Internal Audit Manager. He is a member of ACCA (UK), Institute of Internal Auditors (IIA), qualified CPA (T) and holds Bachelor degree of Accounting and Finance from Mzumbe University.

Alex Dwashi

Director of Marketing and Public Relations



Mr. Alex Dwashi is a seasoned marketing professional currently serving as the Director of Marketing and Public Relations at Tanzania Commercial Bank, Alex brings a wealth of experience spanning across diverse industries and roles. Before joining Tanzania Commercial Bank, Alex had a leadership role at First Housing Finance in Business & Marketing function, where he played a pivotal role in enhancing brand visibility and fostering strong client relationships in the competitive financial services sector.

Mr. Dwashi holds a bachelor's degree in commerce (Hons) majoring in Marketing from University of Dar es Salaam and Post Graduate Diploma in Banking Management (PGDBM) from Bank of Tanzania Academy.

Andrew Thomas Mlingi

Chief Financial Officer



Mr. Mlingi is a seasoned finance professional with over 13 years of experience in accounting, audit, and financial management across multiple industries, including banking, private equity, manufacturing, hospitality, telecoms, and public enterprises.

Before joining TCB, he was the Head of Finance at Equity Bank Tanzania, where he played a pivotal role in financial reporting, strategy and business performance, tax compliance, procurement management, and regulatory engagement. His expertise in financial and regulatory reporting, cost optimization, and stakeholder management has been instrumental in driving business growth and efficiency.

He is a Certified Chartered Accountant and a registered member of the Association of Chartered Certified Accountants (ACCA) and the National Board of Accountants and Auditors (NBAA).

Erick Zakayo

Chief Manager Procurement



Zakayo joined TPB in 2015 as a Senior Procurement Officer and was promoted to Chief Manager Procurement. Mr. Zakayo has previously worked in the Pharmaceuticals and Construction industries.

Mr. Zakayo holds an Advanced Diploma in Procurement and Supplies Management from the College of Business Administration and is a Certified Procurement and Supplies Professional by the Procurement and Supplies Professionals Technical Board.

Jema Msuya

Chief Operating Officer



Mr. Jema Msuya joined TPB in 2012 as Director of Technology & Operations from Standard Chartered Bank Tanzania where he worked as Country Head of Information Technology from 2008.

He holds a Bachelor of Science (Computer Science) from the University of Dar es Salaam and is a Certified Systems Security Professional (CSSP). He is also a certified director by IoDT.

Jesse Jackson

Chief Manager Digital and Innovation



Jesse Jackson joined TCB Bank in June 2024 as the Chief Manager Digital and Innovation, experienced in banking and financial services. In his current role at TCB Bank, Jesse is dedicated to leading the bank's Digital transformation agenda, driving Innovation and promoting financial inclusion at large.

Before his tenure at TCB Bank, Jesse held the position of Chief Digital Officer at Bank of Africa Tanzania. He also held significant roles at Barclays Bank Tanzania and ABSA Bank Tanzania from 2014 to 2022, where he excelled in developing digital products, managing channels, enhancing operational efficiency and customer experience, spearheading innovation, project and change management, strategic fintech partnerships and commercialization.

He holds a Bachelor of Arts in Economics from Ardhi University. He's also Certified Director by The Institute of Directors in Tanzania and member of IoDT.

John Mwangulangu

Chief Manager Project Management



Mr. John Mwangulangu is a seasoned registered engineer with extensive experience spanning multiple sectors, including telecommunications and banking. He joined TCB as Chief manager project management and brings a wealth of knowledge and expertise to the role.

Prior to his tenure at TCB, Mr. Mwangulangu served as the head of the administration department at Bank of Africa Tanzania and worked as a consultant on numerous ICT projects.

Mr. Mwangulangu holds a Master of Business Administration in Corporate Management from Mzumbe University and is a certified professional engineer registered with the Engineers Registration Board (ERB). Additionally, he holds various project management certifications from the Project Management Institute and leadership certifications from esteemed institutions.



8 Risk Factors

In addition to other information contained in this IM, the Issuer believes that the following factors may affect its ability to fulfil its obligations for Notes issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. Potential investors should consider carefully the risks described below, other information captured in this IM and in the applicable Pricing Supplement and reach their own views prior to making any investment decision.

These risks are not the only ones that the Issuer faces. Additional risks not currently known to the Issuer or that the Issuer currently believes to be immaterial may also impair its business operations. The Issuer's business, financial condition or results of operation could be affected by any of these risks.

8.1 Risks Relating to the Country

The Bank's operations are substantially based in Tanzania. The country is considered a developing economy that may be characterized by considerable vulnerabilities to global changes in economic, geopolitics and social developments. These changes are more pronounced in a developing economy than in a developed economy. These developmental changes include unpredictable changes in national economic policies or laws and civil or social unrest, elections.

As with any developing economy, these changes may impact all sectors of the Tanzanian economy and business community. Other economic factors that can negatively affect the performance of the Tanzanian economy include high inflation, deteriorating physical infrastructure, high interest rates and reduction in external assistance and sudden changes in investment and fiscal policies. Any changes in the country's economic conditions could also affect the Issuer's operations, financial stance and performance of the Notes.

The Issuer cannot provide any assurance on future economic, geopolitical, and social developments in Tanzania. Investors should assess with ultimate care the risks involved in investing in the Notes prior to making an investment decision.

8.1.1 Macroeconomic and fiscal risk

Tanzania's economy faces the following challenges, which could impact the Issuer's ability to service the Notes:

- **Currency Volatility:** The Tanzanian shilling (TZS) has experienced depreciation pressures due to global dollar strength and trade imbalances. In 2023, the TZS depreciated by approximately 5.6% against the USD (Bank of Tanzania, 2023).
- **Inflation and Monetary Policy:** Inflation reached 4.8% in 2023 (Tanzania Bureau of Statistics), rising inflation may prompt higher interest rates, increasing the Issuer's borrowing costs and squeezing profit margins-potentially straining its ability to service the Notes.
- **Fiscal Deficits & Debt Sustainability:** Tanzania's public debt to GDP ratio stood at 49.6% in 2022/2023 up from 47.1% in 2021/2022 (BOT, Ministry of Finance), potential of rising budget deficits could lead to higher domestic borrowing costs, crowding out private credit, and tax hikes or reduced government spending, could dampen economic growth and loan demand.

- **Commodity dependence:** reliance on volatile commodities such as gold, agricultural produce, and tourism exports exposes the economy to: FX shortages if global prices fall, tightening USD liquidity for Note repayments; droughts/climate shocks disrupting harvests and weakening agricultural sector's earnings.

These factors may erode the Issuer's earnings, credit profile, and ultimately, Noteholders' returns.

Risk Mitigations

To address macroeconomic and fiscal risks impacting Tanzania's economy, the Issuer employs the following strategies:

- **Currency Volatility Management:** The Issuer maintains a diversified funding base, including access to foreign currency facilities through correspondent banks, to hedge against Tanzanian Shilling (TZS) depreciation. Foreign exchange risk is further mitigated through currency matching assets and liabilities, ensuring that USD-denominated Note obligations are supported by USD revenue streams or hedging instruments where feasible.
- **Inflation and Interest Rate Risk:** The Issuer actively monitors inflation trends and adjusts its pricing and lending strategies to maintain margins. The Asset and Liability Committee (ALCO) conducts regular stress testing to assess the impact of interest rate hikes on borrowing costs and Note servicing capacity.

8.1.2

Changes in the Regulatory Framework

The Bank operates in a closely regulated industry and is subject to a number of regulations. The laws and regulations of Tanzania continue to evolve and are subject to change. The Issuer is able to comply with Applicable Laws, but its best efforts may be impacted by subsequent amendments to Applicable Laws.

Non-compliance with regulations could lead to potential loss of banking and / or business license, loss of specific product / service trading license, and / or financial loss from fines and penalties.

Investors should carefully consider Tanzania's political and regulatory landscape, which may change and introduce challenges to the Issuer's operations. While the country has maintained relative stability, the future is not entirely certain. The potential for regulatory changes, including some tax reforms or foreign currency controls during economic stress, could disrupt the banking sector's liquidity and profitability. Additionally, bureaucratic inefficiencies may hinder the Issuer's ability to recover non-performing loans or resolve disputes efficiently.

Risk Mitigation

To manage risks arising from changes in Tanzania's regulatory framework, the Issuer adopts the following measures:

- **Proactive Regulatory Engagement:** The Issuer maintains open communication with the Bank of Tanzania and other regulatory bodies to anticipate and adapt to regulatory changes. Pre-issuance

approvals for the Notes ensure compliance with current regulations, and a dedicated compliance team monitors amendments to Applicable Laws.

- **Contingency Planning:** The Issuer maintains contingency plans for regulatory shifts, including capital buffers, to absorb costs of restructuring Notes or adapting to new tax treatments. Legal counsel is engaged to clarify ambiguities in regulatory interpretations, reducing uncertainty for Noteholders.

8.1.3

Structural and Operational risk in Tanzania

The economy's heavy reliance on climate-sensitive sectors, particularly agriculture, exposes banks to elevated credit risks. Droughts, floods, and shifting weather patterns threaten crop yields and rural incomes, which would weaken loan repayment rates and increase non-performing loans in agricultural portfolios in the banking industry.

For Noteholder, these structural risks could lead to, higher operational costs for the Issuer, pressuring profitability, asset quality deterioration if climate shocks impair borrowers, and liquidity constraints due to shallower financial markets compared to developed markets.

Risk Mitigation

To address structural and operational risks, particularly those related to climate-sensitive sectors, the Issuer implements:

- **Diversified Loan Portfolio:** The Issuer limits exposure to agriculture by diversifying lending across manufacturing, services, and other less climate-sensitive sectors. This reduces the impact of droughts, floods, or other weather-related disruptions on loan repayment rates.
- **Climate Risk Integration:** Credit risk models incorporate climate scenarios to assess borrower resilience. The Issuer also offers tailored financial products, such as drought-resistant agricultural loans, to support clients in climate-sensitive sectors.
- **NPL Management:** The Issuer maintains robust provisioning policies and actively manages NPLs through restructuring and recovery processes, ensuring that credit risks from climate shocks do not materially impact its financial position.

8.2 Risks Related to the Market

8.2.1

Market Price Volatility Risk

The market price of the Notes may fluctuate from time to time due to:

- **Interest rate sensitivity** – Since the Notes carry fixed coupon rates, their market value will fluctuate with fluctuations in the prevailing interest rates.
- **Credit spread changes:** Deterioration in the Issuer's financial condition or Tanzania's sovereign credit rating may widen yield spreads, lowering the Notes' price.

This may impact investors who may need to sell before maturity and coupon reinvestment risk where investors may be unable to reinvest periodic coupon payments at a rate comparable to the original yield, particularly during periods of falling interest rate environment.

8.3 Risks Factors Related to the Issuer

8.3.1 Compliance and regulatory risk

Regulatory risk refers to the potential financial, legal, or reputational consequences arising from non-compliance or non-conformance with laws, rules, regulations, ethical standards, or supervisory requirements applicable to the bank's operation from time to time.

Ambiguities in regulatory interpretations may also create uncertainty for Noteholders. Also, changes in regulations may – (i) require the Bank to restructure the Notes at additional cost, (ii) disqualify them from Tier 2 capital recognition, or (iii) reduce investor returns if tax treatments change.

Risk Mitigation

The Issuer mitigates compliance and regulatory risks through:

- **Regulatory Alignment:** The Issuer ensures that the Notes comply with Bank of Tanzania's Tier 2 capital requirements through pre-issuance consultations. Ongoing monitoring of regulatory developments allows the Issuer to adapt to changes without disrupting Noteholder returns.
- **Compliance Training:** Staff undergo regular training on regulatory requirements, ethical standards, and compliance protocols to minimize the risk of non-compliance. A dedicated compliance officer oversees adherence to supervisory requirements.
- **Transparent Reporting:** The Issuer provides timely and accurate disclosures to regulators and investors, reducing the risk of penalties or reputational damage from non-compliance.

8.3.2 Strategic risk

Strategic risk refers to the potential adverse impact of the Bank's financial position and ability to service its subordinated notes due to failures in business planning, execution, or adaptation to changing market conditions. This includes risks from misaligned growth strategies, such as overly aggressive expansion without corresponding asset quality controls, or shifts in Tanzania's economic landscape that render the Bank's lending focus (e.g., SME or corporate sectors) less profitable. Such scenarios could strain the Bank's earnings capacity and, consequently, its ability to meet coupon payments or maintain capital adequacy ratios.

Risk Mitigation

To address strategic risks, the Issuer employs:

- **Robust Business Planning:** The Board and senior management conduct annual strategic reviews to align growth plans with market

conditions. Proceeds from the Notes are deployed in accordance with approved business plans, focusing on sustainable lending practices.

- **Stress Testing and Scenario Analysis:** Regular stress tests evaluate the impact of economic downturns, interest rate shifts, and sector-specific challenges on profitability and capital adequacy. These tests inform strategic adjustments to maintain Note servicing capacity.

8.3.3 Liquidity Risk

Liquidity risk arises from the possibility that the Issuer may not have sufficient liquid assets to meet its financial obligations as they fall due, or may be unable to raise the funds in a timely and cost-effective manner. This could impair the Issuer's ability to make scheduled coupon payments or principal payments to Noteholders, particularly given the subordinated nature of the Notes, which rank below senior obligations in liquidation.

The Issuer's liquidity risk management framework, overseen by the Asset and Liability Committee (ALCO), includes the following key measures;

- **Daily liquidity monitoring:** Projections of cash flows (next day, weekly, and monthly) to ensure coverage of upcoming obligations, including Note payments and deposit withdrawals.
- **High-quality liquid assets (HQLA) buffer:** Maintenance of a portfolio of encumbered, marketable securities (e.g. government bonds) that can be liquidated to meet unexpected funding shortfalls.
- **Regulatory compliance:** Adherence to Bank of Tanzania's Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) requirements, with internal buffers exceeding minimum thresholds.
- **Maturity profiling:** Active management of debt maturities and deposit concentrations to avoid refinancing cliffs.
- **Contingency funding:** Access to committed credit lines from correspondent banks and participation in interbank markets for short-term liquidity needs.

Risk Mitigation

The Issuer's liquidity risk management framework, as outlined in the Risk Factors section, is further strengthened by:

- **Liquidity Buffers:** The Issuer maintains a high-quality liquid asset (HQLA) portfolio, including government securities, exceeding Bank of Tanzania's Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) requirements. These assets provide a buffer for unexpected funding needs.
- **Diversified Funding Sources:** The Issuer accesses interbank markets, committed credit lines, and retail deposits to ensure liquidity. This diversification reduces reliance on any single funding source, mitigating refinancing risks.
- **Proactive Maturity Management:** The ALCO actively manages debt and deposit maturities to avoid concentration risks, ensuring that Note payments are staggered and aligned with cash flow projections.

8.3.4 Operational Disruptions

Operational risk refers to the potential losses arising from inadequate or failed internal processes, people, systems, or external events, including cyber incidents, third-party service failures, fraud, or technology failures. Such disruptions could delay or prevent the Issuer from making timely payments to Noteholders or maintaining proper records of bond ownership. To manage these risks, the Issuer maintains comprehensive incident response protocols that include immediate escalation procedures for operational failures, dedicated teams to address disruptions, and insurance coverage for certain operational risk events.

The Issuer's operational risk management framework includes:

- Business continuity planning: backup systems and alternative processing arrangements designed to maintain critical operations during disruptions.
- Cyber-security protection: The Bank deploys advanced threat detection systems, encryption, and access controls to protect sensitive data and payment infrastructure. These measures reduce risks of cyber incidents that could disrupt financial transactions.
- Regular staff training programs reinforce operational risk awareness, including cybersecurity hygiene and fraud prevention, while treasury teams receive specialized training on debt instrument management.
- Process controls: Across all operations, the Bank enforces segregation of duties, reconciliation procedures, and approval hierarchies to prevent errors or fraud. These controls extend to treasury and capital markets activities related to Note servicing operations and reconciliation procedures between front, middle, and back offices.
- Third-party oversight: Due diligence and ongoing monitoring of vendors (e.g., IT providers, custodians) to mitigate risks from outsourcing. Service-level agreements ensure performance standards are met for systems supporting various operations including Note administration.

The Issuer's operational risk framework is subject to ongoing review by senior management and the Board to ensure its continuing effectiveness in protecting investor interests.

Risk Mitigation

To manage operational risks, the Issuer enhances its framework with:

- Advanced Cybersecurity Measures: The Issuer invests in state-of-the-art cybersecurity infrastructure, including firewalls, intrusion detection systems, and regular penetration testing, to protect payment and Note administration systems.

- Robust Business Continuity: The Issuer maintains off-site data backups and redundant systems to ensure continuity of critical operations during disruptions. Regular drills test the effectiveness of business continuity plans.
- Vendor Risk Management: The Issuer conducts rigorous due diligence on third-party providers and enforces strict service-level agreements to ensure reliable performance of outsourced functions, such as IT and custodial services.

8.3.5 Reputational Risk

The Bank acknowledges the significance of proactively managing and mitigating reputational risk. The Bank maintains robust risk management practices to identify, assess, and monitor potential risks to its reputation. This includes implementing internal controls, governance frameworks, and compliance measures to ensure adherence to regulatory requirements and ethical standards. The Bank continuously invests in training programs and resources to foster a culture of integrity and ethics across its workforce, emphasizing the importance of upholding the bank's reputation.

The Bank remains committed to upholding its code of conduct, executing its business ethically, and safeguarding the integrity of its reputation. Through proactive risk management practices, the Bank aims to mitigate the potential adverse impacts of reputational risk on its capital, earnings, and overall financial standing.

Risk Mitigation

To mitigate reputational risks, the Issuer implements:

- Transparent Communication: The Issuer provides regular updates to investors and stakeholders through financial reports, investor calls, and public disclosures, fostering trust and confidence.
- Ethical Governance: A strong corporate governance framework, including a code of conduct and whistleblower policies, ensures ethical business practices and minimizes the risk of reputational damage.
- Stakeholder Engagement: The Issuer actively engages with customers, regulators, and the public through community initiatives and responsive customer service, maintaining a positive brand image.

8.3.6 Force Majeure Risk

The Bank may be adversely affected by events beyond its control, including natural disasters, pandemic, war, civil unrest, terrorism, and other large-scale disruptions. Such events may impair the Bank's operations, delay borrower repayments, disrupt markets, or restrict access to funding, potentially affecting the Issuer's ability to meet obligations under the Programme.

Although the Bank maintains business continuity and disaster recovery plans, and complies with regulatory requirements related to crisis management, there is no assurance that such events will not have material adverse effects.

8.4 Risks related to the Notes

8.4.1 Subordinated Notes risk

The Issuer may issue Subordinated Notes under the Programme. The obligations of the Issuer under Subordinated Notes constitute unsecured and subordinated obligations and will rank junior in priority of payment to unsubordinated obligations. In the event of insolvency or liquidation of the Issuer, such obligations will be subordinated to the claims of all unsubordinated creditors of the Issuer so that in any such event no amounts will be payable in respect of such obligations until the claims of all unsubordinated creditors of the Issuer have been satisfied in full. Investors should note that the Issuer expects from time to time to incur additional indebtedness or other obligations that will constitute senior indebtedness, and the Subordinated Notes do not contain any provisions restricting the Issuer's ability to incur senior indebtedness.

Although the Subordinated Notes may pay a higher rate of interest than comparable Notes which are not so subordinated, there is a real risk that an investor will lose all or some of its investment should the Issuer become insolvent since its assets would be available to pay such amounts only after all of its Senior Creditors have been paid in full. The Issuer may redeem all or part of the Subordinated Notes at any time prior to maturity upon the occurrence of certain regulatory events. If the Issuer redeems the Subordinated Notes, holders of such Notes may not be able to reinvest the amounts they receive upon redemption at a rate that will provide the same rate of return as did the investment in the Subordinated Notes.

In the event of the dissolution, liquidation, insolvency or other proceedings for the avoidance of insolvency of, or against, the Issuer, the obligations under the Subordinated Notes will be fully subordinated to the claims of other unsubordinated creditors of the Issuer. Accordingly, in any such event no amounts shall be payable in respect of the Subordinated Notes until the claims of such other unsubordinated creditors of the Issuer have been satisfied in full. Accordingly, the Noteholders' rights under the Notes will rank behind all unsubordinated creditors of the Issuer in the event of the insolvency or liquidation of the Issuer.

The Issuer's payment obligations under the Subordinated Notes will rank pari passu amongst themselves and with all claims in respect of existing and future subordinated instruments and the payment of interest payments thereunder. The only remedy against the Issuer available to Noteholders for recovery of amounts which have become due in respect of the Subordinated Notes will be the institution of legal proceedings to enforce payment of the amounts. In an insolvency or liquidation of the Issuer, any Noteholder may only claim amounts due under the Subordinated Notes after the Issuer has discharged or secured in full (i.e. not only with a quota) all claims that rank senior to the Subordinated Notes.

Risk Mitigation

To address risks specific to the Subordinated Notes, the Issuer:

- Subordination Clarity: The Issuer provides clear disclosures in the IM and Pricing Supplements about the subordinated nature of the Notes, ensuring investors understand their position in the capital structure.
- Redemption Planning: The Issuer maintains contingency plans for regulatory-driven redemptions, including access to alternative funding sources to avoid forced redemptions at unfavourable rates.
- The Issuer's proactive risk management strategies, robust governance, and prudent financial practices aim to protect Noteholders' interests and ensure the Issuer's ability to meet its obligations under the Notes, despite the inherent risks of operating in a developing economy and issuing subordinated debt.

8.4.2

The performance of the secondary capital market

The Issuer intends to list the Notes on a recognized stock exchange, as indicated in the Pricing Supplement. However, the growth and performance of the secondary market for the Notes will depend on prevailing market conditions. The Notes are subject to interest rate and market risks, and their liquidity and trading value may be affected by volatility in the secondary market. Investors should be aware of the potential for limited market depth and price fluctuations before making an investment decision.

Risk Mitigation

As a mitigation, investors should be aware of the type of investment and market depth volatility of the investment prior to making an investment decision or should consult your investment advisor, stockbroker, lawyer, banker or any other financial consultant for investment guidance.

8.4.3

Early Redemption Risk

An investor can not initiate an early redemption of the Notes. However, the Issuer reserves the right to terminate the transaction prior to settlement date under specific circumstances. These include: (i) the occurrence of a force majeure event prior to finalization of the settlement process; or (ii) any event which in the Issuer's sole discretion, may prejudice the issue, the Issuer, or the Notes.

If the Issuer determine that the above-mentioned events has occurred, the transaction shall be terminated, and no party shall have any claim against another as a result of such termination. While this protects the Issuer in unforeseen circumstances, it may expose investors to the risk of unallocated funds or missed investment opportunities if the Notes are not delivered as expected.

8.4.4 Changes in Applicable Laws

The terms and conditions of the Notes are based on the laws and regulations in effect as of the date of this Information Memorandum. However, no assurance can be given regarding the impact of future changes in laws, judicial decisions, or administrative practices. Such changes may affect the rights of the Note holders, the tax treatment of the Notes, or the Issuer's obligations.

Prospective investors should note that any disputes involving the Notes will be subject to the jurisdiction of the relevant courts, as specified in the Information Memorandum.

8.4.5 Taxation Risk

This risk arises from the possible event of changes to Tanzanian law or their interpretation, new or increased tax obligations, such as withholding taxes, may apply to payments of interest or principal on the Notes. Such changes could reduce the net returns received by Note holders, as payments may be subject to applicable deductions

Risk Mitigation

Investors are advised to consult their tax consultants and obtain their expert opinion on the tax implications and changes in tax laws.



9 Statutory and General Information

9.1 Authorization

The Bank has obtained all necessary consents, approvals and authorisations in connection with the issue of the Notes, including but not limited to a resolution of the Board of Directors of the Bank passed on 4th April 2025.

9.2 Incorporation

Tanzania Commercial Bank is a Public Limited company incorporated in Tanzania under the Companies Act, 2023 on 29 March 2016 and was awarded a certificate of incorporation number 125056.

9.3 Share Capital

As of June 2025, TCB's paid up share capital was at TZS 80,028,560,981.83, which was above the CMSA eligibility minimum requirement of TZS 500 million. It is expected that these levels will be maintained above TZS 500 million as long as the Notes remain outstanding.

9.4 Shareholding Structure

The company has only one class of ordinary shares and as of 31st December 2024, TCB had an authorised share capital of 500,000,000 ordinary shares at TZS 1,000 each.

S/N	Shareholder	Number of Shares	Shareholding %
1	Government of the United Republic of Tanzania	66,775,831	83.44%
2	Tanzania Posts Corporation	6,090,173	7.61%
3	Revolutionary Government of Zanzibar	2,328,831	2.91%
4	Posta na Simu Savings & Credit Cooperative Society Ltd	2,136,763	2.67%
5	Public Service Social Security Fund (PSSSF)	1,880,671	2.35%
6	Workers' Compensation Fund (WCF)	816,292	1.02%
	TOTAL SHARES	80,028,561	100%

9.5 Working Capital

The Directors believe there is sufficient working capital currently available for the Issuer to meet its ongoing obligations.

9.6 Significant or Material Changes

Save as disclosed in this Information Memorandum, there has been no significant change in the financial or trading position of the Bank since the most recent financial statements presented in the Reporting Accountants Report.

9.7 Disposals and Acquisitions

As at the date of this Information Memorandum, there was no acquisition or disposal of material assets otherwise than in the ordinary course of business.

9.8 Material Contracts

TCB Bank has entered in material operation agreements with key counterparties as indicated in Schedule 1 (Material Agreements) of the legal opinion.

9.9 Material Provisions of the Memorandum and Articles of Association

9.9.1 Variation of Rights

According to article 4 of the Articles of Association, any share in the Company may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may from time to time by ordinary resolution determine. Subject to the provisions of section 75 of the Companies Act, the Company shall not give, directly or indirectly (and whether by means of a loan, guarantee, the provision of security or otherwise) any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company or in its holding company or subsidiary.

9.9.2 Annual General Meetings

According to article 40 of the Articles of Association, the Company shall in each year hold a general meeting as its AGM in addition to any other meetings in that year and shall specify the meetings as such in the notice calling it, and not more than fifteen (15) months shall elapse between the date of one AGM of the Company and that of the next.

Pursuant to article 45 of the Articles of Association, every general meeting shall be called by twenty-one (21) clear days' notice in writing at the least. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day which it is given, and shall specify the place, the day and the hour of the meeting and the nature of any special business that is to be transacted, and shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in a general meeting, to such persons as are, under the regulations of the Company, entitled to receive such notices from the Company. In the case of an extraordinary general meeting, notice shall specify the meeting as such: provided that a meeting of the company may be called by a shorter notice if it is agreed so.

9.9.3 Voting Rights

According to article 53 of the Article of Association, a resolution put to the vote of meeting shall be decided on a show of hands unless a poll is (before on the declaration of result of show of hand) demanded

- a) By the chairman
- b) By at least two members having the right to vote at the meeting
- c) By a member or members representing not less than one tenth of the total voting rights of all the members having the right to vote at the meeting
- d) Or by a member or members holding shares conferring a right to vote at the meeting, being shares on which the aggregate sum has been paid up equal to not less than one tenth of the total sum paid up on all the shares conferring that
- e) By proxy for a member provided that the demand by proxy be the same as a demand by the member

9.9.4 Composition of Directors, the Election and Removal

According to article 74 of the Article of Association, the number of directors of the Company shall not be less than seven (7) and not more than ten (10).

Article 78 of the Article of Association, the directors shall have power from time to time and at any time to appoint any person to be a director, either to fill a vacancy or as an additional director pursuant to article 74 hereof. Any such appointment for filling in a vacancy shall be made by the member who had initially nominated the Director who has ceased to be a Director.

Subject to the provision of section 193 of the act where a member nominating a Director intends to remove such a director before the expiration of his period of office, he may propose to the company for the removal of such Director. The company shall at the AGM remove such a Director.

9.9.5 Borrowing Rights

The Directors may borrow or raise from time to time for the purposes of the Company as specified in article 86 (U) the Articles of Association.

9.10 Conflicts of Interest

At the date of this Information Memorandum, there are no potential conflicts of interest between any duties to the Issuer of the members of its administrative, management or supervisory bodies and their private interests or other duties. However, it cannot generally be ruled out that such persons have interests at the time of the offer or issue of Notes; whether this is the case will depend upon the facts at the time of the offer or issue.

A description of any potential conflicting interests that are of importance to an offer or issue of Notes will be included in the relevant Pricing Supplement, specifying the persons involved and the types of interests.

9.11 Expenses for the Programme

The indicative expenses for this Issue are as set out in the expenses schedule below and will be borne by the Issuer.

Indicative Cost	Amount in TZS
Advisors' fees*	1,537,500,000
Regulatory fees (a-c)	
a. CMSA evaluation fees	120,000,000
b. DSE Listing fees	31,250,000
c. ISIN & CSD fees	11,150,000
Marketing cost**	300,000,000
Total***	1,999,900,000

*Includes placement fees

** Includes cost for printing of depository receipt (charged at TZS 1,000 per receipt)

***Indicative total cost expenses represent 1.33% of the total Programme size



10

Terms & Conditions of the Notes

The following are the Terms and Conditions (the “Conditions” and each a “Condition”) of the Notes. The Conditions may be supplemented, amended, modified, or varied in accordance with the provisions of the relevant Pricing Supplement. The relevant Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of that tranche of Notes.

The Notes are issued subject to, an Agency Agreement (the “Agency Agreement”) between the Issuer, Fiscal and Paying agent (the “Calculation/Fiscal Agent”) and the Registrar. The holders of the Notes (the “Noteholders”) are deemed to have notice of and are entitled to the benefit of all the provisions of the Agency Agreement which is binding on them. Copies of the Note Documents are available for inspection at the Specified Offices of the Issuer.

All capitalised terms that are not defined in these Conditions shall bear the meaning ascribed to them in the IM, the Agency Agreement and in the relevant Pricing Supplement, unless the context otherwise requires. Copies of the Agency Agreement and the relevant Pricing Supplement are available for inspection at the Specified Office of the Registrar. The Noteholders are deemed to have notice of, and are entitled to the benefit of, and are subject to, all the provisions of the Agency Agreement and the relevant Pricing Supplement.

All the Notes issued by the Issuer pursuant to the Agency Agreement and for the time being outstanding are hereinafter referred to as the “Notes” and the term “Note” is to be construed accordingly.

10.1 Form and Denomination

The Notes are issued in registered book form and are in denominations as specified in each relevant Pricing Supplement. The obligations of the Issuer in respect of each Note constitute separate and independent obligations which each Noteholder is entitled to enforce, subject to these conditions and Note Documents. In accordance with the prevailing DSE PLC Rules, the Noteholder’s registered CDS account will be credited with the amount of the Note. The Notes will be issued as Fixed Rate Notes or Floating Rate Notes which shall attract interest as specified in these conditions and the relevant Pricing Supplement.

10.2 Title

Entries in the Register in relation to a Note constitute conclusive evidence that the person so entered is the registered owner of the Note, subject to rectification for fraud or error. No Note will be registered in the name of more than two persons. A note registered in the name of more than one person is held by those persons as joint owners. Notes will be registered by name only, without reference to any trusteeship. The person whose name is entered on the Register is deemed as the Noteholder; except, if ordered by a court of competent jurisdiction or as required by statute to be treated as the absolute owner of the Note in all circumstances. (Whether or not payment under the Note is overdue and notwithstanding any notice of ownership or writing therein or notice of any previous loss or theft thereof). Adults can purchase a Note in trust for minors.

10.3 Transfer of notes

All Notes will be issued as dematerialized securities within the meaning of the DSE PLC Rules and will therefore be transferable only in accordance with the prevailing DSE PLC Rules. No Noteholder may require the transfer of interest on any Note to be registered during a Books Closed Period.

10.4 Status of the notes

10.4.1. Senior Notes

The Senior Notes constitute direct, general, unconditional, and unsecured obligations of the Issuer. The Senior Notes rank, and will at all times rank, pari passu among themselves and equally with all other unsecured obligations (other than subordinated obligations (if any)) of the Issuer from time to time outstanding, save only for such obligations as may be preferred by mandatory provisions of the Applicable Laws.

10.4.2. Subordinated Notes

10.4.2.1. It is the intention of the Issuer that the Subordinated Notes should qualify as Tier 2 Capital. Subject to exceptions provided by Applicable Laws, the Issuer's obligations under the Subordinated Notes constitute direct, general and unsecured obligations of the Issuer and shall, in case of;

- (a) the insolvency and winding up in Tanzania of the Issuer; or
- (b) dissolution of the Issuer in Tanzania, as the case may be,
- (i) rank pari passu among themselves and
- (ii) fully subordinated to the claims of Senior Creditors, provided that if at any time an order is made or a resolution is passed for the winding up of the Issuer, then any payment of any amount due under the Subordinated Notes which would fall due for payment while the Issuer is insolvent or in insolvent liquidation, will not fall so due and any such due amount will become due for payment only if and when and to the extent that the Issuer could make such payment in whole or in part and still be solvent thereafter.

10.4.2.2. For the purpose of Condition 10.4.2, the Issuer shall be considered solvent if both

- (i) it is able to meet the claims of Senior Creditors as they become due and
- (ii) its Assets exceed its Liabilities. A report as to the solvency of the Issuer by the Auditors or if the Issuer is being wound up, its liquidator, shall in the absence of proven error, be treated and accepted by the Issuer, any Agent, and the holders of Subordinated Notes as correct and sufficient evidence thereof.

For the purposes of Condition 10.4.2

“Assets” means the non-consolidated gross assets of the Issuer as shown by the then latest published balance sheet of the Issuer but adjusted for contingency and for subsequent events and to such extent as majority Directors of the Issuer, the Auditors, or the liquidator of the Issuer (as the case may be) may determine to be appropriate.

“Auditors” means the auditors of the Issuer or, in the event of their being unable or unwilling promptly to carry out any action requested of them, such other firm of accountants as may be appointed or nominated by the Registrar.

“Liabilities” means the non-consolidated gross liabilities of the Issuer as shown and adjusted in like manner as for assets and the claim of any creditor of the Issuer which has been accepted by the liquidator in the winding up of the Issuer not being a creditor;

- (i) whose right to repayment ranks or is expressed to rank postponed to or subordinate to that of unsubordinated creditors of the Issuer; or
- (ii) whose right to repayment is made subject to a condition or is restricted (whether by operation of law or otherwise) or is expressed to be restricted in each case such that the amount which may be claimed for his own retention by such creditor in the event that the Issuer is not solvent, is less than in the event that the Issuer is solvent; or
- (iii) whose debt is irrecoverable or expressed to be irrecoverable unless the persons entitled to payment of the Principal Amount and Interest in respect of the subordinated Notes recover the amounts of such Principal Amount and Interest which such persons would be entitled to recover if payment of such Principal and Interest to such persons were not subject to any condition.

“Senior Creditors” means all such persons who are;

- (i) unsubordinated creditors of the Issuer; and
- (ii) subordinated creditors of the Issuer other than those whose claims are expressed to rank and do rank, pari-passu or junior to the claims of the Noteholders under the Notes.

10.4.3. In the case of Subordinated Notes, in the event the Issuer is unable, due to its failure to meet the solvency test prescribed in these Conditions, to make a payment of Interest on any Interest Payment Date, such amount of Interest shall be deferred. Deferred interest shall not itself earn interest. The Issuer shall be obliged as and when it is deemed solvent for purposes of these Conditions, to pay deferred interest to holders of Subordinated Notes on an Interest Payment Date, after having made the payment of Interest due for that Interest Payment Date.

10.4.4. The Issuer shall not pay or declare dividends on preference or ordinary shares, while deferred interest is outstanding on the Subordinated Notes.

10.4.5. The holder of a Subordinated Note may not exercise a claim or plead any right of set-off, counter claim or retention (whether before or after the winding up of the Issuer), in respect of any

amount owed by it to the Issuer against any amount owing by the Issuer to it, arising under or in connection with the Subordinated Notes, and each such holder shall be deemed to have waived all such rights of set-off, counter claim or retention. If any of the rights and claims of such Noteholder are discharged by set-off, such Noteholder will immediately pay an amount equal to the amount of such discharge to the Issuer, or as applicable, the liquidator in winding up of the Issuer as the case may be, and until such time as payment is made, such Noteholder will hold a sum equal to such amount in trust for the Issuer, or if applicable, the liquidator in winding up of the Issuer. Accordingly, such discharge will be deemed not to have taken place.

10.4.6. Future Issuances And Borrowing Nothing contained in the IM shall preclude the Issuer from, at any time, issuing further Notes or otherwise raising additional capital on these or any other terms and conditions.

By purchasing any Notes, Noteholders are deemed to approve the raising of additional capital by the Issuer from time to time, with no limit on such amount.

10.5 Interest

10.5.1. Payment of interest

The Notes bear interest on their outstanding Principal Amount from the relevant Issue Date at the Interest Rates and Interest Periods determined below. Interest on each Note will be payable in arrears on the dates indicated in the relevant Pricing Supplement commencing on the Issue Date specified in such Pricing Supplement (each "Interest Payment Date") until the Principal Amount of each Note is repaid in full. If any Interest Payment Date falls on a day which is not a Business Day, the next following Business Day shall be substituted for such day. In these Conditions, "Business Day" means any day, other than a Saturday, Sunday or public holiday in the United Republic of Tanzania, and on which commercial banks are open for business in The United Republic of Tanzania. The period beginning on and including the "Issue Date" to but excluding, the first Interest Payment Date, and each successive interest period from and including an Interest Payment Date to but excluding the next Interest Payment Date is an "Interest Period".

10.5.2 Interest Rate

- Fixed Rate Notes: Each Fixed Rate Note will bear interest on its Principal Amount from (and including) the relevant Issue Date at the rate of interest (expressed as a percentage per annum) (the "Fixed Rate Notes Rate of Interest") equal to the Rate of Interest specified in the relevant Pricing Supplement, payable in arrears on the Interest Payment Dates specified in the relevant Pricing Supplement. Each Fixed Rate Note shall cease to bear interest from the date of its redemption unless, upon due presentation thereof, payment of any Principal Amount due thereunder is improperly withheld or refused. In such event, interest will continue to accrue at the Default Rate (if any) as specified in the relevant Pricing Supplement.

- Floating Rate Notes: Each Floating Rate Note will bear interest on its Principal Amount from (and including) the relevant Issue Date at the rate of interest (expressed as a percentage per annum) (the "Floating Rate Notes Rate of Interest") equal to the sum of the applicable Floating Rates Note Reference Rate (hereinafter defined) plus the Floating Rate Notes Margin (hereinafter defined) specified in the relevant Pricing Supplement, payable in arrears on the Interest Payment Date(s) specified in the relevant Pricing Supplement. The Calculation/Fiscal Agent will on the first day of the Interest Period for which Floating Rate Notes Rate of Interest will apply (the "Interest Rate Fixing Date") determine the value of the relevant benchmark (the "Floating Rate Notes Reference Rate") plus the relevant margin (the "Floating Rate Notes Margin") and aggregate them to form the applicable Interest Rate. The Floating Rate Notes Reference Rate and the Floating Rate Notes Margin will be specified in the relevant Pricing Supplement. The Floating Rate Notes Rate of Interest payable from time to time for each Interest Period in respect of the Floating Rate Notes will be determined by the Calculation/Fiscal Agent (unless otherwise specified in the relevant Pricing Supplement) two Business Days before each Interest Payment Date and in the case of the first Interest Period, two days prior to the relevant Issue Date. Each Floating Rate Note shall cease to bear interest from the date of its redemption unless, upon due presentation thereof, payment of any Principal Amount due thereunder is improperly withheld or refused. In such event, interest will continue to accrue at the Default Rate (if any) as specified in the relevant Pricing Supplement.

10.5.3. Calculation of Interest

The Interest payable in respect of any Note for any Interest Period shall be calculated by multiplying the product of the Interest Rate and the outstanding Principal Amount of such Note by the Day Count Fraction, unless Interest (or a different formula for its calculation) is specified in the relevant Pricing Supplement in respect of such Interest Period; in which case the Interest payable in respect of such Note for such Interest Period shall be the amount specified in the relevant Pricing Supplement (or be calculated in accordance with such formula).

"Day Count Fraction" means, in respect of the calculation of an amount of interest in accordance with this Condition:

If "Actual/365". "Actual/Actual" or as per applicable currency day count convention as specified in the relevant Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in a portion of the Interest Period falling in a non – leap year divided by 365) or as per applicable currency day count convention.

For the purpose of any calculation of Interest pursuant to these Conditions (unless otherwise specified in the Conditions or the relevant Pricing Supplement),

- All percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up),
- All figures shall be rounded to seven significant figures (with halves being rounded up) and
- All currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up). For these purposes, “unit” means the lowest amount of the currency.

10.5.4 Notification of Rate of Interest and Interest

As soon as practicable after an Interest Determination Date, the Calculating Agent will cause the Interest Rate, the Interest Payment in respect of each Interest Period and relevant Interest Payment Dates and, if required to be calculated, the Final Redemption Amount or Early Redemption Amount to be notified to the Issuer, the Noteholders, any other Note Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange, and the rules of such exchange so require, such exchange as soon as possible after their determination but in no event later than the fourth Business Day after all such determinations are complete. Where any Interest Payment Date or Interest Period is subject to adjustment pursuant to these Conditions, the Interest and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment), and such amendment will be promptly notified to the Noteholders in accordance with Condition 14 (Notices). If the Notes become due and payable under an Event of Default, the accrued Interest and the Interest Rate payable in respect of the Notes shall nevertheless continue to be calculated in accordance with this Condition, but no publication of the Interest Rate or the Interest so calculated need be made. The Calculation and determination of the Interest Rate or the Interest by the Calculation/Fiscal Agent shall (in the absence of manifest error) be final and binding upon all parties.

10.5.5. Certificates to be Final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5(Interest), by the Calculation/Fiscal Agent shall (in the absence of willful default, bad faith or manifest error) be binding on all parties and (in the absence of the aforesaid) the Calculation/Fiscal Agent shall not be liable to the Issuer or the Noteholders in connection with the exercise or failure to exercise by Calculation/Fiscal Agent any of their respective powers, duties and discretions pursuant to such provisions.

10.5.6. Accrual of Interest

Each Note will cease to accrue interest from the date of its redemption unless, upon due presentation thereof, payment of the Principal Amount is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of: i. The date on which all amounts due in respect of such Note have been paid by the Issuer to the Noteholder (if no Issue and Paying Agent has been appointed under the Agency Agreement); and ii. The date on which all amounts due in respect of such Note have been received by the Issue and Paying Agent and notice to that effect has been given in accordance with Condition 10.14 (Notices) or individually.

10.6 Payments

10.6.1. Method of Payment to Noteholders

- Payment of amounts due on the final redemption of the Notes (the “Final Redemption Amount(s)”) will be made in accordance with the prevailing DSE PLC Rules.
- Payments of amounts due on any prepayment of the Notes (the “Early Redemption Amounts”) will be made in accordance with the prevailing DSE PLC Rules.
- Interest and Principal Amounts due on redemption shall only be payable to Noteholders registered as such on the Last Date to Register immediately preceding the relevant Interest Payment Date or relevant Redemption Date (as the case may be).
- Subject to Condition 10.6.1 (i), payment of Interest and Principal Amounts shall be made by the Paying Agent via electronic funds transfer to the account designated for the purpose by the Noteholder. In the event that for any reason, payment by means of electronic funds transfer is not possible, payment will be made by cheque in the manner set out in the remainder of this Condition 10.6 (Payments).
- Cheques in payment of Interest and Principal Amounts shall be drawn on the Issuer or the Issue and Paying Agent and issued by the Issuer or the Issue and Paying Agent as the case may be. Payment of cheques shall be a valid discharge by the Issuer of the obligation upon it to pay Interest or the Redemption Amount on redemption, as the case may be. Cheques shall be dated with the relevant Interest Payment Date or Redemption Date, as the case may be, and shall therefore be payable on that date.
- Payments made by cheque will be made by cheque in the Specified Currency cheque and posted by registered post to the address (as recorded in the Register or to such other address as may have been duly notified in writing to the Issue and Paying Agent by the Noteholder in accordance with these Conditions not later than the relevant Last Day to Register) of the relevant Noteholder on the Business Day not later than the relevant due date for payment unless prior to the relevant Last Day to Register the relevant Noteholder has applied to the Registrar, and the Registrar has acknowledged such application for payment to be made to a designated Tanzanian Shillings account maintained by such Noteholder with a bank in Tanzania in which case payment shall be made on the relevant due date for payment by transfer to such account.
- Neither the Issuer nor any of the Agents will be responsible for any loss in transmission of any cheque posted by way of registered post, and the postal authorities shall be deemed to be the agent of the Noteholders for the purposes of all the cheques so posted.

- viii. All payments of principal Amounts and Interest in respect of the Notes are subject in all cases to any applicable laws, fiscal or otherwise in the place of payment, but without prejudice to the provisions of Condition 10.8 (Taxation). No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- ix. If at any time a partial payment of any Principal Amount and/or Interest is made in respect of any Note, the Registrar shall endorse the Register with a statement indicating the amount and date of such payment.

10.6.2. Payments on Business Days and Late Payments

- i. Where payment is to be made by electronic funds transfer to a Note-holder's account, payment instructions (for value the due date or, if that is not a Business Day, for value the first following Business Day) will be initiated on the due date for payment.
- ii. Where payment is to be made by cheque, the cheque will be posted by registered post on the Business Day immediately preceding the due date for payment.
- iii. If (otherwise than by reason of the application of Conditions 10.6.2 (i) and 10.6.2 (ii) (a) payment of a Principal Amount is withheld or refused when due in respect of any Note, or (b) any Interest is not paid when due (the defaulted amounts mentioned in (a) and (b) above being referred to in this Condition as "Defaulted Amounts") then interest shall accrue on each such Defaulted Amount at the Default Rate and shall be paid to the person who is shown as the Noteholder on the relevant Record Date. "Default Rate" means the aggregate of the interest rate specified in the relevant Pricing Supplement for the specified Note plus a Default Rate Margin.

10.6.3. Interpretation of Principal Amount

Any reference in these Conditions to a Principal Amount in respect of the Notes shall be deemed to include as applicable:

- The Final Redemption Amount(s) of the Notes.
- The Optional Redemption Amount(s) of Notes; and
- Any premium and any other amount which may be payable by the Issuer under or in respect of the Notes.

10.6.4. Currency of Accounts and Payments

The currency of account and for any sum due from the Issuer hereunder is the Tanzanian Shilling, any successor currency, or as may be specified in the relevant Pricing Supplement

10.7 Redemption And Purchase of Notes By The Issuer

10.7.1. Final Redemption

Unless previously redeemed or purchased and cancelled, each Note shall be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the relevant Pricing Supplement (and which, unless otherwise provided in the relevant Pricing Supplement, is its nominal amount) on the Maturity Date specified in the relevant Pricing Supplement.

10.7.2 Redemption at the option of the Issuer

- i. If the Issuer has specified in the relevant Pricing Supplement that it has an option to redeem any Notes, the Issuer may after the expiry of one (1) year from the relevant Issue Date and, in addition, after giving:
 - a) not less than thirty nor more than ninety days' irrevocable notice to the Noteholders in accordance with Condition 10.14 (Notices); and
 - b) not less than seven Business Days before giving such notice, having given irrevocable notice to the Registrar; redeem the Principal Amount specified in such notice under the Notes then outstanding on the date specified by the Issuer in such notice (the "Option Redemption Date") at the Optional Redemption Amount specified in, or determined in the manner specified in, the relevant Pricing Supplement together with Interest accrued to (but excluding) the Option Redemption Date.
- ii. In the case of a partial redemption of Notes, the Notes to be redeemed (the "Redeemed Notes") will be selected individually not more than thirty five days prior to the date fixed for redemption (such date of selection being referred to below as the "Selection Date") by lot drawn in such place and in such manner as the Registrar deems appropriate, subject to compliance with any applicable laws and the requirements of any stock exchange on which the Notes are listed, or any other regulatory requirements. In the case of a partial redemption, the notice referred to in Condition 10.7.2 (i) (a) shall contain a list of the serial numbers of Notes relative to the Redeemed Notes.
- iii. All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.
- iv. Where only a portion of a Note is being redeemed, redemption shall be in accordance with prevailing DSE PLC rules on partial redemption and the Note-holder's account shall reflect the unredeemed balance upon redemption.
- v. So long as the Notes are listed on the DSE PLC and the rules of the DSE PLC and/or CMSA so require, the Issuer shall, once in every year in which there has been a partial redemption of the Notes, cause to be published in a leading English language newspaper of general circulation in the United Republic of Tanzania and/or as specified by the CMSA and/or DSE PLC, a notice specifying the aggregate nominal amount of the outstanding Notes.

- vi. For the purpose of Condition 10.7.2 (and unless otherwise stated in these Conditions), the Notes will be redeemed at the Early Redemption Amount calculated as follows:
- in the case of Notes with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or
 - in the case of Notes with either a Final Redemption Amount which is or may be less or greater than the Issue Price, to be determined in the manner specified in the relevant Pricing Supplement or, if no such amount or manner is so specified in the relevant Pricing Supplement, at their nominal amount.
- vii. Purchases. The Issuer may at any time purchase Notes at any price in the open market or otherwise. In the event of the Issuer purchasing Notes, such Notes may (subject to any approvals required from the relevant stock exchange and/or the CMSA or to any restrictions under any applicable laws) be held, resold or, at the option of the Issuer, cancelled in terms of and in accordance with these Conditions. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meeting of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorum at meetings of the Noteholders or for the purposes of Condition 10.15 (Meetings of Noteholders Modification and Waiver).

10.7.3. Redemption of Subordinated Notes

Early redemption of Subordinated Notes due to change in legislation or regulations: If as a result of any change or amendment in Applicable Laws, the Subordinated Notes should no longer qualify as Tier 2 Capital, then the Issuer may, at its option redeem all but not some of the Subordinated Notes then outstanding at their Principal Amount (together with Interest accrued to the date of redemption) subject to the following conditions:

- The written consent of the Relevant Authorities to such redemption has been obtained by the Issuer; and
- The Fiscal Agent and Collecting Agent (if the Fiscal Agent and Collecting Agent is different to the Issuer) has received from the Issuer not less than 30 days and not more than 90 days prior written notice (which notice shall also have been given to the Noteholders in accordance with Condition 10.14 (Notices)) specifying the Interest Payment Date upon which such early redemption shall occur and the amount of the reduction in outstanding amount of Notes. Any such notice by the Issuer shall be irrevocable and once given shall oblige the Issuer to make such payment.

10.7.4. General: Cancellation

All Notes purchased by or on behalf of the Issuer may be cancelled by the Issuer after five (5) years from the date of purchase by informing the Registrar of the intention to have such Notes cancelled. Notes cancelled as aforesaid may not be reissued or resold and the obligations of the

Issuer in respect of such Notes shall be wholly discharged.

10.8 Taxation

All payments in respect of the Notes may be made subject to withholding or deduction for or on account of any taxes imposed within the United Republic of Tanzania, where such taxes are applicable.

Refer to the relevant pricing supplement for applicable taxes.

10.9 Prescription

Claims against the Issuer for payment in respect of the Notes will become void unless presented for payment of Principal Amount within a period of six years and for payment of Interest within a period of six years after the Relevant Date (hereinafter defined) thereof. "Relevant Date" means the date on which such payment first becomes due, except that if the full amount of the moneys payable has not been duly paid by or on account of the Issuer on or prior to such date, it means the date on which notice to that effect is duly given to Noteholders in accordance with Condition 10.14 (Notices). The amounts due under such void Notes will be dealt with in accordance with the provisions of the Bank of Tanzania Act, R.E 2023 and the Banking and Financial Institutions, R.E 2023.

10.10 Events Of Default

An Event of Default shall have occurred in the case of Notes, if:

10.10.1. Non-Payment:

the issuer fails to pay Principal Amount which is due in respect of the Notes or the Issuer is in default with respect to the payment of interest on any such Notes and such defaults continues for a period of seven (7) business days (provided that the Issuer shall not be in default if, during such a period, it satisfies CMSA that the amounts not paid were not paid (i) in order to comply with any applicable laws or order of any court or competent jurisdiction or (ii) in case of doubt as to the validity or applicability of any such law, regulation or order, in accordance with advice as to such validity or acceptability given at any time during such period by independent advisors acceptable to the CMSA); or

10.10.2 Breach of Other Obligations:

the Issuer is in default in the performance, or is otherwise in breach, of any warranty, covenant, obligation, undertaking or other agreement under the Notes (other than non-payment under the Notes) and such default or breach (if capable of remedy) is not remedied within (30) Business Days (or such longer period as the CMSA may in its sole discretion determine) after notice thereof has been given to the Issuer and, if applicable, by the CMSA; or

10.10.3 Bankruptcy:

The Issuer shall institute proceedings under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect to be placed into

liquidation or winding up or shall consent to the filing of a bankruptcy, insolvency or similar proceeding against it or shall file a petition or answer or consent seeking reorganization under any such law or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver, manager, liquidator or trustee or assignee in bankruptcy or liquidation of the Issuer or in respect of its property, or shall make an assignment for the benefit of its creditors or shall otherwise be unable or admit its inability to pay its debts generally as they become due or the Issuer commences proceedings with a view to the general adjustment of its indebtedness, which event in any such case is (in sole opinion of the CMSA), materially prejudicial to the interest of the Noteholders; or

10.10.4 Substantial Change in Business:

The Issuer makes or threatens to make substantial change in the principal nature of its business as presently conducted which (in the sole opinion of the CMSA) materially prejudicial to the interests of the Noteholders; or

10.10.5 Maintenance of Business:

the Issuer fails to take any action as is required of it under the applicable laws or otherwise to maintain in effect its corporate existence or fails to take any action to maintain any material rights, privileges, titles to property, franchises and the like necessary or desirable in the normal conduct of its business, activities or operations which is (in the sole opinion of the CMSA) materially prejudicial to the interests of the Noteholders and such failure (if capable of remedy) is not remedied within thirty (30) Business Days (or such longer period as the CMSA may in its sole discretion determine) after notice thereof has been given to the Issuer; or

10.10.6 Material compliance with applicable laws:

the Issuer fails to comply in any material respect with any applicable laws to enable it lawfully to exercise its rights or perform or comply with its obligations under the Note Documents; or

10.10.7 Invalidity or Unenforceability:

- (a) the validity of the Notes or Note Documents is contested by the Issuer or the Issuer shall deny any of its obligations under the Notes or the Note Documents (whether by a general suspension of payments or a moratorium on the payment of debt or otherwise) or
- (b) it is or becomes unlawful for the Issuer to perform or comply with all or any of its obligations set out in the Notes or the Note Documents and the CMSA is of the opinion (determined on its sole discretion) that such occurrence is materially prejudicial to the interest of the Noteholders; or

10.10.8 Government Intervention:

All or any substantial part of the undertaking, assets and revenues of the Issuer is condemned, seized or otherwise appropriated by any person acting under the authority of any national, regional or local government.

10.11 Regulatory Consent

The Noteholders will not without the prior written consent of the Relevant Authorities:

- purport to retain or set off at any time any amount payable in respect of the Notes against any amount otherwise payable by any of them to the Issuer except to the extent that payment of such amount in respect of the Notes would be permitted at such time under the conditions.
- amend or waive or concur in amending or waiving the terms of the Note Documents whereby the subordination of the Notes or any part thereof might be terminated, impaired or adversely affected; or
- attempt to obtain repayment of the whole or any part of the amounts payable in respect of the Notes otherwise than in accordance with the terms of the Note Documents.

10.12 Authorized Collecting Agents

The Issuer has appointed Authorised Collecting Agents to the offer, all of whom have signed a Placing Agreement with the Issuer which sets out various terms and conditions with which each Authorised Collecting Agent is required to comply.

The Authorised Collecting Agents are either members of the DSE, licenced by the CMSA, Central Depository Agents approved by the DSE or commercial banks. The names of the members of the Authorised Collecting Agents are set out in "Appendix II" to this IM

10.13 Application Of Notes

Applicants wishing to apply for Notes must complete the appropriate physical Application Form or apply through the digital platform provided by the Issuer or Authorized Collecting Agents. Applicants who do not have a valid CSD Account must complete the CSD Account Opening Form (CSD 1 Form) available at the Issuer or any Authorized Collecting Agent.

Applications may also be made on behalf of minors. In such cases, the application shall be completed by a parent or legal guardian acting as custodian. The parent or guardian shall sign the Application Form on behalf of the minor, and coupon as well as principal repayment proceeds shall be credited to a bank account designated for the benefit of the minor. Where a minor does not have an existing CDS account, one shall be opened in the name of the minor with the parent or guardian recorded as custodian until the minor attains majority age, at which point full control of the account and the investment may be assumed by the minor.

Applicants who wish to subscribe through the digital platform provided by the Issuer or Authorized Collecting Agents, but do not have a CDS Account, may open one directly through the same platform in line with DSE and Central Depository System requirements. The digital process will require applicants to provide their personal information, valid identification documents, and bank account details for coupon and principal repayments.

10.14 Notices

- 10.14.1.** Notices to the Noteholders will be deemed to be validly given if made by fax, short messaging service, electronic mail, delivered to them, or sent by registered post to them, and:

- 10.14.2.** In the case of notices that are posted to holders of Notes, the notices will be valid if mailed to their registered addresses appearing on the Register. Any such notice shall be deemed to have been given on the seventh Business Day after the day on which it was posted.
- 10.14.3.** In the case of any communication made by fax, the notice will be deemed to have been validly given when on the date following transmission (provided that the sender produces, if requested to do so, a fax transmission report showing that the entire communication was received by the intended recipient); or
- 10.14.4** In the case of delivery, the notice will be deemed to have been validly given when such communication or document is left with or delivered to the intended Noteholder at its address as recorded on the Register.
- 10.14.5.** In case of short messaging service (SMS), the notice will be deemed to have been validly given when such SMS is sent to the intended Noteholder provided that an SMS which is received after 5:00 p.m. on a Business Day, or on a day which is not a full Business Day, in the place of receipt shall be deemed to be delivered on the next full Business Day in that place.
- 10.14.6.** In case of electronic email, the notice will be deemed to have been validly given when such electronic communication is sent to the intended Noteholder provided that a communication or document which is received after 5:00 p.m. on a Business Day, or on a day which is not a full Business Day, in the place of receipt shall be deemed to be delivered on the next full Business Day in that place.
- 10.14.7.** All notices regarding the Notes shall be published in a leading English newspaper expected to be of national circulation in the United Republic of Tanzania. Any such notice will be deemed to have been given on the date of the first publication in the newspaper. Notices to be given by any holder of the Notes shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Note Agents.

10.15 Meeting Of Noteholders, Modification and Waiver

The agency agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of modification of the Notes or certain provision of Agency Agreement.

Any such modification shall be binding on the Noteholders and any such modification shall be notified to the Noteholders in accordance with Condition 10.14 (Notices) as soon as practicable. Any such modification shall also be notified to the CMSA.

10.16 Governing Law and Jurisdiction

The agency agreement and the Notes are governed by, and shall be construed in accordance with, the laws of Tanzania. The Issuer agrees for the benefit of the Noteholders that the courts of the United Republic of Tanzania shall have exclusive jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with the Notes (respectively, "Proceedings" and "Disputes"). Service of any summons or any other notice of legal process shall be received by the Issuer at its Specified Office.



11 Legal Opinion

Chief Executive Officer
Tanzania Commercial Bank PLC
10th Floor, Millenium Towers
Kijitonyama, Makumbusho,
P.O. Box 9300
Dar Es Salaam, Tanzania.
(as the Issuer).
Our Ref: END/01/TCB/06/2025
Your Ref: N/A



Date: 26th June 2025

Dear Sirs,

Re: Legal Opinion in Respect of the Proposed Medium Term Note Programme worth Tanzania Shillings One Hundred Fifty Billion (TZS 150,000,000,000) to be issued by Tanzania Commercial Bank PLC (the “Company” or “Issuer”).

1 Background

- 1.1 We, ENDOXA LAW, a firm of Advocates duly registered and practicing under the laws of Tanzania have been engaged to act as Legal Advisers by the Issuer and iTrust Finance Limited (in its capacity as lead Arranger) in connection with the proposed Medium Term Note Programme worth Tanzania Shillings one hundred fifty billion (TZS 150,000,000,000/=) (the “Programme” or “MTN Programme”) pursuant and subject the Information Memorandum dated on or around the date of this Opinion (the “Information Memorandum”).
- 1.2 The MTN Programme envisages the issue of Medium-Term Notes (Notes) by the Issuer to the public for the purpose of financing SMEs to fuel socio-economic development on terms provided in the Information Memorandum and related documents. The Programme is to be issued in multiple tranches as specified in the Information Memorandum, Pricing Supplements, and such other documents in connection with the Programme. The Notes will be issued in registered form in denominations of Tanzania Shillings as specified in the relevant price supplements. The Notes will be subsequently listed and placed for trading with the Dar es Salaam Stock Exchange in line with Stock Exchange Rules and Guidelines.
- 1.3 This opinion (“Opinion”) is given on the basis of the laws of Tanzania existing as the date hereof considering the information provided to us by the Company. These include information relating to the corporate standing of the Issuer, business operations, litigations, contracts, assets, taxation, regulatory and compliance and such matters of fact and Laws of Tanzania that are relevant to the Programme. An official search report obtained from the Companies Registry in respect of the Issuer.
- 1.4 Save as otherwise defined in this opinion, terms and expressions defined in the Information Memorandum shall bear the same meanings when used herein and the same principles of interpretation provided for in the Information Memorandum shall apply herein.

2 Sources of information, documents and the laws examined

- 2.1 For the purpose of this Opinion, we have examined the following documents issued to us by the Company:
 - 2.1.1 The Information Memorandum in relation to the MTN Programme worth Tanzania Shillings one hundred fifty billion (TZS 150,000,000,000/=) dated 15th September 2025.
 - 2.1.2 The Placing Agreement dated on or around the date of this Opinion between the Company as Issuer and iTrust Finance Limited as Sponsoring Broker and Placing Agent (“Placing Agreement”).
 - 2.1.3 The Agency Agreement dated on or around the date of this Opinion (“Agency Agreement”).
 - 2.1.4 The Information Memorandum, Agency Agreement and Placing Agreement together referred to as the “Programme Documents”.
- 2.2 In addition, for the purpose of this Opinion, we have examined the following documents issued to us by the Company:
 - 2.2.1 Copy of the certificate of incorporation issued by the Business Registration and Licensing Agency (“BRELA”) to the Issuer with incorporation No. 125056 dated 29th March 2016 (“Certificate of Incorporation”).
 - 2.2.2 Copy of the certificate of change of name No. 125056 dated the 14th April 2021 certifying the change of name from TPB Bank Public Limited Company to Tanzania Commercial Bank Public Limited Company (“Certificate of Change of Name”).
 - 2.2.3 Copy of the resolution of the Board of Directors of the Issuer dated 4th April 2025 approving inter alia the MTN Programme to the tune up to Tanzania Shillings one hundred fifty billion (TZS 150,000,000,000/=) over three tranches with the first tranche being TZS 20,000,000,000/= and subsequent tranches being determined by market conditions (the “First Board approval of the MTN Programme”).
 - 2.2.4 Copy of the resolution of the Board of Directors of the Issuer passed on Friday 16th May, 2025, approving issuance of TZS 50,000,000,000/= for the first tranche instead of TZS 20,000,000,000/= as previously approved by the Issuer’s Board of Directors (“Second Board Approval for the MTN Programme”).
 - 2.2.5 Copy of the letter issued by Bank of Tanzania dated 3rd June 2025 with respect to the MTN Programme and the CP Programme (“BOT No Objection Letter”).
 - 2.2.6 Audited Financial Statements for the years ended 31st December 2022, 31st December 2023 and 31st December 2024 (the “Audited Financial Statements”).
 - 2.2.7 Copy of the search report dated 25th June 2025 obtained from the Business Registration and Licensing Agency (“BRELA”) in respect of the Issuer’s registered memorials and compliance status in the Register of Companies (the “Brela Search Report”).
 - 2.2.8 Copy of Memorandum and Articles of Association including all amendments up to 1st March 2024. (the “MEMART”).
 - 2.2.9 Copy of banking license No. CBA 00070 issued by the Bank of Tanzania (“BOT”) authorising the Issuer to conduct banking business dated 17th May 2021 (the “BOT Banking License”).

- 2.2.10 Copy of the letter of no objection from Treasury Registrar Dated 23rd May 2025.
- 2.2.11 Copy of National Payment System License No 0000-39 issued on 24th July 2023.
- 2.2.12 Copy of the Bank of Tanzania Public Notice dated 16th May 2018 confirming the merger of the Issuer with Twiga Bancorp Limited.
- 2.2.13 Copy of the Bank of Tanzania Public Notice dated 2nd August 2018 confirming the merger of the Issuer with Tanzania Women's Bank Public Limited Company.
- 2.2.14 Copy of the Public Notice issued by the Treasury Registrar dated 1st June 2020 confirming the merger of the Issuer with TIB Corporate Bank Limited.
- 2.2.15 Copy of business license, business licence No. 20000076100 dated 24/09/2024 in respect of the Ilala, Kariakoo Office Branch issued by Brela.
- 2.2.16 Copy of business license, business licence No. 20000074445 dated 31/08/2024 in respect of the Kinondoni-Makumbusho Head Office Branch issued by Brela.
- 2.2.17 Copy of business license, business licence No. 20000080126 dated 04/12/2024 in respect of the Arusha Branch issued by Brela.
- 2.2.18 Copy of business license, business licence No. 20000077995 dated 23/10/2024 in respect of the Manyara Branch issued by Brela.
- 2.2.19 Copy of business license, business licence No. 20000079864 dated 28/11/2024 in respect of the Bagamoyo Branch issued by Brela.
- 2.2.20 Copy of business license, business licence No. 20000079078 dated 13/11/2024 in respect of the Bariadi Branch issued by Brela.
- 2.2.21 Copy of business license, business licence No. 20000087927 dated 26/04/2025 in respect of the Igunga Branch issued by Brela.
- 2.2.22 Copy of business license, business licence No. 20000087928 dated 26/04/2025 in respect of the Njombe Branch issued by Brela.
- 2.2.23 Copy of business license, business licence No. 20000077958 dated 23/10/2024 in respect of the Bukoba Branch issued by Brela.
- 2.2.24 Copy of business license, business licence No. 20000077925 dated 23/10/2024 in respect of the Bunda Branch issued by Brela.
- 2.2.25 Copy of business license, business licence No. 20000083063 dated 04/02/2025 in respect of the Dodoma-Tambukareli Branch issued by Brela.
- 2.2.26 Copy of business license, business licence No. 20000061510 dated 02/02/2025 in respect of the Dodoma-Tambukareli Branch issued by Brela.
- 2.2.27 Copy of business license, business licence No. 20000077994 dated 23/10/2024 in respect of the Chato Branch issued by Brela.
- 2.2.28 Copy of business license, business licence No. 20000071613 dated 29/07/2024 in respect of the Ilala-Mchafukoge Branch issued by Brela.
- 2.2.29 Copy of business license, business licence No. 20000079060 dated 13/11/2024 in respect of the Dodoma-Viwandani Branch issued by Brela.

- 2.2.30 Copy of business license, business licence No. 20000079068 dated 13/11/2024 in respect of the Kinondoni-Kijitonyama Branch issued by Brela.
- 2.2.31 Copy of business license, business licence No. 20000079853 dated 28/11/2024 in respect of the Morogoro-Ifarakara Branch issued by Brela.
- 2.2.32 Copy of business license, business licence No. 20000079863 dated 28/11/2024 in respect of the Pwani-Ikwiriri Branch issued by Brela.
- 2.2.33 Copy of business license, business licence No. 20000076132 dated 24/09/2024 in respect of the Ilala-Boma Branch issued by Brela.
- 2.2.34 Copy of business license, business licence No. 20000077532 dated 15/10/2024 in respect of the Iringa-Gangilonga Branch issued by Brela.
- 2.2.35 Copy of business license, business licence No. 20000079866 dated 28/11/2024 in respect of the Ilala-Kipawa Branch issued by Brela.
- 2.2.36 Copy of business license, business licence No. 20000079066 dated 13/11/2024 in respect of the Shinyanga-Nyasubi Branch issued by Brela.
- 2.2.37 Copy of business license, business licence No. 20000076771 dated 02/10/2024 in respect of the Kagera-Kayanga Branch issued by Brela.
- 2.2.38 Copy of business license, business licence No. 20000078296 dated 31/10/2024 in respect of the Ilala-Muhonda Branch issued by Brela.
- 2.2.39 Copy of business license, business licence No. 20000079750 dated 26/11/2024 in respect of the Mwanza-Kenyata Branch issued by Brela.
- 2.2.40 Copy of business license, business licence No. 20000077929 dated 23/10/2024 in respect of the Pwani-Shirika la elimu Kibaha Branch issued by Brela.
- 2.2.41 Copy of business license, business licence No. 20000079772 dated 26/11/2024 in respect of the Kigoma-Kibondo Mjini Branch issued by Brela.
- 2.2.42 Copy of business license, business licence No. 20000077972 dated 23/10/2024 in respect of the Kigamboni-Ferry Branch issued by Brela.
- 2.2.43 Copy of business license, business licence No. 20000077511 dated 15/10/2024 in respect of the Kigoma-Ujiji Branch issued by Brela.
- 2.2.44 Copy of business license, business licence No. 20000079759 dated 26/11/2024 in respect of the Dar es Salaam Branch issued by Brela.
- 2.2.45 Copy of business license, business licence No. 20000077959 dated 23/10/2024 in respect of the Ubungo-Matangini Branch issued by Brela.

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| <p>2.2.46 Copy of business license, business licence No. 20000079856 dated 28/11/2024 in respect of the Dodoma-Kilimani Branch issued by Brela.</p> <p>2.2.47 Copy of business license, business licence No. 20000077961 dated 23/10/2024 in respect of the Tanga-Manundu Kati Branch issued by Brela.</p> <p>2.2.48 Copy of business license, business licence No. 20000077919 dated 23/10/2024 in respect of the Arusha-Kwa Mrombo Branch issued by Brela.</p> <p>2.2.49 Copy of business license, business licence No. 20000079849 dated 28/11/2024 in respect of the Mbeya-Kyela Branch issued by Brela.</p> <p>2.2.50 Copy of business license, business licence No. 20000077493 dated 15/10/2024 in respect of the Mwanza-Nyamagana Branch issued by Brela.</p> <p>2.2.51 Copy of business license, business licence No. 20000077923 dated 23/10/2024 in respect of the Lindi-Makonde Branch issued by Brela.</p> <p>2.2.52 Copy of Business License, Business License No. 20000077920 dated 23/10/2024 in respect of the Wambi Mafinga Town Branch issued by Brela.</p> <p>2.2.53 Copy of Business License, Business License No. 20000079741 dated 26/11/2024 in respect of the Makambako Branch issued by Brela.</p> <p>2.2.54 Copy of Business License, Business License No. 20000079734 dated 26/11/2024 in respect of the Itigi Mjini Branch issued by Brela.</p> <p>2.2.55 Copy of Business License, Business License No. 20000077957 dated 23/10/2024 in respect of the Manzese Branch issued by Brela.</p> <p>2.2.56 Copy of Business License, Business License No. 20000078547 dated 06/11/2024 in respect of the Mkuti Branch issued by Brela.</p> <p>2.2.57 Copy of Business License, Business License No. 20000079754 dated 26/11/2024 in respect of the Mbagala Branch issued by Brela.</p> <p>2.2.58 Copy of Business License, Business License No. 20000078505 dated 05/11/2024 in respect of Sisimba Branch issued by Brela.</p> <p>2.2.59 Copy of Business License, Business License No. 20000077499 dated 15/10/2024 in Mbinga Mjini – Mbinga Town Branch issued by Brela.</p> <p>2.2.60 Copy of Business License, Business License No. 20000076096 dated 24/09/2024 in respect of Makunganya Kivukoni – Ilala Branch issued by Brela.</p> <p>2.2.61 Copy of Business License, Business License No. 20000077960 dated 23/10/2024 in respect of Mkwepu - Kivunoni Branch issued by Brela.</p> <p>2.2.62 Copy of Business License, Business License No. 20000079862 dated 28/11/2024 in respect of Mlimani City Shopping Centre – Ubungu Branch issued by Brela.</p> | <p>2.2.63 Copy of Business License, Business License No. 20000076782 dated 02/10/2024 in respect of Luna – Mji Mkuu Branch issued by Brela.</p> <p>2.2.64 Copy of Business License, Business License No. 20000079083 dated 13/11/2024 in respect of Moshi Mjini – Mawenzi Branch issued by Brela.</p> <p>2.2.65 Copy of Business License, Business License No. 20000077992 dated 23/10/2024 in respect of Majengo – Katavi Branch issued by Brela.</p> <p>2.2.66 Copy of Business License, Business License No. 20000079059 dated 13/11/2024 in respect of NHC – Mpwapwa Mjini Branch issued by Brela.</p> <p>2.2.67 Copy of Business License, Business License No. 20000072315 dated 06/08/2024 in respect of Migombani – Korea, Mto wa Mbu Branch issued by Brela.</p> <p>2.2.68 Copy of Business License, Business License No. 20000077977 dated 23/10/2024 in respect of Ligula Tes Branch issued by Brela.</p> <p>2.2.69 Copy of Business License, Business License No. 20000072320 dated 06/08/2024 in respect of Gandhi – Mukendo Branch issued by Brela.</p> <p>2.2.70 Copy of Business License, Business License No. 20000083078 dated 04/02/2025 in respect of Soko – Ruanda Branch issued by Brela.</p> <p>2.2.71 Copy of Business License, Business License No. 20000061558 dated 2/2/2024 in respect of Soko – Ruanda Branch issued by Brela.</p> <p>2.2.72 Copy of Business License, Business License No. 20000077455 dated 15/10/2024 in respect of Posta -Boma Branch issued by Brela.</p> <p>2.2.73 Copy of Business License, Business License No. 20000079865 dated 28/11/2024 in respect of Majengo – Newala Town Branch issued by Brela.</p> <p>2.2.74 Copy of Business License, Business License No. 20000064936 dated 12/04/2024 in respect of Posta Kati – Njome Mjini Branch issued by Brela.</p> <p>2.2.75 Copy of Business License, Business License No. 20000079749 dated 26/11/2024 in respect of Utemini – Nzega Magharibi Branch issued by Brela.</p> <p>2.2.76 Copy of Business License, Business License No. 20000076101 dated 24/09/2024 in respect of Pamba - Nyamagana Branch issued by Brela.</p> <p>2.2.77 Copy of Business License, Business License No. BSL-SP20030-2025/25537 dated 13/3/2025 in respect of Chake Municipal Council, Madungu Branch issued by BPRA</p> <p>2.2.78 Copy of Business License, Business License No. BSL-SP20030-2024/3347 dated 5/2/2024 in respect of Chake Municipal Council, Madungu Branch issued by BPRA</p> <p>2.2.79 Copy of Business License, Business License No. 20000072314 dated 06/08/2024 in respect of Sokoni – Same Branch issued by Brela.</p> |
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| <p>2.2.80 Copy of Business License, Business License No. 20000078504 dated 05/11/2024 in respect of Samora Avenue - Kivukoni Branch issued by Brela.</p> <p>2.2.81 Copy of Business License, Business License No. 20000079858 dated 28/11/2024 in respect of Mkono - Mjini Branch issued by Brela.</p> <p>2.2.82 Copy of Business License, Business License No. 20000077472 dated 15/10/2024 in respect of Stendi ya Zamani - Majengo Branch issued by Brela.</p> <p>2.2.83 Copy of Business License, Business License No. 20000078526 dated 05/11/2024 in respect of Sokoine – Levulosi Branch issued by Brela.</p> <p>2.2.84 Copy of Business License, Business License No. 20000071666 dated 29/07/2024 in respect of Tulia - Uhuru Branch issued by Brela.</p> <p>2.2.85 Copy of Business License, Business License No. 20000077458 dated 15/10/2024 in respect of Mashujaa – Mjini, Songea Branch issued by Brela.</p> <p>2.2.86 Copy of Business License, Business License No. 20000077993 dated 23/10/2024 in respect of Jangwani – Katandala, Sumbawanga Branch issued by Brela.</p> <p>2.2.87 Copy of Business License, Business License No. 20000078484 dated 05/11/2024 in respect of Shule – Kanyeye, Tabora Branch issued by Brela.</p> <p>2.2.88 Copy of Business License, Business License No. 20000079077 dated 13/11/2024 in respect of Uhuru – Chumbageni, Tanga Branch issued by Brela.</p> <p>2.2.89 Copy of Business License, Business License No. 20000071597 dated 29/07/2024 in respect of Old Moshi – Them, Arusha Branch issued by Brela.</p> <p>2.2.90 Copy of Business License, Business License No. 20000079857 dated 28/11/2024 in respect of Ronsoti-Nyamisanura, Tarime Branch issued by Brela.</p> <p>2.2.91 Copy of Business License, Business License No. 20000083062 dated 04/02/2025 in respect of Tegeta/Kwa Ndevu – Wazo Branch issued by Brela.</p> <p>2.2.92 Copy of Business License, Business License No. 20000061492 dated 02/02/2024 in respect of Tegeta/Kwa Ndevu – Wazo Branch issued by Brela.</p> <p>2.2.93 Copy of Business License, Business License No. 20000083080 dated 04/02/2025 in respect of Nyamisangura - Temeke Branch issued by Brela.</p> <p>2.2.94 Copy of Business License, Business License No. 20000076537 dated 02/10/2024 in respect of TPA-Kivukoni Branch issued by Brela.</p> <p>2.2.95 Copy of Business License, Business License No. 20000077966 dated 23/10/2024 in respect of Postal Way - Tunduma Branch issued by Brela.</p> <p>2.2.96 Copy of Business License, Business License No. 20000076110 dated 24/09/2024 in respect of Kalanje - Majengo Branch issued by Brela.</p> | <p>2.2.97 Copy of Business License, Business License No. 20000077976 dated 23/10/2024 in respect of Kijitonyama - Ubungo Branch issued by Brela.</p> <p>2.2.98 Copy of Business License, Business License No. 20000076794 dated 02/10/2024 in respect of Mji Mwema- USA River Branch issued by Brela.</p> <p>2.2.99 Copy of Business License, Business License No. 20000079882 dated 28/11/2024 in respect of Azikiwe - Kivukoni Branch issued by Brela.</p> <p>2.2.100 Copy of Business License, Business License No. BSL-SP20027-2025/25656 dated 14/03/2025 in respect of Mchangani Mjini Branch issued by BPRA</p> <p>2.2.101 Copy of Business License, Business License No. BSL-SP20027-2025/3510 dated 07/02/2025 in respect of Mchangani Mjini Branch issued by BPRA</p> <p>2.2.102 Personal Data Protection Policy was currently reviewed on 12th April 2025.</p> <p>2.2.103 Anti-Bribery and Anti-Corruption Policy currently reviewed 12th April 2025.</p> <p>2.2.104 Beneficial Ownership Declaration of ultimate (KYC Registry) signed 02nd December 2024.</p> <p>2.2.105 Anti-Money Laundering Policy & Procedure of 2023 as reviewed on 12th April 2025.</p> <p>2.2.106 Copy of the Certificate of Registration of employer No. 006418 dated 30th November 2016 issued by the Workers Compensation Fund. (“WCF Certificate”)</p> <p>2.2.107 Copy of the certificate of registration of a factory or workplace issued by Occupation Safety and Health Authority for head quarter of the Issuer with certificate registration No. 411 102 001 Dated 16TH March 2021. (“OSHA Certificate”)</p> <p>2.2.108 Copy of the certificate for the registration of the Issuer as a Data Processor dated 27th June 2024 issued by the Personal Data Protection Commission with registration number 0-000-000-113. (“Data Processor Certificate”)</p> <p>2.2.109 Copy of the certificate of registration of the Issuer as a Data Controller dated 27th June 2024 issued by the Personal Data Protection Commission with registration number 0-000-000-113. (“Data Controller Certificate”)</p> <p>2.2.110 Copy of the certificate of registration from Public Service Social Security Fund with registration No. 1009113 and proof of payment Dated 28TH May 2025 (“PSSF Certificate”).</p> <p>2.2.111 Copy of Tax Identification Number certificate with TIN No. 101-056-228 with effect from 31th July 2001 (“TIN Certificate”).</p> <p>2.2.112 Copy of the Value Added Tax certificate with VAT registration Number (VRN) 40-013242-L with effect from 25th October 2012 (“VAT Certificate”).</p> <p>2.2.113 Copies of Company’s Audited Financial Accounts for the year 2022-2024 (“the Audited Financial Statements”)</p> <p>2.2.114 A copy of the annual return dated 29th March 2023 29th March 2024 and 29th March 2025</p> |
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- 2.2.115 The disclosure documents from the Company disclosing title and rights to the land and properties details in clause 3.7 (Properties, Land and Assets) below, title to movable assets (as defined in clause 3.7 (Property, Land and Assets) below and material agreements (as defined in clause 3.6 (Material Agreements) below.
- 2.2.116 A summary of the court cases, pleadings, claims involving the Company provided by the Company as set out in Schedule 4 (Material Litigations) below.
- 2.2.117 Issuer's Assets Register as at the date of this Opinion.

The documents in clauses 2.1.1 to 2.1.5 and 2.2.1 to 2.2.117 (both inclusive) together referred to as the "Additional Documents" and Programme Documents and the Additional Documents together being referred to as the "Documents".

- 2.3 For the purpose of this Opinion, we have examined the following statutes, regulations and guidelines.
 - 2.3.1 BOT, Bank of Tanzania (Financial Consumer Protection) Regulations, 2019 (Government Notice No. 884 published on 22 November 2019 ("Financial Consumer Protection Regulations");
 - 2.3.2 Capital Markets and Securities Act, Chapter 79 Revised Edition 2023 (CMS Act);
 - 2.3.3 Capital Markets and Securities (Prospectus Requirements) Regulations, (GN.No. 769 of 1997) ("CMSA Prospectus Regulations");
 - 2.3.4 Capital Markets and Securities Guidelines for the Issuance of Corporate Bonds, Municipal Bonds and Commercial Papers issued on September 2019 ("Corporate Bond Guidelines");
 - 2.3.5 Capital Markets and Securities (Corporate and Subnational Sustainability Bonds) Regulations, (GN No. 302 of 2025) ("CMSA Corporate and Subnational Sustainability Bonds Regulations");
 - 2.3.6 The Banking and Financial Institutions Act, No. 12 of 2006 ("Banking and Financial Institutions")
 - 2.3.7 Companies Act, 2003, Chapter 212 Revised Edition 2023 (as amended) ("Companies Act");
 - 2.3.8 Income Tax Act, Chapter 332 Revised Edition 2023 ("Income Tax Act");
 - 2.3.9 Stamp Duty Act, Chapter 189 Revised Edition 2023 ("Stamp Duty Act");
 - 2.3.10 The Central Securities Depository Rules, 2022; ("CSD Rules"); and
 - 2.3.11 The Dar es Salaam Stock Exchange PLC Rules, 2022; ("DSE Rules")

- 2.4 We have not undertaken any other searches or enquiries in respect of the matters referred to in this opinion and have not examined any other documents entered into or affecting the Issuer or any other person, save as stated above. Except where otherwise expressly stated herein, we have not carried out any further investigations in relation to the Company's business or the assets of the Company or any other person nor have we undertaken any independent verification of the information and documents provided to us by the Company, third parties and any other persons.

3 Opinions

Based on the information made available to us by the Company officials, as well as the Company's records listed above and taking into account the matters contained in the above Documents and subject to, other provisions of this Opinion, we are of the following opinion.

- 3.1 Corporate Standing of the Company.
 - 3.1.1 The Issuer is a public company limited by shares, duly incorporated under the Companies Act on 1st June 2020 with Certificate of Incorporation No. 125056 under the name TPB Bank PLC. The Issuer changed its name to Tanzania Commercial Bank Plc on 14th July 2021. The Issuer's registered office is located at the Head Office, 10th Floor, Millennium Towers II, Bagamoyo Road, opposite Makumbusho Village, Kijitonyama, Kinondoni District, Dar es Salaam, Tanzania. The Issuer has undergone a series of strategic mergers, including with Tanzania Women's Bank PLC (effective from 3rd August 2018), Twiga Bancorp Limited (effective from 17th May 2018), and TIB Corporate Bank Limited (effective from 1st June 2020).
 - 3.1.2 The BRELA Search Report indicates an authorised nominal share capital of the Company of Tanzanian Shillings five hundred billion (TZS 500,000,000,000/=) divided into five hundred million (500,000,000) ordinary shares of Tanzanian Shillings one thousand (TZS 1,000/=) each
 - 3.1.3 The Issuer has perpetual corporate existence and the capacity to sue and be sued in its own name.
 - 3.1.4 The Issuer has a valid banking licence and has all required authorisations to validity and lawfully conduct banking business in the manner currently being conducted by the Issuer in Tanzania as described in the Information Memorandum.
 - 3.1.5 The Issuer has the corporate power to enter into contracts to which it is a party, including the Programme Documents, and to perform its obligations under the Programme Documents to which it is a party.
 - 3.1.6 The Company has a corporate power to own properties and other assets in Tanzania its own name.
 - 3.1.7 The Brela Search Results indicates that no insolvency proceedings in force against the Company in any jurisdiction. Insolvency proceedings include liquidation, administration, administrative and reorganisation.
- 3.2 Company's capacity, authority and execution.
 - 3.2.1 The Issuer has the necessary legal capacity, authority and power to execute, where relevant, deliver, exercise its rights under and perform its obligations under each Programme Document to which it is a party and has taken all necessary corporate actions to permit such execution, delivery, exercise and performance.
 - 3.2.2 The Issuer has obtained all required external and internal authorisations and taken all necessary corporate actions to authorise the issuance of the Programme and the entry into the Programme Documents.

- 3.2.3 Subject to paragraph 5 (Assumptions), the issuance of notes under the MTN Programme complies with the Companies Act and all other laws relevant and enforceable in Tanzania at the time of giving this Opinion.
- 3.2.4 Subject to clause 5 (Assumptions) and Clause 4 (Qualifications) the execution and delivery by the Issuer of the Programme Documents to which it is a party do not, and the performance of the Issuer of its obligations thereunder and the consummation of the transaction contemplated by the Issuer will not:
- result in a violation of the constitutional documents of the Issuer; or
 - result in the violation of any law or judgment or order or rule or regulation in Tanzania or;
 - result in a breach of any provision imposing a limit on borrowing powers of the Issuer or;
 - result in a breach of any agreement entered by the Issuer.
- 3.3 Licenses, consents and approvals
- 3.3.1 The Issuer holds and all material licenses, approvals and consents required to perform its business including but not limited to having a valid license to conduct banking business in Tanzania from the Bank of Tanzania and has all the requisite corporate powers and authorisations to carry on the business as now conducted by the Issuer in Tanzania.
- 3.3.2 [We confirm that the Issuer has obtained in writing a no objection from the BOT to undertake the Programme and as applicable to enter into the Programme Document and consummate such transactions and enter into such arrangements (including incidental) agreements in the United Republic of Tanzania pursuant to the applicable law].
- 3.3.3 The following approvals will be obtained after the date of this Opinion:
- CMSA's approval for the Information Memorandum and the issuance of the Notes.
 - The registration of the Information Memorandum with the Registrar of Companies.
 - The DSE approval for the listing of the Programme.
- 3.3.4 Save for the approvals outlined in Clause 3.3.3 above, which will be obtained after the date of this Opinion, all authorizations, approvals, consents, licenses, exemptions, filings or registrations with government authority or authorities in Tanzania required in connection with the issuance of the Programme, have been obtained, are proper form, and in full force and effect.
- 3.4 The Notes and Programme Documents
- 3.4.1 The Information Memorandum complies with the requirements of the Regulations and the statements relating to Tanzanian law are not misleading.

- 3.4.2 The creation, issue, sale, execution and delivery of the Notes has been duly authorised and when executed, issued and delivered by the Issuer will constitute valid, enforceable and legally binding obligation under Tanzanian law.
- 3.4.3 Each Programme Document:
- has been duly executed; and
 - constitutes valid, legal and binding obligations of the Issuer;
- 3.4.4 Filings and registrations of the Programme Documents
- Each Programme Document has been duly executed, constitutes a legal, valid, binding and enforceable obligation under Tanzanian law.
 - Other than filings and registration of the documents with the CMSA and DSE, and for stamping, there are no mandatory requirements under the laws of Tanzania for filing and registration of the documents.
- 3.4.5 There is no provision in the Notes or the Programme Documents which will be deemed contrary to the law or public policy in Tanzania.
- 3.5 Material Contracts
- 3.5.1 To the best of our knowledge and having relied on the information provided to us by the Issuer, the Issuer has not entered into any material contracts other than the material contracts set out in Schedule 1 (Material Agreement and Insurances) of this Opinion.
- 3.5.2 For the purpose of this clause, and in reliance with paragraph 9 of the CMSA Prospectus Regulation, the term material contracts is contracts entered into within the last two years immediately preceding the date of the Information Memorandum other than in the ordinary course of business.
- 3.6 Property, Land and Fixed Assets
- 3.6.1 Owned Property
- To the best of our knowledge and having relied on the information provided to us by the Issuer, the Issuer owns real properties as listed in Schedule 2 of this Opinion.
- 3.6.2 Leased Properties
- To the best of our knowledge and having relied on the information provided to us by the Issuer, the Issuer has not entered into any commercial leases other than the commercial leases for the properties listed in Schedule 2 (Leased Property).
- 3.6.3 Movable Assets
- To the best of our knowledge and having relied solely on the information provided to us by the Issuer, the Issuer is the legal owner of the movable assets specified in Schedule 3 (Movable Assets).

- 3.7 Material Litigation
- 3.7.1 To the best of our knowledge, information and beliefs and having relied on the information provided to us by the Issuer, the Issuer's directors are not involved in any material litigations, prosecutions or other civil or criminal legal action instituted against any of them in Tanzania
- 3.7.2 To the best of our knowledge, information and beliefs and having relied on the information provided to us by the Issuer, save for the litigation specified in Schedule 4 (Litigations) of this Opinion, the Issuer is not involved in any other litigations, prosecutions or other civil or criminal legal action.
- 3.8 Immunity
- 3.8.1 In any proceedings relating to the documents to which the Issuer is a party, the Issuer is not entitled to claim for itself or for its properties, immunity or protection from suit, attachment, execution or other legal proceedings.
- 3.9 Insolvency
- 3.9.1 Based on the BRELA Search Report and information provided to us by the official of the Issuer and subject to clause 5 (Qualifications) below, we confirm that no shareholder or other corporate action has been taken for any administration, bankruptcy, liquidation, dissolution, receivership nor have similar insolvency proceedings been registered in relation to the Issuer or its assets and no proceeding has been commenced with a view of winding up the Issuer and nor has a notice appointing an administrator, receiver, administrative receiver, liquidator or other insolvency practitioner over the assets, business or undertaking of the Issuer company as at the date of the BRELA Search Report.
- 3.10 Choice of law
- 3.10.1 In any proceedings for the enforcement of the obligations of the Issuer under the Programme Documents, Tanzanian courts will recognise and uphold the choice of Tanzanian law as the governing law of the Programme Documents as valid and binding on the Issuer.
- 3.11 Taxes Payable
- 3.11.1 The Notes are issuances in Tanzania are subjected to taxation unless exempted.
- 3.11.2 Stamp duty is payable in Tanzania on documents relating to property and other matters in accordance with the Stamp Duty Act. At the time of issuing this Opinion, stamp duty was payable at the rate of 1%. Failure to stamp a document which is liable to stamping within 30 days from the date of execution will result in the document not being admitted as evidence in court of law.
- 3.11.3 Interest payable under the MTN Programme Notes is exempted from withholding tax under Section 82 (2) (e) of the Income Tax Act.
- 3.11.4 Net gains from sales of bonds and other securities are treated as investment income which should be included in the computation of taxable income. The total income of an entity is subject to a tax rate of 30% while for individuals, individual rates will apply.

4

Qualifications

- 4.1 This Opinion is subject to the following qualifications.
- 4.1.1 This Opinion is given in accordance with Tanzanian laws. We offer no opinion in relation to laws of other jurisdictions.
- 4.1.2 This Opinion is given only in relation to Tanzanian laws as it is understood at the date of this Opinion.
- 4.1.3 We have no duty to keep you informed of subsequent developments which might affect this Opinion.
- 4.1.4 If a question arises in relation to a cross-border transaction, it may not be the Tanzanian courts which decide that question and Tanzanian law may not be used to settle it.
- 4.1.5 We express no opinion on matters of fact.
- 4.1.6 The BRELA Search Report reflects only matters which have been filed on the Issuer's company file at BRELA as at the date of the said report and will not reflect matters not filed at BRELA
- 4.2 The term "enforceable" as used in this opinion, means that the obligations assumed by the Issuer under the Programme Document are of the type which Tanzanian courts enforce. This Opinion is not to be taken to imply that any obligation would at any time necessarily be enforced in all circumstances in accordance with its terms.
- 4.2.1 A Tanzanian court will not necessarily grant a particular remedy if:
- a) the principles of equity dictate otherwise; for example, an order for the equitable remedy of specific performance may not be made where damages are considered to be an adequate remedy; or
- b) public policy requires otherwise; or
- c) the court otherwise has discretion as to what remedy it grants.
- 4.2.2 The procedural rules to which any action brought in a Tanzanian court is subject may be such that a court declines jurisdiction or stays an action. For example, a Tanzanian court will only assume jurisdiction to hear a case, and give judgment against a defendant, on the basis of service. Where the defendant cannot be served, the Tanzanian courts will not assume jurisdiction.
- 4.2.3 Claims may become barred due to the expiry of limitation periods or may be or become subject to a defence of set-off and counterclaim.
- 4.2.4 It may not be possible to enforce contractual obligations if the relevant agreement is held to have been frustrated by a supervening event.
- 4.2.5 An agreement (or part of it) may be void, liable to be rescinded or otherwise unenforceable if there has been fraud or if a party has been induced to enter into it by a misrepresentation or any bribe or other corrupt conduct.
- 4.2.6 Where an obligation is to be performed in a jurisdiction outside Tanzania, that obligation may not be enforceable in Tanzania to the extent that:

5 Assumptions

- 5.1 This Opinion is subject to the following qualifications.
- 5.1.1 This opinion is subject to the below assumptions.
- 5.1.2 In relation to each the Programme Documents, each person which is expressed to be a party save for the Issuer:
- a) is duly incorporated and is validly existing.
 - b) has the capacity to execute each Programme Document to which it is expressed to be a party and to perform the obligations it is expressed to assume under it;
 - c) has taken all necessary corporate action to authorise it to execute each Programme Document to which it is expressed to be a party and to perform the obligations it is expressed to assume under it; and
 - d) has duly executed and delivered each Document to which it is expressed to be a party in good faith and in belief that the same would benefit such party.
- 5.1.3 All signatures and seals on the Programme Documents, the Board approval of the MTN Programme and the Board approval of the MTN Programme are genuine and valid.
- 5.1.4 There have been no variation, waiver or discharge of any of the provisions of the Programme Documents.
- 5.1.5 Nothing in the Programme Documents, contravenes or could result in contravention of any obligation of any of the parties.
- 5.1.6 All Documents submitted to us are copies are true and complete copies of the originals thereof.
- 5.1.7 None of the Documents are (wholly or in part) void, voidable, unenforceable, ineffective or otherwise capable of being affected because of any vitiating matter (such as mistake, misrepresentation, duress, undue influence, fraud, breach of directors' duties, illegality or public policy) that is not clear from the terms of the Documents.
- 5.1.8 All conditions precedent required to be fulfilled by the Issuer have been fulfilled and the Programme Documents are unconditional in all respects.
- 5.1.9 Each party which is a company is solvent both on a balance sheet and on a cash-flow basis and will remain so immediately after the Issue has been completed.
- 5.1.10 That all information contained in the Information Memorandum and all information in respect of the Issuer and its affiliates supplied to us by the Issuer, its officers and advisers is true, accurate and is up to date as of the date hereof.

- 5.1.11 That all material statements of fact, opinions and views expressed to us by and on behalf of the Issuer and all advisors or their respective shareholders, directors, officers and agents, were honestly held by them and all statements of facts were made and continue to be true, accurate and not misleading.
- 5.1.12 There are no other facts relevant to this Opinion that do not appear from the Documents

6 Miscellaneous

- 6.1 The Opinion is given in accordance with Tanzanian law. We offer no opinion in relation to laws of other jurisdictions.
- 6.2 This Opinion and any non-contractual obligations connected with it are governed by Tanzanian law and are subject to the exclusive jurisdiction of Tanzanian courts.
- 6.3 As legal advisers to the Issuer, we have issued and have not withdrawn our consent to the inclusion in the Information Memorandum of this Opinion in the form and context in which it appears.
- 6.4 This Opinion is addressed to the Issuer and may be relied on only by the Issuer and the Arranger and their respective successors and assignees in accordance with the above information,

**Yours Faithfully,
For and on Behalf of ENDOXA LAW**


**Doxa Mbapila
Partner
ENDOXA LAW**

SCHEDULE 1:
MATERIAL AGREEMENTS AND INSURANCES

S/N	Document Name
1	Provision of Data Link Services by TTCL, Contract No: TR222/2024/2025/NC/29 between Tanzania Commercial Bank Company Limited and Tanzania Telecommunications Corporation dated 26 May 2025.
2	Provision of consultancy services for Medium Term Note (MTN) Programme Contract No: TR222/2024/2025/C/51 between Tanzania Commercial Bank Company Limited and iTrust Finance Limited dated 30 May 2025.
3	Supply of Android POS (Branch and Agents), Contract No. TR222/2024/2025/G/153 between Tanzania Commercial Bank Company Limited and Konfa Enterprises Limited dated 3 rd March 2025 and expiring on 07 th September 2027.
4	Bankers Blanket Bond, Electronic Computer Crime, Professional Indemnity and Directors & Officers and Buyback deductible insurance with policy No ISM/147705/152960/2025 between Tanzania Commercial Bank PLC and National Insurance Corporation of Tanzania Limited commence on 01 st January 2025, due and expiring on 31 st December 2025 for USD 393,923.76 VAT USD 70,906.28 the Total Premium (for 100%) including VAT USD 464,830.04
5	Motor Vehicle Insurance (Third Party Risks) Interim Cover Note with policy cover No. IMIS/P/26869846/2025/2/26 and Commissioner of Insurance Certificate No: 25001-05778-37917 between Tanzania Commercial Bank PLC and National Insurance Corporation of Tanzania Limited commence from 26 th February 2025 to 25 th February 2026.
6	Cyber Liability insurance with policy No IMIS/G/150933/156273/202 between Tanzania Commercial Bank PLC and National Insurance Corporation of Tanzania Limited commence on 01 st January 2025 and expiring on 31 st December 2025 for the USD 115,310.56.
7	Electronic Equipment Policy with policy No: IMIS/P/61864250/2025/1/16 between Tanzania Commercial Bank PLC and National Insurance Corporation of Tanzania Limited commence on 16 th January 2025, and expiring on 15 th December 2026 insured property is per list from TCB assets register for TZS 75,039,190.69
8	Standard Fire Insurance Policy with Policy No. IMIS/P/104864249/2025/1/16 16 between Tanzania Commercial Bank PLC and National Insurance Corporation of Tanzania Limited commence on 16 th January 2025, and expiring on 15 th December 2026 insured property is per list from TCB assets with insured amount of TZS 15,521,173,753.00 and Premium of TZS 23,281,760.63
9	Car Protector Insurance Policy with policy No. IMIS/P/26869846/2025/2/26 between Tanzania Commercial Bank PLC and National Insurance Corporation of Tanzania Limited commence on 26 th February 2025, and expiring on 25 th February 2026 Sum insured being TZS 517,482,696.69

SCHEDULE 2: LIST OF PROPERTIES OWNED BY THE ISSUER

S/N	Registered holder of right of occupancy	Property Description	Remarks
1	Tanzania Commercial Bank Plc	CT. No. 6597-ALR Plot 64 block T1 MUCHANGA SINGIDA TOWNSHIP	The right of occupancy is still existing for 33 years
2	Tanzania Commercial Bank Plc	Title No. 6775 plot No. 1&2 Block L area F Arusha municipality	The right of occupancy is still existing for 99 years
3	Tanzania Commercial Bank Plc	CT No. 32888, block EE PLOT NUMBER 31 Babati	The right of occupancy is still existing for 33 years
4	Tanzania Commercial Bank Plc	CT NO. 32960 BLOCK EE plot number 32 Babati town	The right of occupancy is still existing for 33 years
5	Tanzania Commercial Bank Plc	CT No. 033025/100 block No. S plot No. 75/8 Nkomo street- Mwanza Municipality	The right of occupancy is still existing for 66 years
6	Tanzania Commercial Bank Plc	CT No. 21510 block No. 51, plot No. 51 Songea Municipality	The right of occupancy is still existing for 33 years
7	Tanzania Commercial Bank Plc	CT No. 53652 plot number 2005/4 Sinza Block C Sinza Dar es salaam	The right of occupancy is still existing for 66 years
8	Tanzania Commercial Bank Plc	CT No. 186157/24/1 Block NO. 186157 Dar es Salaam	The right of occupancy is still existing for 29 years

SCHEDULE 3: LIST OF MOVABLE ASSETS

S/N	Registration Number	Make	Model	Board Type	Year of Purchase	Registered owner
1	SU42967	Toyota	Landcruiser VXR	Station Wagon	2019	TPB Bank
2	SU41518	TVS	TVS STAR	Motorcycle (no sidecar)	2017	TPB Bank
3	SU422759	Nissan	Patrol	Station Wagon	2016	TPB Bank
4	SU39791	Yamaha	YBR125G	Motorcycle (no sidecar)	2020	TPB Bank
5	SU43277	Yamaha	CRUX-REV	Motorcycle (no sidecar)	2018	TPB Bank
6	SU43276	Yamaha	ME1UE	Motorcycle (no sidecar)	2018	TPB Bank
7	T708BCA	Suzuki	Grand Vitara	Station Wagon	2009	Tanzania Women's Bank Limited
8	SU38367	Honda	CGL	Motorcycle (no sidecar)	2010	TPB Bank
9	SU38371	Honda	CGL	Motorcycle (no sidecar)	2010	TPB Bank
10	SU42994	TVS	TVS STAR	Motorcycle (no sidecar)	2018	TPB Bank
11	SU42899	TVS	TVS STAR	Motorcycle (no sidecar)	2018	TPB Bank
12	SU42897	TVS	TVS STAR	Motorcycle (no sidecar)	2018	TPB Bank
13	SU42991	TVS	TVS STAR	Motorcycle (no sidecar)	2018	TPB Bank
14	SU42990	TVS	TVS STAR	Motorcycle (no sidecar)	2018	TPB Bank
15	SU42993	TVS	TVS STAR	Motorcycle (no sidecar)	2018	TPB Bank
16	SU42992	TVS	TVS STAR	Motorcycle (no sidecar)	2018	TPB Bank
17	SU42898	TVS	TVS STAR	Motorcycle (no sidecar)	2018	TPB Bank
18	SU42479	TVS	TVS STAR	Motorcycle (no sidecar)	2018	TPB Bank
19	SU42467	TVS	TVS STAR	Motorcycle (no sidecar)	2018	TPB Bank
20	SU42482	TVS	TVS STAR	Motorcycle (no sidecar)	2018	TPB Bank

S/N	Registration Number	Make	Model	Board	Year of Purchase	Registered owner
21	SU42481	TVS	TVS STAR	Motorcycle (no sidecar)	2018	TPB Bank
22	SU42471	TVS	TVS STAR	Motorcycle (no sidecar)	2018	TPB Bank
23	SU42470	TVS	TVS STAR	Motorcycle (no sidecar)	2018	TPB Bank
24	SU42476	TVS	TVS STAR	Motorcycle (no sidecar)	2018	TPB Bank
25	SU42465	TVS	TVS STAR	Motorcycle (no sidecar)	2018	TPB Bank
26	SU42460	TVS	TVS STAR	Motorcycle (no sidecar)	2018	TPB Bank
27	SU42459	TVS	TVS STAR	Motorcycle (no sidecar)	2018	TPB Bank
28	SU42463	TVS	TVS STAR	Motorcycle (no sidecar)	2018	TPB Bank
29	SU42464	TVS	TVS STAR	Motorcycle (no sidecar)	2018	TPB Bank
30	SU42477	TVS	TVS STAR	Motorcycle (no sidecar)	2018	TPB Bank
31	SU42462	TVS	TVS STAR	Motorcycle (no sidecar)	2018	TPB Bank
32	SU42473	TVS	TVS STAR	Motorcycle (no sidecar)	2018	TPB Bank
33	SU42466	TVS	TVS STAR	Motorcycle (no sidecar)	2018	TPB Bank
34	SU42474	TVS	TVS STAR	Motorcycle (no sidecar)	2018	TPB Bank
35	SU42472	TVS	TVS STAR	Motorcycle (no sidecar)	2018	TPB Bank
36	SU424669	TVS	TVS STAR	Motorcycle (no sidecar)	2018	TPB Bank
37	SU42461	TVS	TVS STAR	Motorcycle (no sidecar)	2018	TPB Bank
38	SU40468	TVS	TVS STAR	Motorcycle (no sidecar)	2018	TPB Bank
39	SU42475	TVS	TVS STAR	Motorcycle (no sidecar)	2018	TPB Bank
40	SU42478	TVS	TVS STAR	Motorcycle (no sidecar)	2018	TPB Bank
41	SU42480	TVS	TVS STAR	Motorcycle (no sidecar)	2018	TPB Bank

S/N	Registration Number	Make	Model	Board	Year of Purchase	Registered owner
42	SU7588631	TVS	TVSHLX	Motorcycle (no sidecar)	2017	TPB Bank
43	SU41999	TVS	TVSHLX	Motorcycle (no sidecar)	2017	TPB Bank
44	SU42007	TVS	TVSHLX	Motorcycle (no sidecar)	2017	TPB Bank
45	SU41998	TVS	TVSHLX	Motorcycle (no sidecar)	2017	TPB Bank
46	SU42001	TVS	TVSHLX	Motorcycle (no sidecar)	2017	TPB Bank
47	SU42003	TVS	TVSHLX	Motorcycle (no sidecar)	2017	TPB Bank
48	SU41997	TVS	TVSHLX	Motorcycle (no sidecar)	2017	TPB Bank
49	SU42002	TVS	TVSHLX	Motorcycle (no sidecar)	2017	TPB Bank
50	SU42138	TVS	TVSHLX	Motorcycle (no sidecar)	2017	TPB Bank
51	SU42006	TVS	TVSHLX	Motorcycle (no sidecar)	2017	TPB Bank
52	SU42004	TVS	TVSHLX	Motorcycle (no sidecar)	2017	TPB Bank
53	SU41008	BAJAJ	BOXER	Motorcycle (no sidecar)	2016	TPB Bank
54	SU41048	BAJAJ	RE4S	Motorcycle (With sidecar)	2016	TPB Bank
55	SU39791	Yamaha	YBR125G	Motorcycle (no sidecar)	2013	TPB Bank
56	SU38363	Honda	CGL	Motorcycle (no sidecar)	2010	TPB Bank
57	SU38372	Honda	CGL	Motorcycle (no sidecar)	2010	TPB Bank
58	SU36200	Toyota	RAV 4	Station Wagon	2005	Twiga Bancorp LTD

SCHEDULE 4- MATERIAL LITIGATIONS

No.	Court/Tribunal/ Case Number	Plaintiff		Description	Estimated Value/ Claim Amount TZS	Prospects of success and reasons thereof
1	HIGH COURT SONGEA.	FILBERTHA KAYOMBO	TCB	The Plaintiff is suing the Bank for malicious prosecution and is claiming general damages of TZS 200,000,000/=. The case was appealed up to the Court of Appeal, which nullified the previous proceedings and quashed the judgments of the lower courts. It ordered a retrial before a different magistrate, as the original magistrate had presided over both the civil and criminal cases. The case has now been refiled against Tanzania Commercial Bank without joining the Attorney General, who is a necessary party.	TZS 200,000,000/=	The bank has a strong/higher chance of success, having raised a preliminary objection that the court lacks jurisdiction due to the plaintiff's failure to join the Attorney General—a necessary party when suing a government institution. While the ruling is still pending, the objection is based on a clear point of law, which is likely to be upheld in the bank's favor.
2	APPEAL NO 63/64 OF 2024 TRAB DSM.	TCB	TRA	The Bank being aggrieved with Commissioner General's assessment No F.426109653 for payment of TZS 2,375,224,346.66 and assessment No DR.57/47181 for payment of TZS 37,153,514.00 has appealed to the Tax Revenue Appeal Board on the grounds that the commissioner general has not deducted the deductible expenses allowed by the Law.	TZS 2,375,224,346.66 and TZS 37,153,514.00	The bank has filed a strong appeal and has a high chance of success.
3	CIVIL CASE NO.2669 OF 2025 HIGH COURT OF MOSHI.	SADIKIEL MMBANDO	TCB	The Plaintiff bought a house through public auction conducted by the bank in the year 2016 at a price of TZS 17,000,000/=. However, the bank failed to handover the house to him. The Plaintiff served the bank a demand notice seeking a refund of his purchase price. The bank adhered to the demand and the Plaintiff was fully refunded. The Plaintiff later filed this suit claiming for compensation of TZS 189,000,000/= for the interest accrued from the amount paid while purchasing the house.	TZS 189,000,000/=	The bank has filed a strong defence and has a reasonable chance of success.
4	CIVIL CASE NO 6789 OF 2025, HC MOROGORO.	KISENA AGRI INDUSTRIES LIMITED	TCB	The Plaintiff was a highest bidder of the auction conducted by the bank to sale the rice processing factory his bid was TZS 1,160,000,000/= However he managed to pay only part of the purchase price below 25% the bank nullified the auction and proceeded to sale the said property to the other party where he has filed this case claiming for refund of the money and damages of TZS 500,000,000/=	TZS 500,000,000/=	The bank has a reasonable chance of success since the plaintiff did not serve 90 days' notice and did not join the Honourable attorney general as a necessary party.



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Reporting Accountant's Report



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INTRODUCTION TO REPORTING ACCOUNTANT'S REPORT

26 June 2025

Board of Directors,

Tanzania Commercial Bank PLC "TCB PLC"
PSSSF Millennium Tower II, Bagamoyo Road,
P.O. Box 9300, Dar es Salaam,
Tanzania.

We hereby submit our Reporting Accountant's report in accordance with the requirements of Part III, Section 13 of the Capital Markets and Securities (Prospectus Requirements) Regulations of Tanzania and Part V of the Dar es Salaam Stock Exchange Public Limited Company Rules, 2022, hereafter referred to as the "Regulations".

We have reviewed the audited financial statements of Tanzania Commercial Bank Plc "TCB Plc" (the "Company") and for the following periods:

- Financial year ended 31 December 2024
- Financial year ended 31 December 2023
- Financial year ended 31 December 2022

Responsibilities of the Directors

The Directors of Tanzania Commercial Bank Plc "TCB PLC" are responsible for the preparation and accuracy of the historical financial information of TCB PLC for the years ended 31 December 2024, 31 December 2023, and 31 December 2022, and the preparation and presentation of the financial projections "forecasted financial information" for years ending 31 December 2025, 2026, 2027 and 2028, and cashflow for the respective years. That is, the Forecasted Financial Information and the assumptions on which it is prepared ("Directors' Assumptions").

The statutory financial statements for the years ended 31 December 2024, 31 December 2023, and 31 December 2022 were audited by the Controller and Auditor-General (CAG) under mandate provided in Article 143 of the Constitution of the United Republic of Tanzania of 1977 and Section 10 (1) of the Public Audit Act, Cap. 418, and received unqualified audit opinion.

Our responsibilities as reporting accountants

Our responsibilities are detailed in our engagement letter. These included compiling a Reporting Accountant's Report that includes the following:

- An Independent Review Report on Historical Financial Information in accordance with ISRE 2400 (Revised).

- b) A compilation report in accordance with the requirements of the Capital Markets and Securities Act Cap.79 R.E (2023) as amended and subject to the Laws of Tanzania and Securities (Prospectus Requirements) Regulations of Tanzania and Part V of the Dar es Salaam Stock Exchange Plc Rules, 2022, hereafter referred to as the “Regulations” and the International Standard on Related Services applicable to compilation engagements (ISRS) 4410 Compilation Engagements as set out on pages 108 to 184.
- c) A report on the forecasted financial information for the 4 years running from year ending 31 December 2025 to 31 December 2028, and their respective Cash flows, including a limited assurance conclusion on the reasonableness of the Directors’ Assumptions and an opinion on the Forecasted Financial Information in accordance with the International Standard on Assurance Engagements applicable to the examination of prospective financial information (ISAE) 3400 The Examination of Prospective Financial Information, set out on pages 108 to 114.

Consent

We consent to the inclusion of this report in the Tanzania Commercial Bank Plc “TCB Plc” Medium-Term Notes Programme Public Offer Prospectus to be issued in tranches from 2025 in the form and context in which it appears.

The engagement partner responsible for the engagement resulting in this Reporting Accountant’s Report is CPA Khalfani Mbwambo (ACPA 3224)

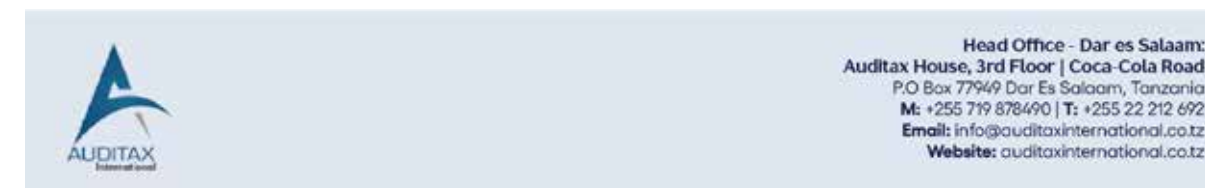
For and on behalf of:

Auditax International,
Certified Public Accountants (T)
Auditax House, 3rd Floor, Coca Cola Road,
P.O. Box 77949
Dar es Salaam, Tanzania



Signed by: CPA Khalfani Mbwambo

Date: 26/08/2025



INDEPENDENT PRACTITIONER’S REVIEW REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF TCB PLC

We have reviewed the accompanying financial statements of TCB PLC set out on pages 108 to 112, which comprise the company’s statements of financial position as at 31 December 2024, 31 December 2023 and restated 31 December 2022 and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the for the years then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Historical Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner’s Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards). This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Basis of Conclusion

The financial information set out in this report was prepared in accordance with the International Standard on Related Services 4410 – Engagement to compile financial statements (“ISRS 4410”), and is based on the audited financial statements of the company, after making the adjustments considered appropriate to make all the financial statements compliant with International Financial Reporting Standards. Further, to enable us prepare the Reporting Accountant’s Report, we carried out procedures to satisfy ourselves that the information presented in the financial statements was in accordance with the Regulations. In compiling the financial information, we have not effected adjustments to the information presented in the audited financial statements. In addition to our compilation engagement, we have reviewed the financial information of the company for the three years presented. We conducted our review in accordance with the International Standard on Review Engagements 2400, Engagements to Review Financial Statements (“ISRE 2400”). This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial information is free of material misstatement.

A review is limited primarily to inquiries of management and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Conclusion

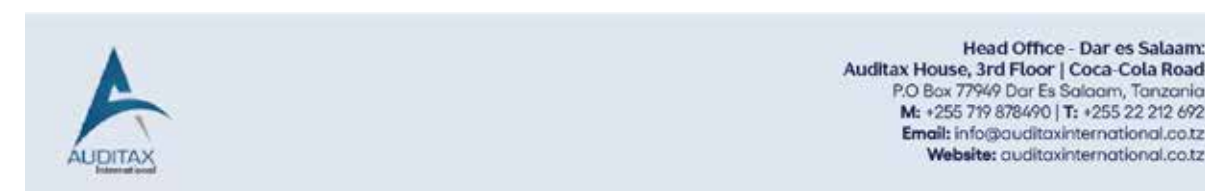
Based on our review, nothing has come to our attention that causes us to believe that the historical financial statements do not give a true and fair view of the company’s statements of financial position of Tanzania Commercial Bank Plc as at 31 December 2024, 31 December 2023 and 31 December 2022 and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the for the years then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards).

For and on behalf of:

Auditax International,
Certified Public Accountants (T)
Auditax House, 3rd Floor, Coca Cola Road,
P.O. Box 77949
Dar es Salaam, Tanzania



Signed by: CPA Khalfani Mbwanbo
Date: 26/08/2025



REPORTING ACCOUNTANT’S COMPILATION REPORT

We have compiled the accompanying financial statements of TCB PLC on pages 108 to 114, based on the information you have provided. These financial statements comprise the Tanzania Commercial Bank Plc statements of financial position as at 31 December 2024, 31 December 2023, and 31 December 2022, and the company’s statements of profit or loss and other comprehensive income, company’s statements of changes in equity and company’s statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the compilation and presentation of these financial statements in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards). We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on the financial statements.

For and on behalf of:

Auditax International,
Certified Public Accountants (T)
Auditax House, 3rd Floor, Coca Cola Road,
P.O. Box 77949
Dar es Salaam, Tanzania



Signed by: CPA Khalfani Mbwanbo
Date: 26/08/2025

A: FINANCIAL STATEMENTS

(i) Statement of Profit or Loss and Other Comprehensive Income for the Years Ended 31 December 2024, 2023 And 2022

	Notes	2024 TZS'000	2023 TZS'000	2022 TZS'000
Interest and similar income	7	178,860,234	151,237,933	139,782,422
Interest and similar expense	8	(57,958,533)	(51,385,740)	(48,565,235)
Net interest income		120,901,701	99,852,193	91,217,187
Impairment credit/(charge) on financial instruments	9	4,083,139	(57,487,969)	(13,942,889)
Net interest income after impairment		124,984,840	42,364,224	77,274,298
Fees and commission income	10	27,537,971	20,372,171	26,034,638
Fees and commission expense	11	(225,000)	(250,000)	(300,000)
Net fees and Commission Income		27,312,971	20,122,171	25,734,638
Foreign exchange income	12	9,559,812	6,663,353	2,903,487
Other income	13	10,471,309	3,910,511	4,111,292
Net operating income		172,328,932	73,060,259	110,023,715
Administrative expenses	14	(118,750,357)	(107,258,968)	(92,324,235)
Depreciation and amortization	15	(9,642,732)	(10,221,643)	(10,828,637)
Profit/(Loss) from operations		43,935,843	(44,420,352)	6,870,843
Income tax expense	17(a)	(12,297,317)	(1,854,357)	(3,716,999)
(Loss)/profit for the year		31,638,526	(46,274,709)	3,153,844
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Actuarial gain/(loss) from defined benefit obligation	34	208,555	(149,248)	900,621
Tax thereon		(62,567)	44,774	(270,186)
Other comprehensive income/(loss), net of tax		145,988	(104,474)	630,435
Total comprehensive income/(loss) for the year		31,784,514	(46,379,183)	3,784,279

(ii) Statement Of Financial Position As At 31 December 2024, 2023, And 2022

	Notes	2024 TZS'000	2023 TZS'000	2022 TZS'000
ASSETS				
Cash and balances with Bank of Tanzania	18	222,113,529	160,965,549	113,952,048
Cheques and items for collection	19	178,912	256,663	270,979
Placements and balances with other banks	20	95,561,550	110,599,730	165,931,752
Treasury bills	21	79,953,363	19,857,689	-
Treasury bonds	22	129,214,637	127,687,134	103,441,723
Loans and advances to customers	23(a)	1,137,048,515	911,150,315	838,044,376
Other assets	24	30,039,104	12,277,657	22,406,844
Deferred tax asset	25	11,814,120	10,264,091	7,421,575
Tax recoverable	17(c)	920,967	5,284,515	-
Intangible assets	26	1,574,381	2,129,923	1,866,654
Property and equipment	27	19,577,598	18,511,985	20,609,908
Right-of-use assets	28(a)	10,328,655	10,346,319	11,466,672
TOTAL ASSETS		1,738,325,331	1,389,331,570	1,285,412,531
LIABILITIES AND EQUITY				
Liabilities				
Customer deposits	29	1,303,419,571	1,120,731,908	1,000,576,826
Balances due to other banks	30	197,456,069	80,009,367	117,548,333
Borrowings	31	33,687,253	12,132,164	12,587,836
Lease liabilities	28(b)	6,069,641	7,184,933	8,502,402
Other liabilities	32	37,978,803	41,373,673	19,109,066
Current tax liabilities		-	-	2,679,487
Revenue grant	33	204,641	42,589	75,300
Staff benefit obligation	34	8,816,815	8,948,912	7,702,672
Total liabilities		1,587,632,793	1,270,423,546	1,168,781,922
Equity				
Share capital	35	80,028,561	80,028,561	31,371,963
Regulatory Reserve		-	-	-
Other reserves		2,104,510	2,104,510	9,693,731
Defined benefit reserve		(2,219,506)	(2,365,494)	(2,261,020)
Retained earnings		70,778,973	39,140,447	77,825,935
Total equity		150,692,538	118,908,024	116,630,609
TOTAL EQUITY AND LIABILITY		1,738,325,331	1,389,331,570	1,285,412,531

**(iii) Statement of Changes in Equity for the Years Ended
31 December 2024, 2023 And 2022**

Year ended 31 December 2024	Note	Share Capital TZS'000	Regulatory Reserve TZS'000	Other reserve (acquired in business combination) TZS'000	Defined benefit reserve TZS'000	Retained earnings TZS'000	Total equity TZS'000
At 1 January 2024		80,028,561	-	2,104,510	(2,365,494)	39,140,447	118,908,024
Other comprehensive income, net of tax		-	-	-	145,988	-	145,988
Business combination		-	-	-	-	-	-
Profit for the year		-	-	-	-	31,638,526	31,638,526
At 31 December 2024		80,028,561	-	2,104,510	(2,219,506)	70,778,973	150,692,538
Year ended 31 December 2023	Note						
		TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
At 1 January 2023		31,371,963	-	9,693,731	(2,261,020)	77,825,935	116,630,609
Capital injection		48,656,598	-	-	-	-	48,656,598
Other comprehensive loss, net of tax		-	-	-	(104,474)	-	(104,474)
Business combination		-	-	(7,589,221)	-	7,589,221	-
Profit for the year		-	-	-	-	(46,274,709)	(46,274,709)
At 31 December 2023		80,028,561	-	2,104,510	(2,365,494)	39,140,447	118,908,024
Year ended 31 December 2022	Note						
		TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
At 1 January 2022		28,071,743	738,937	9,693,731	(2,891,455)	77,600,065	113,213,021
Other comprehensive loss, net of tax		-	-	-	630,435	-	630,435
Bonus shares issued		3,300,220	-	-	-	(3,300,220)	-
Withhold tax from bonus share		-	-	-	-	(366,691)	(366,691)
Regulatory reserve*		-	(738,937)	-	-	738,937	-
Profit for the year		-	-	-	-	3,153,844	3,153,844
At 31 December 2022		31,371,963	-	9,693,731	(2,261,020)	77,825,935	116,630,609

**(iv) Statement of Cashflows for the Years Ended
31 December 2024, 2023 and 2022**

		2024 TZS'000	2023 TZS'000	2022 TZS'000
	Note		Restated	
Cash flows from operating activities				
Net cash generated from/ (used in) operations	36	83,548,331	(28,792,838)	(75,914,244)
Cash flows from investing activities				
Purchase of intangible assets	26	(253,997)	(1,049,065)	(577,008)
Purchase of property and equipment	27	(5,021,456)	(2,224,712)	(2,330,366)
Proceeds from disposal of property and equipment and intangible assets		131,330	-	-
Proceeds from treasury bills	21	20,000,000	-	22,833,833
Investment in treasury bills	21	(80,096,301)	(19,861,042)	-
Proceeds from treasury bonds	22	11,000,000	-	-
Investment in treasury bonds	22	(12,518,680)	(24,214,313)	(23,574,125)
Net cash used in investing activities		(66,759,104)	(47,349,132)	(3,647,466)
Cash flows from financing activities				
Payments on lease liability - principal	28(b)	(6,136,876)	(5,547,671)	(6,151,444)
Receipt from capital injection		-	46,783,499	
Proceeds from borrowings		33,470,000	-	-
Repayment on borrowings - principal		(12,000,000)	-	-
Grant received	33	200,611	-	93,255
Withholding tax on bonus issue		-	-	(366,691)
Net cash generated from financing activities		15,533,735	41,235,828	(6,424,880)
Net increase in cash and cash equivalents		32,322,962	(34,906,142)	(85,986,790)
Cash and cash equivalents at 1 January		192,359,957	228,814,280	111,197,355
Effect of foreign exchange rate changes		(92,462)	(1,548,181)	-
Cash and cash equivalents at the end of the year		224,590,457	192,359,957	25,210,565
Analysis of cash and cash equivalents at 31 December				
Cash and balances with Bank of Tanzania	18	222,121,256	161,026,179	113,983,863
Statutory Minimum Reserve (SMR)	18	(93,369,513)	(77,329,720)	(46,506,225)
Placements with other banks	20	95,659,802	108,406,835	87,598,117
Cheques and items in the course of collection	19	178,912	256,663	270,979
Borrowings		-	-	(130,136,169)
		224,590,457	192,359,957	25,210,565

**B: MANAGEMENT ACCOUNTS
(i) Condensed Statement of Financial Position as at 30 June 2025
(Amounts in million shillings)**

		30.06.2025	31.03.2025
ASSETS			
1	Cash	76,780,118	68,841,234
2	Balances with Bank of Tanzania	157,802,574	86,611,462
3	Investments in Government securities	254,388,844	229,620,065
4	Balances with other banks and financial institutions	20,120,448	75,081,917
5	Cheques and items for clearing	661,306	281,421
6	Interbank Loans Receivables	114,488,158	51,844,854
7	Loans, advances and overdrafts (net of allowances for probable losses)	1,269,531,733	1,227,418,159
8	Other assets	38,222,622	44,623,013
9	Property, Plant and Equipment	19,443,980	19,654,867
10	TOTAL ASSETS	1,951,439,785	1,803,976,992
LIABILITIES			
11	Deposits from other banks and financial institutions	8,473,647	20,889,248
12	Customer deposits	1,373,051,622	1,275,478,913
13	Special deposits	99,135,933	102,087,328
14	Payment orders/transfers payable	4,649,719	6,210,968
15	Accrued taxes and expenses payable	34,315,603	30,535,610
16	Unearned income and other deferred charges	9,569,300	9,291,683
17	Other liabilities	22,045,473	23,137,799
18	Borrowings	236,661,375	178,884,250
19	TOTAL LIABILITIES	1,787,902,671	1,646,515,798
20	NET ASSETS/(LIABILITIES) (10 minus 20)	163,537,114	157,461,194
SHAREHOLDERS' FUNDS			
21	Paid up share capital	80,028,561	80,028,561
22	Retained earnings	63,559,575	68,628,912
23	Profit (Loss) account	17,844,468	6,699,211
24	Other capital accounts	2,104,510	2,104,510
25	TOTAL SHAREHOLDERS' FUNDS	163,537,114	157,461,194
26	Contingent liabilities	281,317,809	238,477,574
27	Non-performing loans & advances	45,284,708	39,987,593
28	Allowances for probable losses	23,622,037	24,635,177
SELECTED FINANCIAL CONDITION INDICATORS			
(i)	Shareholders' Funds to total assets	8.38%	8.73%
(ii)	Non-performing loans to total gross loans	3.49%	3.19%
(iii)	Gross loans and advances to total deposits	87.54%	89.74%
(iv)	Loans and Advances to total assets	65.06%	68.04%
(v)	Earning Assets to Total Assets	83.96%	83.64%
(vi)	Deposits Growth	5.88%	8.94%
(vii)	Assets growth	8.17%	3.78%

(ii) Condensed Statement of Profit or Loss and Other Comprehensive Income

(Amounts in million shillings)

		Current Quarter 30-Jun-25	Comparative Quarter (Pre-vious year) 30-Jun-24	Current year (Cumulative) 30-Jun-25	Comparative year (Previous year) 30-Jun-24
1	Interest Income	53,016,099	40,417,744	102,357,234	83,141,208
2	Interest Expense	(20,085,718)	(13,871,584)	(37,937,272)	(27,543,266)
3	Net Interest Income (1 minus 2)	32,930,381	26,546,160	64,419,962	55,597,942
4	Bad Debts Written Off	-	(198,580)	-	(323,432)
5	Impairment Losses on Loans and Advances	(321,207)	(3,487,023)	(1,019,595)	(5,496,066)
6	Non-Interest Income:	18,855,434	15,987,000	32,817,563	30,044,602
	6.1 Foreign Currency Dealings and Translation Gains/(Loss)	2,104,233	2,135,446	4,161,170	5,448,269
	6.2 Fees and Commissions	10,118,072	6,742,648	18,810,180	13,684,904
	6.3 Other Operating Income	6,633,130	7,108,906	9,846,213	10,911,429
7	Non-Interest Expenses:	(36,303,568)	(28,318,216)	(70,535,005)	(55,654,578)
	7.1 Salaries and Benefits	(17,926,198)	(9,648,035)	(35,403,097)	(27,701,199)
	7.2 Fees and Commission	(2,491,668)	(2,394,526)	(6,053,654)	(4,568,453)
	7.3 Other Operating Expenses	(15,885,702)	(16,275,655)	(29,078,253)	(23,384,926)
8	Operating Income/(Loss)	15,161,040	10,529,341	25,682,926	24,168,468
9	Income Tax Provision	(4,015,783)	(2,318,013)	(7,838,458)	(4,182,603)
10	Net Income/ (Loss) After Income Tax	11,145,257	8,211,327	17,844,468	19,985,865
11	Other Comprehensive Income (itemize)	-	-	-	-
12	Total comprehensive income / (loss) for the year	11,145,257	8,211,327	17,844,468	19,985,865
13	Number of Employees	1,145	1,063	1,145	1,063
14	Basic Earnings Per Share	139	103	223	250
15	Number of Branches (Full-fledged)	52	52	52	52
SELECTED PERFORMANCE INDICATORS					
i	Return on Average Total Assets	0.59%	0.56%	1.03%	1.37%
ii	Return on Average Sharehold-ers' Fund	6.85%	6.04%	11.69%	15.24%
iii	Non-Interest Expense to Gross Income	70.10%	66.58%	72.54%	64.98%
iv	Net Interest Income to Average Earning Assets	2.08%	2.27%	4.55%	4.83%

Note: Average figures shall be computed by summing up the end balances for respective months in the period divided by number of months in the period.

(iii) Condensed Statement of Cashflow For the Quarter/ Year ended 30 June 2025

(Amounts in million shillings)

	Current Quarter 30-Jun-25	Previous Quarter 31-Mar-25	Current year Cumu-lative 30-Jun-25	Comparative Year (Previous Year) Cumulative 30-Jun-24
I: Cash flow from operating activities:				
Net income(loss)	15,161,040	10,521,885	25,682,926	24,168,468
Adjustments for:				
- Impairment/Amortization	2,816,742	3,217,899	6,034,641	10,765,851
- Net change in Loans and Advances	(42,113,574)	(90,369,770)	(132,483,344)	(101,199,075)
- Net change in Deposits	82,205,713	114,749,488	196,955,201	88,534,751
- Net change in Other Liabilities	(1,167,326)	(4,441,660)	(3,113,694)	11,626,931
- Net change in Other Assets	6,400,390	10,054,339	16,454,729	(6,185,014)
- Tax Paid	(3,313,962)	(3,313,962)	(6,627,924)	(4,182,603)
- Others (SMR Movement /Government securities)	(7,378,979)	(2,313,021)	(11,998,037)	(24,628,629)
Net cash provided (used) by operating activities	52,610,043	38,105,198	90,904,497	(1,099,320)
II: Cash flow from investing activities:				
Purchase of Fixed Assets	(922,459)	(1,151,418)	(2,073,878)	(1,577,298)
Purchase of Non- Dealing Securities	(25,011,140)	(48,088,600)	(73,099,740)	-
Proceeds from Sale of Non-Dealing Securities	-	30,250,750	30,250,750	-
Net cash provided (used) by investing activities	(25,933,599)	(18,989,268)	(44,922,868)	(1,577,298)
III: Cash flow from financing activities:				
Payment of Cash Dividends	(5,000,000)	-	(5,000,000)	-
Others (Payment of Lease liability/ Grant received)	(225,190)	(2,102,749)	(2,517,195)	(2,509,373)
Net Cash Provided (used) by Financing Activities	(5,225,190)	(2,102,749)	(7,517,195)	(2,509,373)
IV: Cash and Cash Equivalents:				
Net Increase/ (Decrease) in Cash and Cash Equivalents	21,451,254	17,013,180	38,464,434	(5,185,991)
Cash and Cash Equivalents at the Beginning of the Quarter/Year	46,690,180	29,677,000	29,677,000	69,706,390
Cash and Cash Equivalents at the end of the Quarter/Year	68,141,434	46,690,180	68,141,434	64,520,400

NOTES TO THE REPORTING ACCOUNTANT REPORT FOR THE YEARS THATA ENDED 31 DEC 2024,2023, AND 2022

1. REPORTING ENTITY

Tanzania Commercial Bank Plc is domiciled in the United Republic of Tanzania. It was incorporated as Limited Liability Company on 29 March 2016 and took over the business of the former Tanzania Postal Bank following the repeal of Tanzania Postal Bank Act No. 11 of 1991 on 29 May 2015. The Bank is licensed under the Banking and Financial Institutions Act, 2006 and regulated by the Bank of Tanzania. The addresses of its registered office and principal place of business are disclosed in the corporate information section in this report. The principal activities of the Bank are described in the Report of the Directors.

2. NEW AND AMENDEDED IFRS ACCOUNTING STANDARDS

(a) New and amended IFRS Accounting Standards that are effective for the current year

In the current year, the Management has applied a number of amendments to IFRS Accounting Standards as issued by the IASB that are mandatorily effective for the accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

The standards or amendments that are not applicable to the Bank's current business and material accounting policy. The unapplied amendments include those related amendment to IFRS 16 Lease Liability in a Sale and Leaseback, amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements , amendments to IAS 1-Non-current Liabilities with Covenants, IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information, IFRS S2 — Climate-related Disclosures and amendments to IAS 1 Classification of liabilities as current or non-current and amendments to IAS 1 Classification of liabilities as current or non-current – deferral of effective date.

(i) Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

(ii) Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)

The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

Lease Liability in a Sale and Leaseback requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease

(iii) Non-current Liabilities with Covenants (Amendments to IAS 1)

The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

The amendments

- Specifies that if the right to defer settlement for at least 12 months is subject to an entity complying with conditions after the reporting period, then those conditions would not affect whether the right to defer settlement exists at the end of the reporting period (the reporting date) for the purposes of classifying a liability as current or non-current; and
- for non-current liabilities subject to conditions, an entity is required to disclose information about:
 - the conditions (for example, the nature of and date by which the entity must comply with the condition);
 - whether the entity would comply with the conditions based on its circumstances at the reporting date; and
 - whether and how the entity expects to comply with the conditions by the date on which they are contractually required to be tested.

(iv) Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. Entities will have to disclose the effects of supplier finance arrangements on their liabilities, cash flows and exposure to liquidity risk.

(b) New and amended IFRS Accounting Standards in issue but not yet effective the year ended 31 December 2024

The Bank has not early adopted any of the following new and amended IFRSs that have been issued but are not yet effective. Commentary is provided for the amendments and standards that are applicable to the Bank's operations.

New Standard or Amendment	New Standard or Amendment	Effective date
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information	1 January 2025
IFRS S2	Climate-related Disclosures	1 January 2025
Amendments to IAS 21	Lack of exchangeability	1 January 2025
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
IFRS 18	Presentation and Disclosures in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability Disclosures	1 January 2027

(i) IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information

IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

Information about sustainability-related risks and opportunities is useful to primary users because an entity's ability to generate cash flows over the short, medium and long term is inextricably linked to the interactions between the entity and its stakeholders, society, the economy and the natural environment throughout the entity's value chain. Together, the entity and the resources and relationships throughout its value chain form an interdependent system in which the entity operates. The entity's dependencies on those resources and relationships and its impacts on those resources and relationships give rise to sustainability-related risks and opportunities for the entity.

Application of IFRS S1 is optional however the National Board of Accountants and Auditors of Tanzania (NBAA) has mandated application of this standard in Tanzania. The NBAA has mandated application of the standard effective for accounting periods beginning on or after 1 January 2025. The Directors are still evaluating the impact of application of this standard to the financial statements.

(ii) IFRS S2 Climate related disclosures

The objective of IFRS S2 is to require an entity to disclose information about its climate-related risks and opportunities that is useful to primary users of general purpose-financial reports in making decisions relating to providing resources to the entity. These are climate related risks and opportunities that could reasonably be expected to affect the entity's prospects.

Application of IFRS S2 is optional however the National Board of Accountants and Auditors of Tanzania (NBAA) has mandated application of this standard in Tanzania. The NBAA has mandated application of the standard effective for accounting periods beginning on or after 1 January 2025. The Directors are still evaluating the impact of application of this standard to the financial statements.

(iii) IFRS 18 - Presentation and Disclosures in Financial Statements

The International Accounting Standards Board (IASB) issued IFRS 18 - Presentation and Disclosures in Financial Statements in April 2024. This standard sets out the requirements for the presentation and disclosure of information in general purpose financial statements, to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. It explains both general and specific requirements for the presentation of information in the statement(s) of financial performance, the statement of financial position, the statement of changes in equity, and the disclosure of information in the notes.

The standard aims to enhance how entities communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss. It aims to improve financial reporting by requiring additional defined subtotals in the statement of profit or loss; requiring disclosures about management-defined performance measures; and introducing new principles for aggregating and disaggregating information.

Management's preliminary assessment of the standard's requirements indicates that its impact on the Bank's financial reporting framework will be insignificant, though it will enhance presentation, disclosure, and comparability of information. Further assessment of the standard's requirements and its impact on the Bank's financial reporting will be conducted when it falls due.

(iv) 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).

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 do not anticipate that IFRS 19 will be applied for purposes of the financial statements.

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 to IFRS 9 and IFRS 7 are effective for accounting periods beginning on or after 1 January 2026 and the Directors do not anticipate that its adoption will result into material impact on the financial statements.

(v) 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.

The amendments to IAS 21 are effective for accounting periods beginning on or after 1 January 2025 and the Directors do not anticipate that its adoption will result into material impact on the financial statements.

Early adoption of standards

The Bank did not early-adopt any new or revised standards in 2024.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

The financial statements have been prepared in compliance with IFRS Accounting Standards ® as issued by the International Accounting Standards Board (IFRS Accounting Standards). Additional information required by regulatory bodies is included where appropriate. The Report by those charged with Governance is presented together with financial statements in compliance with Tanzania Financial Reporting Standards.

(b) Basis of preparation

The financial statements have been prepared in compliance with IFRS Accounting Standards as issued by the International Accounting Standards Board and statutory reporting requirements. The measurement basis applied is the historical cost basis as guided by International Financial Reporting Standards and Interpretations to those Standards for assets and liabilities as disclosed in the accounting policies hereafter. The financial statements are presented in thousands of Tanzanian Shillings (TZS '000) except where explicitly stated and it covers a period of twelve months from 1 January to 31 December cost basis, except where otherwise stated in accounting policies below.

(c) Revenue recognition

The Bank recognizes revenue when the amount of revenue can be reliably measured, and it is probable that future economic benefits will flow to the Bank. The amount of revenue is not considered to be reliably measured until all contingencies relating to the transaction have been resolved. The Bank bases its estimates on historical results, taking into consideration the type of transaction and specifics of each arrangement.

(i) Interest and similar income

Interest income includes interest on loans and advances, interest on placements with other banks, and interest and discounts on government securities which is recognized on a time basis by reference to the principal outstanding and at the effective interest rate applicable.

For all financial instruments measured at amortized cost, interest income is recorded at the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying

(ii) Fees and commission income

Fees and commissions are generally recognized on an accrual basis when the service has been provided. The Bank earns fees and income from diverse range of services it provides to its customers and services offered to various mobile companies and some banks as agent on Mobile Pesa and cash collections.

(d) Interest expense

Interest expense is a non-operating expense, it represents interest payable on any borrowings – bonds, loans and on deposits. Interest expense is recognized in the profit or loss using the effective interest method. The 'effective interest rate' is the rate



13.5%
KWA MWAKA

Wekeza. Stawi zaidi.

FUNGUA KURASA ZISIZO NA KIKOMO

Wekeza kuanzia TSH. 500,000 ulipwe riba ya 13.5% kwa mwaka itakayolipwa kila baada ya miezi 3 kwa miaka 5.

**Tembelea tawi letu au piga 0800 110160
kupata maelezo zaidi**

Vigezo na masharti kuzingatiwa.

that exactly discounts the estimated future cash payments through the expected life of financial liability (or, where appropriate, a shorter period) to the carrying amount of the financial liability. When calculating the effective interest rate, the Bank estimates future cash flows considering all contractual terms of the financial liability.

The calculation of the effective interest rate includes transaction costs and fees paid that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition of the financial liability.

(e) Fees and commission expense

Fees and commission expense that are integral to the effective interest rate on a financial liability are included in the measurement of the effective interest rate period. Other fees and commission expense relate mainly to transaction and service fees, which are expensed as the services are received.

(f) Employee benefits

Short-term benefits

The cost of all short-term employee benefits such as salaries, employees' entitlements to leave pay, medical aid, other contributions, provision of housing rent to senior management staff, etc. are recognized during the period in which the employees render the related services.

Pension Obligation

The Bank and its other employees contribute to the Public Service Social Security Fund (PSSSF), which is a defined contribution scheme. The Bank contributes 15% equivalent of the employees' salary to the scheme and employees contributes 5%. The Bank has no further obligation after such payment.

The Bank's contributions to the defined contribution schemes are recognized to the profit or loss in the year to which they relate.

Retirement benefit obligations

The Bank has a defined benefit scheme for staff who were absorbed from the forerunner Tanganyika Postal Savings Bank, who had worked with the defunct East African Community. Under this plan the Bank contributes a sum determined as equivalent to the estimated annual liability on monthly instalment for all who are in the scheme. The amounts are paid to a Trust namely the Ex-East African Posts and Telecommunications Corporation Staff Pension Fund, which manages the fund on behalf of the employer.

Defined benefit plan

The Bank operates an unfunded lumpsum Gratuity Arrangement ("the Arrangement"). As the Arrangement is unfunded, gratuity benefits are paid out of the Bank's general revenues.

Under this Gratuity Arrangement, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. Re-measurement, comprising actuarial gains and losses is reflected in the statement of financial position with a charge or credit recognised

in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost;
- Net interest expense or income; and
- Re-measurement.

The Bank presents the first two components of defined benefit cost in profit or loss in the line-item Staff costs.

(g) Taxes

The income tax expense or credit for the period is the tax payable or receivable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(i) Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Current income tax relating to items recognized in OCI or directly in equity is recognized in OCI or equity, respectively, and not in profit or loss.

(ii) Previous year's tax liability

The previous year tax liability resulted from TRA assessment for years of income 2018 and 2021 are expensed in current year corporate tax for corporate taxes and profit and loss for other taxes.

(iii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit or loss. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realized, based on enacted tax rates by the end of the reporting period.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

(iv) Value Added Tax

Revenues and expenses and capital items are recognised inclusive of the amount of value added tax except where the value added tax incurred on a purchase of assets or services is recoverable from the tax authority, in which case the value added tax is recognised as an asset. The net amount of value added tax recoverable from, or payable to tax authorities is included as part of receivables or payables in the statement of financial position.

(h) Financial instruments

A financial instrument is defined as any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Initial recognition of financial assets and liabilities

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Bank commits to purchase or sell the asset.

(ii) Initial Measurement of financial assets and liabilities

The classification of financial instruments at initial recognition depends on contractual terms and the business model for managing those instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVPL, transaction costs are added to or subtracted from this amount.

(iii) Classification and subsequent measurement of financial assets

The Bank classifies its financial assets in the measurement category of amortized cost;

The classification requirements for debt and equity instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans and government bonds. Classification and subsequent measurement of debt instruments depend on:

- the Bank's business model for managing the asset; and
- the cash flow characteristics of the asset.

Business model

The business model reflects how the Bank manages its assets in order to generate cash flows. That is, whether the Bank's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and

measured at FVTPL. Factors considered by the Bank in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and how risks are assessed and managed.

Amortized cost:

Assets that are held for collection of contractual cash flows where those cash flows represent SPPI, and that are not designated at FVTPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss ("ECL") allowance recognised and measured as described in Note 3 (h)(iv). Interest income from these financial assets is included in interest income using the effective interest method.

The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees. When the Bank revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

(iv)

Impairment

Immediately after initial recognition, an ECL allowance is recognised for financial assets measured at amortized cost which results in an accounting loss being recognised in profit or loss when an asset is newly originated. At 1 January 2024 and 31 December 2024, the Bank did not have any financial assets measured at FVOCI.

The Bank assesses on a forward-looking basis the ECL associated with its debt instrument assets carried at amortized cost and with the exposure arising from loan commitments. The Bank recognizes a loss allowance for such losses at the end of each reporting period. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Note 5 (a) provides more detail of how the ECL allowance is measured.

(v)

Modification of loans

The Bank sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Bank assesses

whether or not the new terms are substantially different to the original terms. The Bank does this by considering, among others, the following factors.

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- Whether any substantial new terms are introduced such as a profit share/equity –based return that substantially affects the risk profile of the loan.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in the interest rate.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Bank derecognizes the original financial assets and recognizes a new asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for the impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However the Bank also assesses whether the new financial assets recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognized in Profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Bank recalculates the gross carrying amount based on the revised cash flows of the financial assets and recognizes a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or Credit –adjusted effective interest rate for purchased or originated credit –impaired financial assets).

(vi)

Classification and subsequent measurement of financial liabilities

All the financial liabilities are measured at amortised cost under IFRS 9. The Bank recognizes all its financial liabilities initially at the value of the consideration received for those liabilities, excluding transaction costs and subsequently measures them at amortised cost.

(vii)

De-recognition of financial assets and liabilities

Financial assets are derecognized when the contractual rights to receive cash flows from these assets have ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred (that is, if substantially all the risks and rewards of ownership have not been transferred, the Bank tests control to ensure that continuing involvement on the basis of any retained powers of control does not prevent de-recognition).

Financial liabilities are derecognized only when the obligation is discharged, cancelled or expired.

(viii) *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 liability reflects its non-performance risk.

When 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 maximize the use of relevant observable inputs and minimize 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.

(ix) *Offsetting financial instruments*

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

(i) **Property and equipment**

Property and equipment is initially recorded at cost and thereafter stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or are optimized 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 profit or loss during the financial year in which they are incurred.

Leasehold improvement costs are related to refurbishment on leased Banking premises. Leasehold improvements are only capitalized when the cost is above TZS 20 million. The cost is amortized to profit or loss for the year using straight line method over the remaining lease period or the expected economic useful life of the refurbished costs whichever is shorter.

Depreciation

Depreciation of other assets is calculated using the straight-line method to write down their cost to their residual values over their estimated useful lives, using the following annual rates:

Buildings	4%
Motor vehicles	25%
Data communication equipment	20%
Computer hardware	20%
Furniture, fittings and equipment	10%
Leasehold improvement	20% or over the term of the lease

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Depreciable assets are reviewed for impairment.

Whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in profit or loss.

Capital work in progress

Capital work in progress relates to property and equipment under construction. Cost includes materials, direct labor and any other direct expenses incurred in respect of the project less any recognised impairment losses. The amounts are transferred to the appropriate property and equipment categories once the project is completed and the asset is available for use.

(j) **Leases**

The Bank leases office space in various parts of the region. Rental contracts are typically made for a period of 1 to 5, few contracts are up to 10 years but may have extension options as described below, under extension and termination section. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Contracts may contain both lease and non-lease components. The Bank allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Bank is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Bank, see note 33(b) for details. Each lease payment is allocated between the liability 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. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Asset and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.
- Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Bank, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the 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.

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.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

Extension and termination options

Extension and termination options are included in a number of property leases contracts. These terms are used to maximize operational flexibility in terms of managing contracts. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination

options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For the leases of office space, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the 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.

(k) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortization 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 that are acquired separately are carried at cost less accumulated impairment losses. Acquired computer software and related licenses are stated at cost less accumulated amortization. Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Where software is not an integral part of the related hardware it is recognized as an intangible asset.

Amortization is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it becomes available for use. The estimate useful life of software is five years.

(l) Impairment of tangible and intangible assets

At the end of each reporting period, the Bank reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that these assets have suffered an impairment loss.

If objective evidence on impairment losses exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in profit or loss.

Assets that have an indefinite useful life are not subject to amortization and are tested for impairment annually.

In determining the recoverable amount, the Bank considers the higher of the fair value of the asset less costs to sell, and value in use. In estimating value in use, the Bank recognizes the estimated future cash flow discounted to the present value using a pre-tax discount rate that is reflective of the current market assessment of time value of money and the risks specific to the asset itself.

Where impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount should not exceed the carrying amount that would have been determined had no impairment loss been recognized.

(m) Regulatory reserve

IFRS 9 requires the Bank to recognize immediately after initial recognition, an ECL allowance for financial assets measured at amortized cost and investments in debt instruments measured at FVOCI, which results in an accounting loss being recognized in profit or loss when an asset is newly originated. However, Bank of Tanzania prudential guidelines require the bank to set aside amounts as provision for losses on loans and advances in addition to those losses that have been recognized under IFRS 9. Any such amounts set aside represent appropriations of retained earnings and not expenses in determining profit or loss.

(n) Translation of Foreign Currencies

(i) Functional and Presentation Currency

The financial statements of the Bank are measured using the currency of the primary economic environment in which the Bank operates ('the functional currency'). The financial statements are presented in Tanzania Shillings rounded to the nearest TZS '000. Tanzania Shillings is the Bank's functional and presentational currency. Foreign currency transactions that are transactions denominated, or that requires settlement, in a foreign currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

(ii) Transactions and balances

Foreign currency transactions that are transactions denominated, or that requires settlement, in a foreign currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(o) Grants

Grants related to assets are treated as deferred income and released to the profit or loss over the expected useful lives of the assets concerned.

Grants towards improvement of Bank's processes are recognized to profit or loss over the periods necessary to match them with the related costs.

(p) Cash and cash equivalents

For the statement of cash flow purposes, cash and cash equivalents includes cash on hand, unrestricted balances held with Bank of Tanzania and short-term liquid investments with maturities of three months or less from the acquisition date, less advances from other banks repayable within three months from date of the advance.

Restricted cash balances are those balances that the Bank cannot use for working capital purposes as they have been placed as a lien to secure borrowings.

(q) Contingent liabilities

Letters of credits, acceptances and guarantees are generally written by the Bank to support performance of the customer to third parties. The Bank will only be required to meet these obligations in the event of the customer's default. These obligations are accounted for as off-balance sheet transactions and disclosed as contingent liabilities. It also includes undrawn commitment where Bank grants limit but customer not yet utilize full.

(r) Provisions

Provisions are recognised when the Bank has a present obligation (legal or constructive) as a result of a past event, it is probable that the Bank will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

(s) Write-off policy

The Bank writes off financial asset, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include ceasing enforcement activity and where the Bank recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

The Bank may write-off financial assets that are still subjected to enforcement activity. The Bank still seek to recover amounts it is legally owed in full, but which have been partially written off due to no reasonable expectation of full recovery.

(t) Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING THE BANK'S ACCOUNTING POLICIES

In application of the Bank's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis.

Measurement of the Expected Credit Losses Allowance.

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL to changes in these elements are explained in note 5(a).

A number of significant judgements are also required in applying the accounting requirement for measuring ECL, such as

- Determining criteria for significant increase of credit risk.
- Choosing appropriate models and assumptions for measuring ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each portfolio segmentation and associated ECL; and
- Establishing portfolio segmentation of similar financial assets for the purpose of measuring ECL.

Detailed information about judgements and estimates made by the Bank in the above areas is set out in note 5(a).

Business models and SPPI as Significant Judgements.

As well as ECL determining the appropriate business models and assessing the SPPI requirements for financial assets may require significant impact on the financial statements as discussed in 3(h).

Property and equipment & intangible assets

Critical estimates are made by the Directors in determining useful lives, residual values, and depreciation and amortization rates of property and equipment, and intangible assets respectively. The Bank makes accounting estimation of the useful lives of assets based on the expected pattern of consumption of the future economic benefits and reviews its depreciation rate at each reporting date.

Defined benefit plan

The Bank operates an unfunded defined benefit retirement plan for all employees. Employees do not contribute to the plan, the Bank bears all cost. A provision is made in the financial statements for the estimated cost of the future benefits. The accuracy and completeness of such provisions is confirmed periodically by an independent actuarial valuation. Refer to note 35 of the financial statements for uncertainty and sensitivity disclosure.

Taxes

The Bank is subjected to a number of taxes and levies by various 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 judgement 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 should be reassessed or re-estimated, any differences from the liabilities are dealt with through profit or loss for the year. Refer to note 15 for further details.

Leases

The lease policy of the Bank covers recognition, measurement and disclosure of right of use assets and lease liabilities, as per IFRS 16 Lease.

(a) Date of recognition

The Bank assesses whether the contracts contain lease element and recognize assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value as guided by IFRS 16. Leases are recognised as right-of-use assets and liabilities at the date at which the leased assets are available for use by the Bank.

(b) Incremental Borrowing Rate (IBR)

IFRS 16 requires the future lease payments to be discounted using the rate implicit in the lease, or where this is not readily determined, the lessee's incremental rate of borrowing. Therefore, the standard requires the entities to use the interest rate implicit in the lease as a discount rate to derive the lease liability. However, if the interest rate implicit in the lease cannot be readily determined, then the standard allows the entity to use the rate that would pay to borrow money equivalent to the value of the underlying asset of the lease. The Bank could not readily establish the interest rate that is implicit to its leases hence the Bank used the incremental borrowing rate as its discount fact. Currently the Bank has got two borrowings with two financial institutions at the interest rates of 8% and 12%. Hence the Bank has used the Incremental Borrowing Rate (IBR) of 8% as its Discount Rate (DR) to arrive at the lease liability since this is the rate of interest that Tanzania Commercial Bank would pay to borrow over similar term, and with similar security, the funds necessary to obtain an asset similar to the Right of Use (RoU) in similar economic environment pursuant to the provisions of paragraph 26 of IFRS 16.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Presentation and disclosure

The Bank presents the right of use assets and liability as line items in the notes of the financial statements under property, plant and equipment. Lease interest expense is presented in the statement of comprehensive income as operating expense separate from other interest expenses. Cash payments for the principal portion of lease liabilities are presented in the cash flow statements under financing activities.

Contingent liabilities: Bank has provided for the liabilities arising out of contractual obligations, professional expert advice is taken on establishing litigation provision. Legal advisers evaluate on an going basis whether provisions should be recognized, and the estimated amounts of any of such provisions.

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. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Bank's aim is therefore to achieve an appropriate balance between risk and return and optimize potential adverse effects on the Bank's financial performance. The Bank's risk management policies are designed to identify and analyses 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 Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework. As part of its governance structure, the Board of Directors has embedded a comprehensive risk management framework for identification, measuring, monitoring, controlling and mitigation of the Bank's risks. The policies are integrated in the overall management information systems of the Bank and supplemented by a management reporting structure.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered, 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/ stakeholders understand their roles and obligations.

The Audit, Risk Management and Compliance Committee of the Board of Directors of the Bank have the responsibility for monitoring compliance with the Bank's risk management policies and procedures, and review of the adequacy of risk management framework in relation to the risks faced by the Bank. On the other hand, the Governance, Recruitment and Remuneration Committee among other issues also has the mandate to review performance of the Bank through various reports submitted by Management. These Board committees are assisted in these functions by various management committees which undertake both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Board.

The most important types of risks which the Bank manages on a day-to-day basis are:

- Credit risk;
- Liquidity risk;
- Market risk;
 - Interest rate risk; and
 - Foreign exchange/currency risk.
- Operations Risk.

The notes below provide detailed information on each of the above risks and the Bank's objectives, policies and processes for measuring and managing the risks.

(b) Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Bank. It arises principally from lending and treasury activities. The amounts presented in the statement of financial position are net of impairment for doubtful debts, estimated by the Bank's management based on prior experience and their assessment of the current economic environment.

The Board of Directors has delegated responsibility for the management of credit risk to its Audit, Risk management and Compliance Committee which is responsible for oversight of the Bank's credit policy, including among others:

- formulating the policies, covering risk acceptance procedures, collateral requirements, credit appraisal, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements;
- establishing the optimized structure for the approval of credit facilities;
- reviewing and assessing credit risk on all exposures in excess of approval limits of the management prior to facilities being committed to customers; limiting concentrations of exposure to counterparties and industries (for loans and advances).
- Developing and maintaining the Bank's risk grading system in order to categories 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 provisions may be required against specific credit exposures; and
- Reviewing reports on compliance with agreed exposure limits, including those for selected industries and product types.
- Day to day management of the Bank's credit risk is vested on the Director of Risk Management and Compliance who reports to the Chief Executive Officer of the Bank. Regular audits of the credit processes and management are undertaken by Internal Audit.

Credit enhancements: collateral

To mitigate its credit risks on financial assets, the Bank seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, legal mortgage, real estate, and inventories.

Credit risk measurement

Loans and advances (including loan commitments and financial guarantees)

The estimation for credit exposure for risk management purposes is complex and requires the use of models as the exposure varies with the changes in the market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimation as the likelihood defaults occurring, of associated loss ratios and defaults correlation between counterparties. The Bank measures credit risk using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD). This is similar to the approach used for the purposes of measuring Expected Credit Loss (ECL) under IFRS 9.

Expected credit loss measurement

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarized below:

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Bank.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in stage 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information.
- Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

Further explanation is also provided of how the Group determines appropriate groupings when ECL is measured on a collective basis.

Significant Increase in Credit Risk (SICR)

The Bank considers a financial instrument to have experienced a significant increase in credit risk when the borrower is more than 5 days past due on contractual repayments for microfinance products and 30 days past due on its contractual payments for products other than microfinance

Definition of default and credit-impaired

The Bank defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria

The borrower is more than 90 days past due on its contractual payments (with the sole exception of microfinance portfolio where 30 days past due on contractual repayment is default).

The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

- The borrower is in long-term forbearance
- The borrower is deceased
- The borrower is insolvent
- It is becoming probable that the borrower will enter bankruptcy
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

The criteria above have been applied to all financial instruments held by the Bank and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of default (PD), Exposure at Default (EAD) and loss given Default (LGD) throughout the Group's expected loss calculations.

Measuring ECL – Explanation of inputs, assumptions and estimation techniques

The Expected Credit loss (ECL) is measured on either a 12-month (12M) or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.
- EAD is based on the amounts the Bank expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). For example, for a revolving commitment, the Bank includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.
- Loss Given Default (LGD) represents the Bank's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be if the default occurs in the next 12-months and lifetime LGD's the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The ECL is determined by projecting the PD, LGD and EAD for each future month for collective segments. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month).

This effectively calculates an ECL for each future quarters, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type.

- For amortizing products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over 12 month or lifetime basis. This will also be adjusted for any expected overpayments made by the borrower. Early repayment/refinance assumptions are also incorporated into the calculation.

- For revolving products such as overdrafts, the exposure at default is predicted by taking current drawn balance and adding a “credit conversion factor” which allows for the expected drawdown of remaining limit by the time of default. These assumptions vary by product type and current limit utilization band, based on an analysis of the Bank’s recent default data.
- The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type.
- For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.
- For unsecured products, LGD’s are typically set at product level due to the limited differentiation in recoveries achieved across different borrowers. Probability of loans getting back to performing is also adjusted to obtain LGD parameter.

Forward-looking economic information is also included in determining the 12-month and lifetime PD and LGD.

The assumptions underlying the ECL calculation – such as how the maturity profile of the PDs and how collateral values change etc. – are monitored and reviewed on a quarterly basis.

There have been no significant changes in estimation techniques or significant assumptions made during year.

Forward-looking information incorporated in the ECL models

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Bank has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio.

These economic variables and their associated impact on the PD and LGD vary by financial instrument. Expert judgement has also been applied in this process. Forecasts of these economic variables (the “base economic scenario”) are obtained from independently published information on a quarterly basis and provide the best estimate view of the economy over the next ten years.

The impact of the economic variables on the PD and LGD has been determined by performing statistical logistic regression analysis to understand the impact changes in these variables have had historically on default rates and on the components of LGD.

In addition to the base economic scenario, the Bank estimates other scenarios along with scenario weightings. The number of other scenarios used is set based on the analysis of each major product type to ensure non-linearity are captured.

The number of scenarios and their attributes are reassessed at each reporting date. In addition to the base economic scenario, the Bank estimates other scenarios along with scenario weightings. The number of other scenarios used is set based on the analysis of each major product type to ensure non-linearity are captured. The number of scenarios and their attributes are reassessed at each reporting date. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement, taking account of the range of possible outcomes each chosen scenario is representative of.

These probabilities weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting. As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Bank considers these forecasts to represent its best estimate of the possible outcomes.

Economic variables assumptions.

The most significant year end assumptions used for ECL estimate as at 31 December 2024 are set out below. The scenarios “Base”, “Best Case” and “Worst Case” were used for each specific portfolio depending on macroeconomic factor correlation with default rates. Currently the loans portfolio has been segmented to Corporate, SME, Microcredit, Personal and Staff. Below are segments with corresponding microeconomic variables estimate.

Variable Corporate	Scenarios Estimates	2024 (%)	2025 (%)	2026 (%)	2027 (%)	2028 (%)
Consumer Price index inflation, Good export and Real GDP per capita	Base	0.10	0.09	0.09	0.09	0.10
	Best case	0.06	0.06	0.06	0.06	0.06
	Worst case	0.17	0.16	0.16	0.16	0.17
SME	Estimates					
Agriculture nominal GVA	Base	5.57	5.73	5.63	5.98	5.63
	Best case	4.61	4.75	4.66	4.96	4.67
	Worst case	6.68	6.87	6.75	7.15	6.75
Variable Corporate	Scenarios Estimates	2024 (%)	2025 (%)	2026 (%)	2027 (%)	2028 (%)
Microcredit	Estimates					
Lending rate and Real rates (EOP)	Base	0.89	0.89	1.22	1.04	0.93
	Best case	0.56	0.56	0.78	0.66	0.59
	Worst case	1.38	1.37	1.85	1.59	1.44
Personal	Estimates					
Consumer price index inflation, STER and Economic Growth	Base	7.11	7.30	7.38	7.41	7.26
	Best case	5.38	5.53	5.59	5.61	5.49
	Worst case	9.27	9.50	9.59	9.63	9.44

Variable Staff	Scenarios	2024 (%) Estimates	2025 (%)	2026 (%)	2027 (%)	2028 (%)
Consumer price index inflation and Real GDP per capita	Base	1.34	1.30	1.29	1.30	1.34
	Best case	0.91	0.88	0.88	0.88	0.91
	Worst case	1.94	1.89	1.87	1.89	1.94

For the year 2023 segmentation of the loan and advances was done basing on Corporate, SME, Microcredit, Personal and Staff whereby they both correlated with GDP Constant Prices.2023

Variable Corporate	Scenarios Estimates	2023 (%)	2025 (%)	2026 (%)	2027 (%)	2028 (%)
Consumer Price index inflation, Good export and Real GDP per capita	Base	0.13	1.29	1.81	4.46	7.32
	Best case	0.09	1.00	1.42	3.66	6.12
	Worst case	0.19	1.65	2.29	5.41	8.69
SME	Estimates					
Agriculture nominal GVA	Base	1.34	1.64	2.85	7.72	2.82
	Best case	0.92	1.14	2.09	6.03	2.06
	Worst case	1.92	2.32	3.84	9.76	3.80

Variable Corporate	Scenarios Estimates	2023 (%)	2025 (%)	2026 (%)	2027 (%)	2028 (%)
Microcredit	Estimates					
Lending rate and Real rates (EOP)	Base	1.75	11.33	26.87	16.20	2.64
	Best case	1.16	9.06	22.85	13.27	1.84
	Worst case	2.58	13.99	31.23	19.51	3.71
Personal	Estimates					
Consumer price index inflation, STER and Economic Growth	Base	1.71	1.09	0.44	0.52	2.29
	Best case	1.23	0.76	0.29	0.35	1.75
	Worst case	2.32	1.55	0.66	0.75	2.95

Classification of loans and advances

The table below contains an analysis of the risk exposure of financial instruments for which an ECL allowance is recognized. The gross carrying amount of financial assets below also represents the Bank's maximum exposure to credit risk on these assets.

2024	Stage 1 12- month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	TZS'000' Total
Neither past due nor impaired	1,025,868,067	-	-	1,025,868,067
Past due but not impaired	51,538,252	61,778,053	-	113,316,305
Loss category	-	-	39,539,708	39,539,708
Gross	1,077,406,319	61,778,053	39,539,708	1,178,724,080
Less: allowance for impairment	(9,876,075)	(358,159)	(13,772,366)	(24,006,600)
Less: interest in suspense	-	-	(2,528,033)	(2,528,033)
Carrying amount (note 23)	1,067,530,244	61,419,894	23,239,309	1,152,189,447

Loans and advances that are neither past due nor impaired

The Bank classifies loans and advances under this category for those exposures that are up to date, in terms of repayment with contractual agreements as well as quality of legal and loan documentation. Such loans would have demonstrated financial conditions, risk factors, quality of documentation and capacity to repay that are acceptable. These exposures will normally be maintained largely within approved product programs and with no signs of impairment or distress. These exposures are categorized as normal accounts in line with the Bank of Tanzania (BOT) regulations.

Past due but not impaired

This category includes loans that are superior in quality in repayment to those classified as substandard, but they are potentially weak in terms of documentation thus, require closer management supervision.

Impaired loans and advances

Impaired loans are loans for which the Bank determines that it is probable that it will not be able to collect all outstanding principal and interest due according to the contractual terms of the advance. These accounts under BOT guidelines are termed as non-performing loans.

Loss allowance

The loss allowance recognised in the period is impacted by a variety of factors as described below:

- Transfer between stage 1 and stage 2 or due to financial instruments experiencing significant increase (or decrease) of credit risk or becoming credit-impaired in the period, and the consequent “step up”(or step down”) between 12-months and lifetime ECL:
- Additional allowance for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period
- Impact on the measurement of ECL due to changes in PDS and LGDs in the period, arising from regular refreshing of inputs to models:
- Impact on the measurement of ECL due to the passage of time, as ECL is measured on present values basis;
- Foreign exchange retranslation for assets denominated in foreign currencies and other movements: and
- Financial assets derecognized during the period and write offs of allowance related to assets that were written off during the period.

The following tables explain the changes in the loss allowance between the beginning and the end of the annual period due to these factors:

2024 Loss allowance – Loans and advances to	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
customers at amortized cost	TZS 000s	TZS 000s	TZS 000s	TZS 000s
Loss allowance as at 31 December 2023	3,000,471	286,270	21,610,731	24,897,472
Off Balance sheet as at 31 December 2023	93,986	-	-	93,986
Total On and Off-balance sheet Loss allowance as at 01 January 2023	3,094,457	286,270	21,610,731	24,991,458

2024 Loss allowance – Loans and advances to	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Changes in the loss allowance				
– Transfer to stage 1	898,026	(83,164)	(814,862)	-
– Transfer to stage 2	(39,477)	9,323,273	(9,283,796)	-
– Transfer to stage 3	(40,398)	(20,772)	61,170	-
New financial assets originated or purchased	5,824,524	169,540	5,006,836	11,000,900
Impact on ECL Transfers	(16,788)	(8,857,922)	3,168,862	(5,705,848)
– Write-offs	(55,914)	(47,093)	(6,139,151)	(6,242,158)
Loss allowance as at 31 December 2024	9,664,430	770,132	13,609,790	24,044,352
Off-balance sheet as at 31 December 2024	(37,752)	-	-	(37,752)
Loss allowance as at 31 December 2024	9,626,678	770,132	13,609,790	24,006,600

Balances with Bank of Tanzania and other assets

Balances with Bank of Tanzania and other assets are categorized as stage 1. For balance with Bank of Tanzania the lower Loss Given Default (LGD) of 10% implemented, and the expected credit loss at the end of the year was TZS 7.7 million as per Note 18 (2023: TZS 60.6 million), while for other assets the LGD of 45% was used and expected credit was TZS 20.4 million (Note 23) (2023: TZS 4.2 million).

Placements and balances with other banks

Balances due from other banks are categorized as stage 1. A higher Loss Given Default (LGD) floor for these assets was 45%, and the expected credit loss at the end of the year was TZS 109.2 million (Note 19) (2023: TZS 3,443.9 million). The Bank calculates the Probability of Default (PD) as an average between the sovereign credit rating of the country, denoted as B+, which corresponds to an annual default probability starting from 1%, and the regulatory minimum PD of 0.05%.

Debt Securities

The Bank hold investments in Treasury bills and bonds issued by the Government. At the end of the year the balance of the treasury bonds was TZS 129.22 billion (note 22) (2023: TZS 127.71 billion billion) and treasury bill was TZS 79.96 billion (note 21) (2023: 19.86 billion). At the end of reporting period, these investments were categorized as stage 1. There were no transfers between stages for both years. The lower Loss Given Default (LGD) floor of 10% was implemented and expected credit loss was total TZS 10.41 million (note 21 & 22) (2023: TZS 24.91 million).

Concentration of risk of financial assets with credit risk exposure

The Bank monitors concentration of risk of financial assets in line with set limits per sector. The objective is to ensure diversification of risk by always maintaining a well-diversified product-mix. The following table shows analysis of concentrations of risks of financial assets with credit risk exposure for year 2024: Fig in millions.

Concentration of risk of financial assets with credit risk exposure

The Bank monitors concentration of risk of financial assets in line with set limits per sector. The objective is to ensure diversification of risk by always maintaining a well-diversified product-mix. The following table shows analysis of concentrations of risks of financial assets with credit risk exposure for year 2024: Fig in millions.

b) Credit Exposure - Industry Sectors	Financial Institutions	Manufacturing	Trade & Commerce	Transport And Communication	Agri., Fishing, Forest & Hunting	Building & construction	Education	Health	Hotels and Restaurants	Mining and quarrying	Other Services	Personal	Real Estate & Mortgage	Warehousing and Storage	Grand Total	Allowance ECL	Net Amount
Bank of Tanzania	155,861	-	-	-	-	-	-	-	-	-	-	-	-	-	155,861	(8)	155,853
Placements and balances with other banks	95,671	-	-	-	-	-	-	-	-	-	-	-	-	-	95,671	(109)	95,562
Investment in government securities	209,474	-	-	-	-	-	-	-	-	-	-	-	-	-	209,474	(10)	209,464
Loans & Advances:																	
SMEs	784	1,831	62,506	5,460	1,778	11,592	5,037	2,627	4,715	866	11,242	23,506	8,627	3	140,574	(3,468)	137,106
Corporate customers	8,705	20,338	46,813	62,219	6,914	49,476	4,819	986	12,477	20,154	30,826	2,664	13,541	-	279,932	(4,133)	275,799
Personal loans	216	7	35,259	555	125	15	34	-	7	-	124	274	14	65	36,695	(514)	36,181
Salary loans	-	-	1,130	-	49	5	11	-	-	-	141	371,420	-	-	372,756	(7,984)	364,772
Micro loans	-	-	1,020	-	26	-	-	-	-	-	-	291,798	19,809	-	312,653	(7,330)	305,323
Agribusiness	-	-	-	-	13,262	-	-	-	-	-	-	-	-	-	13,262	(451)	12,811
Other assets (excluding non-financial assets)	-	-	135	19	-	-	-	-	-	-	-	226	-	22,688	23,068	-	23,068
As at 31 December	470,711	22,176	146,863	68,253	22,154	61,088	9,901	3,613	17,199	21,020	42,333	689,888	41,991	22,756	1,639,946	(24,007)	1,615,939

(a) **Liquidity risk**

Liquidity risk is the risk that Bank will encounter difficulty in meeting its obligations arising from the likelihood that the Bank will not have sufficient cash to meet liquidity demands or situations on which it cannot raise enough liquidity in a cost-effective manner. The Assets and Liabilities Committee (ALCO), a management committee is tasked with liquidity risk management. ALCO relies substantially on the Bank's Treasury Department to coordinate and ensure discipline across the Bank, certify sufficient liquidity under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Bank's reputation.

Liquidity risk management process

The Bank can manage its liquidity requirements in a number of ways which include:

- A Day-to-day funding management which is managed by monitoring future cash flows to ensure that funding requirements can be met.
- Holding an adequate stock of liquid assets such as cash deposits or marketable securities.
- Having available borrowing facilities.
- Monitoring liquidity position using the different liquidity ratios
- Monitoring depositor concentration in order to avoid undue reliance on large individual depositors and ensure a satisfactory funding mix.
- Maintaining liquidity contingency plan which identifies early warning indicators of stress conditions and describes actions to be taken in the event of difficulties arising from systemic or other crises while optimizing adverse long-term implications.

Funding Approach

The Bank's major source of funding comes from customer's deposits. To this end, the Bank maintains a diversified and stable funding base comprising of current/ demand, savings and time deposits. A considerable importance is placed on the stability of these deposits, which is achieved through the business activities, and by maintaining depositors' confidence in the business strategies and financial strength.

The Bank borrows from the local interbank market through transactions with other banks for short term liquidity requirements and in order to diversify the funding mix and reduce mismatch in its balance sheet. The medium- and long-term funds are borrowed from other banks and financial institutions.

Measurement and monitoring of Liquidity risk

The Bank measure and monitor its liquidity positions on daily basis by preparing daily liquidity position of the Bank.

The key measure used by the Bank for managing liquidity risk is through the ratio of liquid assets to demand deposit. The liquid assets consist of cash and interbank placements, investment in securities maturing within one year and clearing accounts maintained with the Bank of Tanzania (BOT). The Bank's maturing liabilities comprises all deposits and other liabilities with maturity period of less than one year. The Bank maintains its liquidity ratio above the required Bank of Tanzania 20% limit. Liquidity risk reports are prepared and discussed in the ALCO meetings.

The Bank's exposure to liquidity risk at 31 December 2024 is summarized below

	Up to 1 month	1-3 months	3-6 months	6-12 months	Over 1 year	Total
Financial assets	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
Cash and balances with Bank of Tanzania	103,569,078	-	-	-	93,369,513	196,938,591
Balances with Mobile Network Operators	25,182,665	-	-	-	-	25,182,665
Cheques and items for collection	178,912	-	-	-	-	178,912
Placements and balances with other banks	95,670,791	-	-	-	-	95,670,791
Treasury bills	-	33,560,869	-	46,396,474	-	79,957,343
Treasury bonds	-	-	-	-	129,221,070	129,221,070
Loans and advances to customers	56,296,775	24,343,825	46,135,061	68,635,481	983,312,938	1,178,724,080
Other assets	22,051	29,030	282,983	656,063	1,277,059	2,267,186
Total financial assets	280,920,272	57,933,724	46,418,044	115,688,018	1,207,180,580	1,708,140,638
Financial liabilities undiscounted						
Customer deposits	951,903,468	48,241,798	66,423,860	125,362,378	111,488,067	1,303,419,571
Balances due to other banks	153,544,565	43,911,504	-	-	-	197,456,069
Borrowings	217,253	-	-	-	33,470,000	33,687,253
Lease liabilities	370,010	571,289	548,982	342,528	4,841,840	6,674,649
Other liabilities	15,621,251	-	-	-	-	15,621,251
Total financial liabilities	1,121,656,547	92,724,591	66,972,842	125,704,906	149,799,907	1,556,868,793
Net liquidity gap	(840,736,275)	(34,790,867)	(20,554,798)	(10,016,888)	1,057,380,673	151,281,845
Liquidity risk for off balance sheet 2024						
Guarantees	15,024,917	12,163,555	17,421,898	39,975,833	10,015,723	94,601,926
Undrawn commitments	9,824,649	-	-	-	-	9,824,649
Acceptance and letters of credit	11,970,878	2,027,815	64,133,687	10,186,832	-	88,319,212
Total off-balance sheet	36,820,444	14,191,370	81,555,585	50,162,665	10,015,723	192,745,787

(b) **Market risk**

Market risk is the risk of losses in and off balance sheet positions as a result of adverse changes in market prices, in particular, interest rates, foreign exchange rates, equity prices and commodity prices. Market risk exists in both trading and banking book.

Overall responsibility for management of market risk rests with ALCO. Market Risk Management Policies are in place to guide management of this risk and are subject to review and approval by the Board on a regular basis.

Interest rate risk

The Bank is exposed to the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The maturities of asset and liabilities and the ability to replace at an acceptable cost as they mature are important factors in assessing the Bank's exposure to changes in interest rates. The interest rate risk is regularly monitored by an independent Risk and Compliance department and reported regularly to ALCO and the Board.

Interest rate risk management Techniques

- The Bank has adopted a gap analysis, Stress testing and scenario analysis as techniques of measuring interest rate risks.
- Gap analysis - The Bank tracks its rate sensitive assets and liabilities quarterly to determine its interest rate risk exposure at any particular point in time. The Bank monitors a re-pricing gap (the difference between total assets and total liabilities re-pricing) over given intervals: 1-30, 31-90, 91-182, 182-365 days and over one year.
- The re-pricing gap percentage is then calculated as a total assets re-pricing divided by total liabilities repricing. The Bank's goal is to maintain a re-pricing gap percentage in the range of 70% to 130%. Subjective analysis of the balance sheet and duration analysis of the investment portfolio is utilized to evaluate long term fixed rate positions.
- Stress testing - In addition the Bank carries out stress testing exercises at least once a year to assess the potential cost of interest rate shocks. The exercise is done by the Directorate of Risk Management and Compliance and the results are tabled to EXCO meetings before the same are submitted to TCB Audit Committee of Board of Directors for deliberation and guidance.
- Interest Risk Ratios - The Bank uses the following ratios as interest rate risk indicators:
 - Interest income to total income - Maximum 80%
 - Interest rate sensitive assets to interest rate sensitive liabilities Minimum 90%

Interest rate risk – stress tests

The Bank monitors the impact of risks associated with the effects of fluctuations in prevailing interest rates. At 31 December 2024, the following table summarizes the estimated impact on profit or loss of an immediate increase or decrease in interest rates of 125 basis points on current interest rate risk profile to the Bank's profit before tax.

TZS '000	2024	2023
125 basis points increase or decrease in interest rates	189,102	100,718

The table summarizes the exposure to interest rate risk as at 31 December 2024. Assets and liabilities are categorized by the earliest of contractual repricing or maturity dates. The Bank does not bear interest rate risk on off balance sheet items.

Financial assets	Total TZS '000	Non interest bearing TZS '000	Up to 1 month TZS '000	2-3 months TZS '000	4-6 months TZS '000	7-12 months TZS '000	Over 1 year TZS '000
Cash and balances with Bank of Tanzania	196,938,591	196,938,591	-	-	-	-	-
Balances with Mobile Network Operators	25,182,665	25,182,665	-	-	-	-	-
Cheques and items for collection	178,912	178,912	-	-	-	-	-
Placements and balances with other banks	95,670,791	-	95,670,791	-	-	-	-
Treasury bills	79,957,343	-	-	33,560,869	-	46,396,474	-
Treasury bonds	129,221,070	-	-	-	-	-	129,221,070
Loans and advances to customers	1,178,724,080	-	56,296,775	24,343,825	46,135,061	68,635,481	983,312,938
Other assets	2,267,186	2,267,186	-	-	-	-	-
	1,708,140,638	224,567,354	151,967,566	57,904,694	46,135,061	115,031,955	1,112,534,008
Financial liabilities							
Customer deposits	1,303,419,571	900,885,478	51,017,990	48,241,798	66,423,860	125,362,378	111,488,067
Balances due to other banks	197,456,069	-	153,544,565	43,911,504	-	-	-
Borrowings	33,687,253	-	217,253	-	-	-	33,470,000
Lease liability	6,674,649	-	370,010	571,289	548,982	342,528	4,841,840
Other liabilities	15,621,251	15,621,251	-	-	-	-	-
	1,556,858,793	916,506,729	205,149,818	92,724,591	66,972,842	125,704,906	149,799,907
Total interest sensitivity gap	151,281,845	(691,939,375)	(53,182,252)	(34,819,897)	(20,837,781)	(10,672,952)	962,734,101

(c) **Foreign exchange risk**

Foreign exchange risk arises from currency mismatches in an institution's assets and liabilities (both on- and off-balance sheet) that are not subject to a fixed exchange rate and currency cash flow mismatches. This risk may arise from a variety of sources such as foreign currency retail accounts and retail cash transactions and services, foreign exchange trading and investments denominated in foreign currencies.

Types of foreign exchange risks

The Bank is exposed to the following foreign exchange

- Market risk – the risk that the movements in the value of the spot FX rate between Tanzania shilling and other currencies varies adversely.
- Counterparty or settlement risk – the risk that the other party to the contract does not deliver for whatever reason.
- Inappropriate or fraudulent trading – the risk that undisclosed deals or deals outside predetermined limits go undetected.

Foreign exchange risk management Techniques

In measuring foreign exchange risk, the Bank obtains sufficient information to permit appropriate action to be taken within acceptable time frame. The Bank uses the following techniques to measure exposure to its foreign exchange risk:

- The net spot and forward positions in each currency or pairings of currencies in which the institution is authorized to have exposure.
- Transactional and translational gains and losses relating to trading and structural foreign exchange activities and exposures.

The Bank conducts all foreign exchange activities through the Treasury department.

To minimize risk, the Bank adheres to the following:

- Making close follow up on the behavior of the Inter-Bank Foreign Exchange Market (IFEM) and general economic conditions.
- Maintaining foreign exchange net position at a level not exceeding 7.5% of the Bank's core capital or any other rate prescribed by BOT.
- Ensure that employees conducting foreign exchange trading activities on behalf of the Bank do so within a written code of conduct governing foreign exchange dealing.

Foreign exchange-Exposure Risk

The Bank is exposed to the risk on earnings and capital arising from adverse movement of foreign exchange rates. The Bank's exposure risk is managed within the Bank of Tanzania (BOT) exposure guideline of 7.50% of core capital.

The Bank's transactional exposures give rise to foreign currency gains and losses that are recognized in profit or loss. The Bank also has monitoring and control system for its positions in major currencies in which it is active. The Bank ensures that its net exposure is kept to an acceptable level by selling and buying foreign currencies when considered appropriate.

At 31 December 2024, if the TZS had weakened or strengthened by 10% against the USD and EURO with all other variables held constant, the impact on the profit before tax for the year would have been lower or higher by TZS 8,639,000,000 (2023: TZS 145,510,000). During the year the exchange rate appreciated by 3.8%. This is as per BOT monetary policy report issued on January 2025.

The carrying amounts of the Bank's material foreign currency denominated monetary assets and liabilities that will have an impact on profit or loss when exchange rates change, as at 31 December 2024 and 31 December 2023 were as follows:

	2024 TZS '000	2023 TZS '000	2022 TZS '000
Cash and balance with Bank of Tanzania	34,769,731	48,345,206	10,482,021
Cheques and items for collection	767	-	-
Placements and balances with other banks	84,368,360	38,242,338	111,199,732
Loans & advances to customers	79,188,146	67,374,348	82,208,448
Other assets	-	60,833,516	22,792,765
Customer deposits	(77,478,216)	(209,323,924)	(221,713,538)
Balances due to other banks	(34,073,382)	-	-
Other liabilities	(89,438)	(6,612,047)	(4,735,626)
	86,685,968	(1,140,563)	233,802

The Bank operates wholly within Tanzania and its assets and liabilities are reported in the local currency. The Bank’s currency risk is managed within the Bank of Tanzania exposure guideline of 10% of core capital. The Bank’s currency position as at 31 December 2024 was as follows:

	Total TZS ‘000	USD TZS ‘000	GBP TZS ‘000	EUR TZS ‘000	KES TZS ‘000	ZAR TZS ‘000	TZS TZS ‘000	UGX TZS ‘000
Financial assets								
Cash and balances with Bank of Tanzania	196,938,591	34,310,314	20,736	272,947	155,896	9,314	162,168,860	524
Balances with Mobile Network Operators	25,182,665	-	-	-	-	-	25,182,665	-
Cheques and items for collection	178,912	767	-	-	-	-	178,145	-
Placements and balances with other banks	95,670,791	57,467,147	180,480	26,697,492	-	23,241	11,302,431	-
Treasury bills	79,957,343						79,957,343	
Treasury bonds	129,221,070	-	-	-	-	-	129,221,070	-
Loans and advances to customers	1,178,724,080	79,188,146	-	-	-	-	1,099,535,934	-
Other assets	2,267,186	-	-	-	-	-	2,267,186	-
Total financial assets	1,708,140,638	170,966,374	201,216	26,970,439	155,896	32,555	1,509,813,634	524
Financial liabilities								
Customer deposits	1,303,419,571	62,006,339	94,218	15,377,659	-	-	1,225,941,355	-
Balances due to other banks	197,456,069	34,073,382	-	-	-	-	163,382,687	-
Borrowings	33,687,253				-	-	33,687,253	-
Lease liability	6,069,641	-	-	-	-	-	6,069,641	-
Other liabilities	16,045,751	89,263	-	175	-	-	15,956,313	-
Total financial liabilities	1,556,678,285	96,168,984	94,218	15,377,834	-	-	1,445,037,249	-
Net position	151,462,353	74,797,390	106,998	11,592,605	155,896	32,555	64,776,385	524

Off Balance sheet	USD		GBP		EUR		KES		ZAR		TZS		UGX	
	Total TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
Guarantees	94,578,661	6,462,599	-	-	-	-	-	-	-	-	88,116,062	-	-	-
Undrawn commitments	9,824,649	44,654	-	-	-	-	-	-	-	-	9,779,995	-	-	-
Acceptance and letters of credit	88,319,212	84,721,410	-	-	-	-	-	-	-	-	3,597,802	-	-	-
Total off-balance sheet	192,722,522	91,228,663	-	-	-	-	-	-	-	-	101,493,859	-	-	-

Off Balance sheet	USD		GBP		EURO		KENYA		RAND		TZS		UGANDA	
	Total	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS
Guarantee	50,451,786	11,527,193	-	-	-	-	-	-	-	-	38,924,593	-	-	-
Undrawn commitment	20,979,144	6,578,210	-	-	-	-	-	-	-	-	14,400,934	-	-	-
Accepted and Letter of credit	102,596,151	102,596,151	-	-	-	-	-	-	-	-	-	-	-	-
Total off-balance sheet	174,027,081	120,701,554	-	-	-	-	-	-	-	-	53,325,527	-	-	-



13.5%
KWA MWAKA

Wekeza. Stawi zaidi.

ONGEZA WIGO WA KIPATO CHAKO

Wekeza kuanzia TSH. 500,000 ulipwe riba ya 13.5% kwa mwaka itakayolipwa kila baada ya miezi 3 kwa miaka 5.

Tembelea tawi letu au piga 0800 110160 kupata maelezo zaidi

Vigezo na masharti kuzingatiwa.

(d) **Categorization of financial assets and liabilities**

All the Bank's financial assets are categorized as loans and receivables except for treasury bills and government stocks which were classified as financial assets held to maturity.

All the financial liabilities are carried at amortized costs using the effective interest rate method.

6. CAPITAL MANAGEMENT OBJECTIVES AND POLICIES

The Bank's objective when managing capital are driven by the broader concept of capital as defined by the Bank of Tanzania (BOT) which substantially relies on the guidelines developed by the Basel Committee, for supervisory purposes. Those objectives are intended to:

- sustain a strong capital base to support the development of business;
- safeguard the Bank's ability to continue as a going concern; and
- comply with the capital requirements set out by the BOT;
- to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk; and
- to maintain an optimal capital structure to reduce the cost of capital.

As per the Banking and Financial Institutions (Capital Adequacy) Regulations, 2014, the Bank's total regulatory capital is divided into two tiers:

- Tier 1 Capital (Core Capital): share capital, share premium, deferred tax asset, capital grants plus retained earnings less prepaid expenses and intangible assets.
- Tier 2 Capital (Supplementary Capital): subordinated debts.

The Bank monitors the adequacy of its capital using ratios established by BOT. These ratios measure capital adequacy by comparing the Bank's eligible capital with its balance sheet assets, off- balance sheet commitments and market and other risk positions at a weighted amount to reflect their relative risk.

The risk-weighted assets are measured by means of a hierarchy of four risk weights classified according to the nature of assets 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 composition and the ratios of the Bank's regulatory capital and the details of the risk weighted assets for the year ended 31 December 2024 and 31 December 2023 are summarized hereunder.

Capital adequacy

Tier 1 Capital	2024 TZS '000	2023 TZS '000	2022 TZS '000
Share capital	80,028,561	80,028,561	31,371,963
Retained earnings (excluding profit for the year)	36,920,942	83,049,662	72,411,071
Qualifying year-to-date profit/(loss)	31,638,525	(46,274,709)	3,153,844
Other reserves - acquired in business combination	2,104,510	2,104,510	9,693,731
	150,692,538	118,908,024	116,630,609
Prepaid expenses	(3,821,874)	(2,935,666)	(2,580,181)
Deferred tax asset	(11,814,119)	(10,264,091)	(7,421,575)
Intangible asset	-	(2,129,923)	(1,866,654)
Total qualifying Tier 1 Capital	135,056,545	103,578,344	104,762,199
Tier 2 Capital			
Total regulatory capital (Tier 1 and Tier 2 Capital)	135,056,545	103,578,344	104,762,199
Risk-weighted assets			
On-balance sheet	841,032,438	699,860,722	661,836,040
Off-balance sheet	63,857,624	49,461,564	28,148,751
Market risk	2,436,455	2,400,267	5,756,759
Operation risk	99,905,203	83,858,857	86,128,763
Total risk-weighted assets	1,007,231,719	835,581,410	781,870,313
Capital adequacy ratios			
Tier 1 capital (minimum requirement is 12.5%)	13.41%	12.40%	13.40%
Tier 1 + Tier 2 (minimum requirement is 14.5%)	13.41%	12.40%	13.40%

As at 31 December 2024, the Bank's tier 2 capital ratio was below the required minimum of 14.50% as specified 9 (b) of the Banking and Financial Institutions (Capital Adequacy) Regulations, 2014. The Bank received a waiver on compliance to capital ratios (tier 2 capital) from the Bank of Tanzania by 31 December 2026.

7. INTEREST AND SIMILAR INCOME

	2024 TZS'000	2023 TZS'000	2022 TZS'000
Loans and advances to customers	152,504,766	131,335,501	124,087,683
Government securities	23,247,013	17,402,375	14,190,033
Placements with other banks	3,108,455	2,500,057	1,504,706
	178,860,234	151,237,933	139,782,422

8. INTEREST AND SIMILAR EXPENSE

Balances due to other banks (note 30)	8,688,267	8,398,141	8,163,471
Borrowings (note 31)	1,319,939	720,000	830,936
Lease liabilities (note 28 (d))	730,209	767,979	-
Customer deposits (note 29)	47,220,118	41,499,620	39,570,828
	57,958,533	51,385,740	48,565,235

9. IMPAIRMENT CHARGE ON FINANCIAL INSTRUMENTS

Loans and advances to customers (note 23 (c))	5,257,300	15,066,827	13,749,826
Government securities (note 21 & 22)	(14,497)	(27,745)	52,655
Cash and balances with Bank of Tanzania (note 18)	(52,903)	124,810	31,815
Placements and balances with other banks (note 20)	(51,388)	3,275,093	72,862
Other assets (note 24)	16,224	(31,510)	35,731
	5,154,736	18,407,475	13,942,889
Recovery from charged off loans	(9,237,875)	(9,948,981)	-
Loans write off	-	49,029,475	-
	(4,083,139)	57,487,969	13,942,889

10. FEES AND COMMISSION INCOME

Loan administration fees	4,038,774	2,879,102	4,320,209
Insurance commission	3,285,417	1,313,088	1,270,032
Digital income – e-channels	8,543,687	6,412,998	1,896,652
Other fees and commissions	11,670,093	9,766,983	18,547,745
	27,537,971	20,372,171	26,034,638

11. FEES AND COMMISSION EXPENSE

	2024 TZS'000	2023 TZS'000	2022 TZS'000
Agency service fees to Tanzania Posts Corporation (TPC)	225,000	250,000	300,000

12. FOREIGN EXCHANGE INCOME

Net gain on foreign exchange transactions	6,673	56,949	722
Western Union settlement gain	1,703,365	1,808,941	-
Revaluation gain	7,849,774	4,797,463	2,902,765
	9,559,812	6,663,353	2,903,487

13. OTHER INCOME

Grant revenue (note 39)	38,559	32,711	228,745
Gain on disposal of property & equipment and intangible assets	112,647	-	-
Sundry income	1,068,129	2,155,701	3,882,547
Income realized from indemnity fund	9,251,974	1,722,099	-
	10,471,309	3,910,511	4,111,292

14. ADMINISTRATIVE EXPENSES

Staff costs (note 16)	63,808,478	57,068,932	52,580,705
Telephone and electronic mail expenses	2,133,197	2,217,414	2,318,276
Security expenses	2,818,818	3,151,775	3,274,220
Printing and stationery	914,573	1,151,675	1,694,015
Auditors' remunerations	630,000	848,021	736,667
Board of Directors' expenses (note 40(c))	556,599	551,919	511,518
Repairs and maintenance	1,978,773	2,326,345	2,680,136
Advertisement and promotion expenses	6,541,471	2,507,084	2,216,447
Travelling on duty	1,346,392	2,009,956	1,537,348
Insurance expense	2,372,685	2,178,827	1,953,923

	2024 TZS '000	2023 TZS '000	2022 TZS '000
Consultancy fees	720,440	1,483,176	839,485
License fees	1,917,565	1,694,704	1,840,047
Non-claimable taxes	3,949,840	1,826,658	1,166,004
Other assets written off	31,060	7,589,221	-
Electricity and cleaning expenses	1,528,902	1,453,798	1,538,114
Digital banking - POPOTE expenses	4,765,415	4,929,289	-
Digital banking - M-KOBA expenses	8,856,201	3,426,292	-
Impact of lease modification	-	-	1,113,590
Fixed assets write offs	-	-	(718,703)
Other operating expenses	13,879,948	10,843,882	17,042,443
	118,750,357	107,258,968	92,324,235

Breakdown of auditor's remunerations is as below:

Audit of financial statements – Deloitte & CAG	588,000	794,021	736,667
Regulatory services (IT audit) - Deloitte	30,000	30,000	
Other assurance and related services	-	-	
Tax services	-	-	
Other non-audit services - Deloitte	12,000	24,000	
	630,000	848,021	736,667

15. DEPRECIATION AND AMORTIZATION

Depreciation of property and equipment (note 27)	3,941,987	4,322,635	5,037,742
Amortization of intangible (note 26)	804,712	785,796	875,251
Amortization of right-of-use-assets (note 28 (d))	4,896,033	5,113,212	4,915,644
	9,642,732	10,221,643	10,828,637

16. STAFF COSTS

Salaries and wages	33,614,493	29,237,140	27,644,320
Leave travel and transport allowance	5,469,410	4,989,930	5,136,970
Pension funds contributions	5,216,525	4,554,982	4,409,068
Responsibility allowances	5,130,137	4,071,830	2,987,478
Medical expenses	3,749,371	3,192,750	2,270,712
Interest and service cost (note 34)	1,719,633	1,807,286	1,765,942

Staff loan benefit-fair value	390,031	463,299	-54,786
Training	1,527,048	1,052,081	640,828
Skills and development levy	1,556,250	1,529,781	1,538,866
Other staff costs	5,435,580	6,169,853	6,241,307
	63,808,478	57,068,932	52,580,705

17. TAXATION

(a) Income tax expense

Current taxation at applicable rate of 30% (2023: 30%)	11,048,865	3,474,896	4,639,461
Deferred tax credit/(charge) - (note 25)	77,449	(2,342,433)	(1,359,280)
Prior year deferred tax under provision	(1,690,044)	(455,309)	(970,187)
Prior year current tax	2,861,047	1,177,203	1,407,005
	12,297,317	1,854,357	3,716,999

(b) Reconciliation of accounting profit to tax expense

Profit before tax	43,935,843	(44,420,348)	618,701,844
Tax at the applicable rate of 30% (2023: 30%)	13,180,753	(13,326,104)	2,061,253
Tax effect on items disallowed for tax purposes	(2,054,439)	14,458,567	1,218,928
Prior year deferred tax under provision	(1,690,044)	(455,309)	(970,187)
Prior year current tax	2,861,047	1,177,203	1,407,005
	12,297,317	1,854,357	3,716,999

(c) Tax movement

(i) Current tax liabilities (+)

	2024 TZS '000	2023 TZS '000	2022 TZS '000
At 1 January	857,601	4,575,152	6,092,092
Current year tax charges	11,048,865	-	
Prior year current tax	965,382	-	
Tax installments paid – current year	(8,995,743)	-	1,407,005
Tax paid with respect to previous periods	(550,622)	(3,717,551)	(2,923,945)
	3,325,484	857,601	41,575,152

(ii) Current tax liabilities (+)

	2024 TZS '000	2023 TZS '000	2022 TZS '000
Balance as at 1 January	(6,142,116)	(1,895,665)	4,639,461
Tax utilized/(prepaid)	1,895,665	(4,246,451)	(6,535,126)
Balance as at 31 December	(4,246,451)	(6,142,116)	(1,895,665)
As 31 December	(920,967)	(5,284,515)	2,679,487

18. CASH AND BALANCES WITH BANK OF TANZANIA

Cash on hand	41,077,355	36,874,129	33,231,755
Balance with Bank of Tanzania	62,491,723	27,169,053	13,915,883
Statutory Minimum Reserves (SMR)	93,369,513	77,329,720	46,506,225
Balances with Mobile Network Operators (MNOs)	25,182,665	19,653,277	20,330,000
	222,121,256	161,026,179	113,983,863
less: allowance for impairment	(7,727)	(60,630)	(31,815)
	222,113,529	160,965,549	113,952,048

As at 31 December 2024 and 2023, balance with Bank of Tanzania was classified as high grade under stage 1. There were no transfers between stages for both years. The Statutory Minimum Reserves (SMR) has been reported separately because is not available to finance day to day operations of the Bank.

Movement of provision on Bank of Tanzania

	2024 TZS'000	2023 TZS'000	2022 TZS'000
At 1 January	60,630	31,815	-
Write off	-	-	-
(Release)/charge for the year	(52,903)	28,815	-
At 31 December	7,727	60,630	-

19. CHEQUE AND ITEMS IN THE COURSE OF COLLECTION

Cheque and items for clearing represent the balance of cheques deposited by Bank customers, which are still in clearance process. Once the Bank receives a cheque, it debits cheques clearance account, the balance remain in this account until the cheque is cleared. The balance as at 31 December 2024 the balance was TZS 178,912,000 (2023: TZS 256,663,000).

20. PLACEMENTS AND BALANCES WITH OTHER BANKS

	2024 TZS'000	2023 TZS'000	2022 TZS'000
Placements with other local banks	34,413,354	21,003,652	96,825,254
Balances with other local banks	6,050,334	5,920,193	8,792,227
Balances with foreign banks	55,207,103	87,119,835	60,387,133
	95,670,791	114,043,680	166,004,614
less: allowance for impairment	(109,241)	(3,443,950)	(72,862)
	95,561,550	110,599,730	165,931,752

Movement of provision on placements with other banks

At 1 January	3,443,950	72,862	197,013
Write off	(3,283,321)	-	(198,914)
(Release)/charge for the year	(51,388)	3,371,088	74,763
At 31 December	109,241	3,443,950	72,862

Placements and balances with other banks of TZS 95,670,791,000 (2023: TZS 111,702,637,000) had maturity of less than 3 months from the date of acquisition. The weighted average interest rate on placements was 2.44% (2023: 3.39%).

21. TREASURY BILLS

a) Treasury bills at amortized cost			
Maturing within 3 months	33,560,869	-	-
Maturing between 3 months to 1 year	46,396,474	19,861,042	-
	79,957,343	19,861,042	-
less: allowance for impairment	(3,980)	(3,353)	-
	79,953,363	19,857,689	-

As at 31 December 2024 treasury bills amounting to TZS 48,500,000,000 (2023: Nil) were pledged as collateral with the Bank of Tanzania. The weighted average interest rate of Treasury bills at 31 December 2024 was 7.7% (2023: 6.9%).

The movement in treasury bills is summarized as follows:

	2024 TZS'000	2023 TZS'000	2022 TZS'000
b) Treasury bills			
At 1 January	19,861,042	-	-
Additions	80,096,301	19,861,042	-
Interest income	1,466,754	1,331,075	-
Bills matured	(20,000,000)	-	-
Coupon received	(1,466,754)	(1,331,075)	-
	79,957,343	19,861,042	-

22. TREASURY BONDS

	2024 TZS '000	2023 TZS '000	2022 TZS '000
c) Treasury bonds - at amortized cost:			
Maturity over 1 year	129,221,070	127,708,691	103,494,378
	129,221,070	127,708,691	103,494,378
less: allowance for impairment	(6,433)	(21,557)	(52,655)
	129,214,637	127,687,134	103,441,723

The weighted average interest rate of Treasury bond at 31 December 2024 was 14.82% (2023: 13.49%).

The movement in treasury bonds is summarized as follows:

	2024 TZS '000	2023 TZS '000	2022 TZS '000
a) Treasury bonds - at amortized cost:			
At 1 January	127,708,691	103,494,378	-
Addition	12,518,680	24,214,313	103,494,378
Interest income	18,423,962	16,210,258	-
Bonds matured	(11,000,000)	-	-
Coupon received	(18,430,263)	(16,210,258)	-
At 31 December	129,221,070	127,708,691	103,494,378
less: allowance for impairment	(6,433)	(21,557)	-
	129,214,637	127,687,134	103,494,378

As at 31 December 2024, treasury bonds worth TZS 101,500,000,000 were pledged as security to secure interbank borrowings as indicated below;

	2024 TZS '000	2023 TZS '000	2022 TZS '000
Bank of Tanzania	90,500,000	44,000,000	44,000,000
CRDB Bank Plc	-	12,500,000	-
NBC Bank Tanzania Limited	5,000,000	25,000,000	35,000,000
TADB Bank Limited	6,000,000	-	-
	101,500,000	81,500,000	79,000,000

23. LOANS AND ADVANCES TO CUSTOMERS

(a) Loans and advances

Loans and advances to customers	1,086,633,751	884,612,591	813,993,721
Loans and advances to staff	92,090,329	58,101,749	45,685,004
Gross loans and advances	1,178,724,080	942,714,340	859,678,725
Interest in suspense	(2,528,033)	(2,832,259)	(6,310,917)
Staff loan benefit fair valuation	(15,140,932)	(3,740,308)	-
less: allowance for impairment (note 22(c))	(24,006,600)	(24,991,458)	(15,323,432)
Net loans and advances	1,137,048,515	911,150,315	838,044,376

(b) Analysis of loans and advances to customers by maturity

Within 1 year	195,411,141	141,955,875	137,013,906
Between 1 year and 3 years	253,699,017	140,355,029	115,534,276
Over 3 years	729,613,922	660,403,436	585,496,194
	1,178,724,080	942,714,340	838,044,376

(c) Movement of provision for impairment of loans and advances

At 1 January	24,991,458	15,323,432	15,553,569
Write offs	(6,242,158)	(5,398,801)	(13,979,963)
Loan impairment charge	5,257,300	15,066,827	13,749,826
Impairment charge – on balance sheet items	5,295,052	15,012,634	13,770,316
Impairment (gains)/charge – off balance sheet items	(37,752)	54,193	(20,490)
At 31 December	24,006,600	24,991,458	15,323,432

The weighted average interest rate on loans and advances to customers during the year was 14.63% (2023: 15.07%). Interest rates for loans and advances declined in response to government policy measures to promote credit to private sector and lower interest rates.

24. OTHER ASSETS

	2024 TZS'000	2023 TZS'000	2022 TZS'000
Prepayments	3,821,874	2,935,666	2,580,181
Staff receivables	2,677,357	2,424,862	1,738,649
Staff loan benefit fair value	14,287,603	3,277,009	3,545,918
Due from TIB Development Bank	-	-	2,155,404
Receivables business combination	-	-	7,398,736
Western Union International receivable	2,319	20,910	245,657
Tanzania Posts Corporation Western Union Agents	746,819	692,371	766,720
Other receivables	8,523,577	2,931,060	4,011,310
	30,059,549	12,281,878	22,442,575
less: allowance for impairment	(20,445)	(4,221)	(35,731)
	30,039,104	12,277,657	22,406,844

Movement of allowance of impairment of other assets

At 1 January	4,221	35,731	-
Charge/release for the year	16,224	(31,510)	35,731
At 31 December	20,445	4,221	35,731

25. DEFERRED TAX

Deferred taxation is calculated on all temporary differences under the liability method using corporation tax rate of 30% (2023: 30%).

	2024 TZS'000	2023 TZS'000	2022 TZS'000
The movement on the deferred tax account is as follows:			
At 1 January	10,264,091	7,421,575	5,362,294
Deferred tax credit (note 17)	(77,449)	2,342,433	1,359,280
Prior year deferred tax under/(over) provision (note 17)	1,690,044	455,309	970,187
Deferred tax on actuarial gain from defined benefit	(62,567)	44,774	(270,186)
At 31 December	11,814,120	10,264,091	7,421,575
The deferred tax asset is attributable to:			
Accelerated tax allowances	(1,185,949)	(954,002)	(87,499)
Temporary difference on provisions for loan impairment	7,201,980	7,497,437	4,597,030
Deferred tax on interest in suspense	788,752	(147,144)	896,454

Deferred tax on unearned loan administration fee	2,139,632	777,983	792,230
Deferred tax on lease liability	685,992	1,015,280	(1,317,333)
Deferred tax on other adjustments charged to reserve	-	-	1,937,009
Deferred tax on staff benefits	878,798	855,861	526,763
Deferred tax on ECL on placement with other Banks	1,035,769	1,066,538	63,774
Deferred tax on staff loan benefit fair valuation	269,146	152,138	13,147
	11,814,120	10,264,091	7,421,575

26. INTANGIBLE ASSETS

Cost			
At 1 January	13,605,802	12,556,737	11,979,729
Additions	253,997	1,049,065	577,008
Disposals	(2,422,210)	-	-
At 31 December	11,437,589	13,605,802	12,556,737
Amortization			
At 1 January	11,475,879	10,690,083	9,814,832
Charge for the year	804,712	785,796	875,251
Disposal	(2,417,383)	-	10,690,083
At 31 December	9,863,208	11,475,879	
Net book value	1,574,381	2,129,923	1,866,654

27. PROPERTY AND EQUIPMENT

YEAR 2024	Leasehold improve-ments	Land and buildings	Motor vehi-cles	Comput-ers	Data commu-ni-cation equip-ment	Office furniture fittings & equipment	Residential furniture, fittings & equipment	Work in Progress	Total
	TZS'000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
COST									
At 1 January	22,269,791	9,458,169	3,661,207	12,464,896	2,681,140	19,678,310	126,532	73,217	70,413,262
Additions	40,166	-	-	1,616,839	266,598	530,592	-	2,567,261	5,021,456
Disposal	(3,092,417)	-	(193,962)	(2,368,476)	(288,033)	(1,294,592)	(15,301)	-	(7,252,781)
At 31 December	19,217,540	9,458,169	3,467,245	11,713,259	2,659,705	18,914,310	111,231	2,640,478	68,181,937
DEPRECIATION									
At 1 January	19,414,575	2,668,620	3,535,717	10,526,994	1,903,616	13,755,184	96,571	-	51,901,277
Charge for the year	1,157,197	126,539	52,560	983,428	292,837	1,322,579	6,847	-	3,941,987
Disposal	(3,091,615)	-	(193,962)	(2,366,742)	(288,033)	(1,283,289)	(15,284)	-	(7,238,925)
At 31 December	17,480,157	2,795,159	3,394,315	9,143,680	1,908,420	13,794,474	88,134	-	48,604,339
NET BOOK VALUE									
At 31 December 2024	1,737,383	6,663,010	72,930	2,569,579	751,285	5,119,836	23,097	2,640,478	19,577,598
At 31 December 2023	2,855,216	6,789,549	215,490	1937,902	777,524	5,923,126	29,961	73,217	18,511,985
At 31 December 2022	3,426,923	6,918,559	207,681	2,358,801	742,419	6,876,422	38,612	58,491	20,609,908

Property and equipment with a gross carrying amount of TZS 39.96 billion were fully depreciated as at 31 December 2024 (2023: TZS 44.17 billion). During the year, the Bank disposed a property and equipment with a total gross carrying amount of TZS 7.25 billion.

28. LEASES

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Bank. Each lease payment is allocated between the liability 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. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

	2024 TZS'000	2023 TZS '000	2022 TZS '000
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(a) Right of-use-asset

At 1 January	10,346,319	11,466,672	11,343,221
Lease additions	4,878,369	3,992,859	5,789,921
Lease Modification	-	-	(750,826)
Amortization for the year	(4,896,033)	(5,113,212)	(4,915,644)
At 31 December	10,328,655	10,346,319	11,466,672

(b) Lease liabilities

At 1 January	7,184,933	8,502,402	7,670,225
Interest expense	730,209	767,979	830,936
Lease additions	4,878,369	3,992,859	5,789,921
Lease modification	-	-	362,764
Lease payments – principal	(6,136,876)	(5,547,671)	(6,151,444)
Lease payments – interest	(586,994)	(530,636)	-
At 31 December	6,069,641	7,184,933	8,502,402

(c) Lease liabilities maturity analysis

Up to 1 month	370,010	437,999	518,463
1 - 3 months	571,289	676,264	800,498
3 - 6 months	548,982	649,857	769,241
6 - 12 months	342,528	405,467	479,955
Over 1 year	4,841,841	5,731,524	6,781,989
less: discount (unearned interest)	(605,009)	(716,178)	(847,744)
	6,069,641	7,184,933	8,502,402

(d) Amount recognized in statement of profit and loss

Amortization of right-of-use asset	4,896,033	5,113,212	4,915,644
Interest expense on lease liability	730,209	767,979	830,936

29. CUSTOMER DEPOSITS

(a) Customer deposits

	2024 TZS '000	2023 TZS '000	2022 TZS '000
Postal savings	797,524	981,650	774,837
WADU savings	29,540,435	26,143,554	23,042,017
Domicile savings	394,330,252	290,768,449	228,977,040
Time deposits	402,536,104	333,534,332	335,066,413
Call accounts	217,495,937	168,024,678	104,102,401
Notice accounts	2,338,710	17,517,624	12,095,416
Current accounts	120,234,306	120,373,930	100,138,532
Dormant accounts	46,784,093	30,453,117	71,583,311
Special account deposits	89,358,130	132,918,456	124,777,597
Group savings	4,080	16,118	19,262
	1,303,419,571	1,120,731,908	1,000,576,826

(b) Analysis of customer deposits by maturity

Maturing within 1 year	1,194,601,926	534,975,582	503,471,938
Maturing over 1 year	108,817,645	585,756,326	497,104,888
	1,303,419,571	1,120,731,908	1,000,576,826

(c) Interest expense on customer deposits

Time deposit	36,466,679	32,539,225	31,258,492
Other deposit	10,753,439	8,960,395	8,312,336
	47,220,118	41,499,620	39,570,828

The weighted average interest rate on savings deposits was 1.52% (2023: 2.99%) whereas time deposits was 10.94% (2023: 10.22%).

30. BALANCES DUE TO OTHER BANKS

	2024 TZS '000	2023 TZS '000	2022 TZS '000
Maturing within 90 days:			
Balances due to banking institutions	196,838,004	79,568,650	117,401,341
Interest payable	618,065	440,717	146,992
	197,456,069	80,009,367	117,548,333
Interest expense due to banks	8,688,267	8,398,141	7,443,471

The weighted average interest rate on balances due to other banking institutions was 11.05% (2023: 11.05%).

31. BORROWINGS

Borrowings	33,470,000	12,000,000	12,000,000
Interest payable	217,253	132,164	587,836
	33,687,253	12,132,164	12,587,836
Interest expense due to banks (note 8)	1,319,939	720,000	720,000

The movement in borrowings during the year is as below:

At 1 January	12,132,164	12,000,000	12,000,000
Addition	33,470,000	-	-
Interest expense	1,319,939	720,000	720,000
Repayments – principal	(12,000,000)	-	-
Repayments - interest	(1,234,850)	(587,836)	-
At 31 December	33,687,253	12,132,164	12,587,836

The borrowings are as follows;

- TZS 23.4 billion from Bank of Tanzania to support housing finance and other eligible borrowers such as smallholder farmers, rural microenterprises, farmers' groups, cooperatives and other value chain actors with linkages to smallholder farmers and/or rural microenterprises.
- TZS 10.0 billion from Tanzania Agriculture Development Bank to support various beneficiaries of agricultural, aquatic, and livestock production.

The weighted average interest rate on borrowings was 8% (2023: 6%).

32. OTHER LIABILITIES

	2024 TZS '000	2023 TZS '000	2022 TZS '000
Retention money	17,127	10,861	205,900
Payroll liabilities	1,988,738	869,941	733,631
Other taxes payable	1,488,410	1,311,698	1,171,912
Accrued expenses	477,882	770,545	1,002,184
Agency fees payable	225,000	250,000	300,000
Supplier liabilities	7,037,348	2,861,324	1,093,725
Credit life insurance premium	1,574,931	-	-
Indemnity fund	1,644,653	10,448,016	6,499,560
Un-earned loan administration fee	8,422,369	5,559,684	2,640,766
Tax payable	24,771	281,779	996,627
Other payables	15,077,574	19,009,825	4,464,761
	37,978,803	41,373,673	19,109,066

33. REVENUE GRANT

The movement in revenue grant during the year is as below:

At 1 January	42,589	75,300	210,790
Recognized to profit & loss (note 13)	(38,559)	(32,711)	(228,745)
Received during the year	200,611	-	93,255
At 31 December	204,641	42,589	75,300

34. EMPLOYMENT BENEFIT OBLIGATION

The Bank entered in to a Collective Bargaining Agreement (CBA) with the Tanzania Union of Industrial and Commercial Workers (TUICO), whereby, a retiring employee having six years of service is entitled to a lump sum of twelve months' basic salary for clerk up to managers, and ten months' basis salaries for senior managers and above. Other benefits covered and included are provision of building materials, repatriation benefit, long service awards to permanent employees and funeral services benefit.

The Bank provides for defined benefit obligation cost based on assessments made by independent actuaries. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method as required by IAS 19. In 2024 assessment was done by NYUX TZ Co Ltd (2023: Muhanna & Co).

The significant assumptions used for the purposes of the actuarial valuations were as follows:

	2024 TZS '000	2023 TZS '000	2022 TZS '000
Discount rate	15.8%	13.5%	16.0%
Future salary increases	5.0%	5.0%	8.0%

Amount recognised in statement of profit or loss and other comprehensive income that will not be reclassified to profit or loss in respect of this defined benefit obligation:

Recognised in profit or loss (note 16)	1,719,633	1,807,286	1,765,942
- Service cost	511,530	763,513	576,405
- Past service cost	-	5,338	-
- Plan Amendment	-	72,275	-
- Interest cost	1,208,103	966,160	1,189,537
Recognised in other comprehensive income			
- Actuarial loss in experience	31,828	301,397	1,266,128
- Actuarial gain in assumptions	(240,383)	(152,149)	(365,507)
eNet actuarial (gain)/loss for the year	(208,555)	149,248	900,621

The movement in defined benefit obligation is as follows:

At 1 January	8,948,912	7,702,672	7,455,458
Service cost	511,530	763,513	576,405
Interest cost	1,208,103	966,160	1,189,537
Benefit paid during the year	(1,643,175)	(710,295)	(618,107)
Past plan amendments	-	77,614	-
Actuarial (gain)/loss recognised in OCL	(208,555)	149,248	900,621
At 31 December	8,816,815	8,948,912	7,702,672

35. SHARE CAPITAL

	2024 TZS '000	2023 TZS '000	2022 TZS '000
(a) Authorized share capital			
500,000,000 (2023: 500,000,000) ordinary shares of TZS 1,000 each	500,000,000	500,000,000	500,000,000
(b) Paid up capital			
The issued and paid-up share capital is 80,028,561 (2023: 31,371,963 ordinary shares of TZS 1,000 each)	80,028,561	80,028,561	80,028,561

The Bank was registered under the Companies Act, 2002 as a public limited company on 29 March 2016 with authorized share capital of 500,000,0000 shares at a par value of TZS 1,000 each. The registration of TPB under the Companies Act, followed after the repeal of Tanzania Postal Bank Act No. 11 of 1991. There was no issuance of bonus shares approved during the year.

	2024 TZS'000	%	2023 TZS'000	%	2022 TZS'000	%
The share capital is held by the following shareholders:						
Government of the United Republic of Tanzania	66,775,831	83.44	66,775,831	83.44	66,775,831	83.44
Tanzania Posts Corporation	6,090,173	7.61	6,090,173	7.61	6,090,173	7.61
Revolutionary Government of Zanzibar	2,328,831	2.91	2,328,831	2.91	2,328,831	2.91
Posta na Simu Savings & Credit Cooperative Society Ltd	2,136,763	2.67	2,136,763	2.67	2,136,763	2.67
Public Service Social Security Fund (PSSSF)	1,880,671	2.35	1,880,671	2.35	1,880,671	2.35
Workers' Compensation Fund (WCF)	816,292	1.02	816,292	1.02	816,292	1.02
TOTAL	80,028,561	100.00	80,028,561	100.00	80,028,561	100.00

36. CASH FLOWS FROM OPERATING ACTIVITIES

	Note	2024 TZS '000	2023 TZS '000	2022 TZSS '000
Profit/(loss) before tax		43,935,843	(44,420,352)	6,870,843
Adjustment for:				
Depreciation and amortization	15	9,642,732	10,221,643	10,828,637
Loss on disposal of property and equipment and intangible assets	26&27	(112,647)	-	
Impairment charge on loans and advances	9	5,257,300	15,066,827	13,749,826
Impairment credit/(charge) on other financial instruments	9	(102,564)	3,340,648	193,063
Defined benefit cost recognized in profit or loss	34	1,719,633	1,807,286	1,765,942
Interest income	7	(178,860,234)	(151,237,933)	
Interest expense	8	57,958,533	51,385,740	830,936
Grant revenue	33	(38,559)	(32,711)	(228,745)
Impact of lease modification				1,113,590
Fixed assets write offs				(718,703)
Foreign exchange loss on cash and cash equivalents		92,462	1,548,181	-
Operating cash flows before movements in working capital		(60,507,501)	(112,320,671)	34,405,389
Change in working capital items:				
Statutory minimum reserve		(16,039,793)	(30,823,494)	(46,506,225)
Loans and advances to customers		(226,387,366)	(89,412,237)	(136,740,168)
Other assets		(17,777,671)	10,160,697	(266,309)
Placements maturing over 3 months		2,341,043	-	(2,799,502)
Balances due to other banks		117,269,354	(37,832,691)	
Customer deposits		174,756,395	121,808,299	82,874,498
Other liabilities		(3,394,870)	22,264,608	3,195,251
Cash used in operations		(29,740,409)	(116,155,489)	(65,837,066)
Interest received				
Interest received		174,099,893	153,064,772	-
Interest paid				
Interest paid		(49,621,613)	(52,375,725)	-
Tax paid				
Tax paid	17(c)	(9,546,365)	(12,616,101)	(9,459,071)
Employee benefit paid during the year				
Employee benefit paid during the year	34	(1,643,175)	(710,295)	(618,107)
Net cash generated from/(used in) operations		83,548,331	(28,792,838)	(75,914,244)

*Comparative figures are restated and have been disclosed under note 45 to the financial statements

37. ASSETS PLEDGED AS SECURITY

As at 31 December 2024, the Bank had Treasury bond and bills TZS 101,500,000,000 and TZS 48,500,000,000 respectively pledged with various banks as collaterals to secure short/long term borrowings as indicated below.

	2024 TZS '000	2023 TZS '000	2022 TZS '000
CRDB Bank Plc	-	12,500,000	47,296,000
NBC Bank Tanzania limited	5,000,000	25,000,000	35,000,000
TADB Bank limited	6,000,000	-	-
Bank of Tanzania	139,000,000	44,000,000	5,000,000
	150,000,000	81,500,000	87,296,000

In case Bank default to honor its obligations, the pledged collaterals will be used as fallback position to cover the losses. At the end of the year 2024, the outstanding interbank borrowings (note 30) were TZS 197,088,599,000 (2023: TZS 80,009,367,000) while long-term borrowings (note 31) were TZS 34,054,722,000 (2023: TZS 12,132,164,000)

38. CONTINGENT LIABILITIES

Legal claims

As at 31 December 2024, there were a number of commercial and labor cases the Bank is involved in. In the opinion of the Directors the amount which may be awarded against the Bank in the event of the Bank losing the cases is not likely to be material. Consequently, no provision has been made in the financial statements.

39. COMMITMENTS

	2024 TZS '000	2023 TZS '000	2022 TZS '000
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(a) Capital commitments

Authorized and contracted for	1,139,941	782,794	892,538
Authorized but not contracted for	1,929,734	9,809,213	12,212,806
	3,069,675	10,592,007	13,105,344

(b) Commitments to extend credit

To meet the financial needs of the customers, the Bank enters various irrevocable commitments and contingent liabilities. This comprises of financial guarantees, letters of credit (LCs) and commitments to lend. These obligations are not recognized on the statement of financial position; they contain the credit risk and, therefore form part of the overall risk of the Bank.

Letters of credit and guarantee (including standby letters of credit) commit the Bank to make payments on behalf of customers in the event of specific act and generally related to the import or export of goods. Guarantees and letters of credit carry a similar credit risk to loans and advances. The nominal values of such commitments are listed below:

(c) Loan commitment guarantees and other facilities

At 31 December 2024, the Bank had the contractual amount of the off-balance sheet instruments that commit it to extend credit to customers, guarantees and letters of credit as follows:

Letter of credit and guarantees have zero impairment charges following the cash covers that secured the exposure on default.

	Not later than 1 Year	1-5 Years	Total
As at 31 December 2024	TZS '000	TZS '000	TZS 000
Loan commitments (Undrawn balance)	9,824,649	-	9,824,649
Letters of credit and guarantees	172,905,415	10,015,723	182,921,138
Total	182,730,064	10,015,723	192,745,787
As at 31 December 2023			
Loan commitments (Undrawn balance)	20,979,144	-	20,979,144
Letters of credit and guarantees	153,047,937	-	153,047,937
Total	174,027,081	-	174,027,081

As at 31 December 2022

Loan commitments (Undrawn balance)	11,217,428	-	11,217,428
Letters of credit and guarantees	139,651,573	-	139,651,573
Total	150,869,001	-	150,869,001

The table below shows the credit quality and maximum exposure to credit risk based on the bank's internal credit rating system and year end stage classification of undrawn commitments.

Descriptions (TZS'000) 2024	Stage 1	Stage 2	Stage 3	Total
Performing:				
Current category	192,745,787	-	-	192,745,787
	192,745,787			192,745,787
Descriptions (TZS'000) 2023	Stage 1	Stage 2	Stage 3	Total
Performing:				
Current category	174,027,081	-	-	174,027,081
	174,027,081			174,027,081

The table below shows the analysis of changes in the gross amount of undrawn commitments during the year:

At 1 January 2024	174,027,081	-	-	174,027,081
New assets originated	192,745,787	-	-	192,745,787
Exposures derecognized/ matured	(174,027,081)	-	-	(174,027,081)
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
At 31 December 2024	192,745,787	-	-	192,745,787

Descriptions (TZS'000)	Stage 1	Stage 2	Stage 3	Total
At 1 January 2023	174,027,081	-	-	174,027,081
New assets originated	-	-	-	-
Exposures derecognized/ matured	-	-	-	-
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
At 31 December 2023	174,027,081	-	-	174,027,081

ECL allowance for undrawn commitments have been included within ECL for loans and advances to customers due to challenges of separating them.

The table below shows the analysis of changes in loss allowance amount of undrawn commitments between the beginning and the end of the year:

Descriptions (TZS'000)	Stage 1	Stage 2	Stage 3	Total
At 1 January 2024	29,832	-	-	29,832
New assets originated	-	-	-	-
Exposures derecognized/ matured	-	-	-	-
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
At 31 December 2024	29,832	-	-	29,832
At 1 January 2023	29,832	-	-	29,832
New assets originated	-	-	-	-
Exposures derecognized/ matured	-	-	-	-
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
At 31 December 2023	29,832	-	-	29,832

40. RELATED PARTY TRANSACTIONS AND BALANCES

During the year, the Bank entered into several related party transactions in the normal course of business. The transactions include loans, deposit, compensations and Directors fees to members of the Board key management.

(a) Loans and advances

Loans issued	2024 TZS '000	2023 TZS '000	2022 TZS '000
Government of Zanzibar	10,000,000	-	
United Republic of Tanzania	12,337,500	-	
Directors and key management personnel	1,908,100	1,099,260	1,763,325
At 31 December	24,245,600	1,099,260	1,763,325
Government of Zanzibar	-	-	
United Republic of Tanzania	-	-	
Directors and key management person- nel	(300,288)	(181,403)	(256,102)
At 31 December	(300,288)	(181,403)	(256,102)

Interest rate on personal loans to directors and key management personnel was 5% (2023: 6%) per annum. Loans other than personal loans issued to directors and key management were provided at market rate ranging between 15% to 18%.

The Bank performs staff loan fair valuation for loans provided to staff below market rate and the movement charge to statement of profit and loss (note 16).

	2024 TZS'000	2023 TZS'000	2022 TZS'000
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(b) Deposits & withdrawals during the year

Deposits			
Tanzania Post Corporation	2,872,771	2,858,311	2,781,313
Savings and Credit Society	668,890	971,307	850,578
PSSSF	41,236,500	35,858,867	-
WCF	2,300	-	-
Directors and key management personnel	1,908,100	1,099,260	1,763,325
At 31 December	46,688,561	40,787,745	5,395,216

Withdrawals			
Tanzania Post Corporation	(2,872,771)	(2,854,471)	(2,783,184)
Savings and Credit Society	(685,653)	(982,822)	(825,389)
PSSSF	-	-	-
WCF	-	-	-
Directors and key management personnel	(300,288)	(181,403)	(256,102)
At 31 December	(3,858,712)	(4,018,696)	(3,864,675)

Interest rates on deposits from related party, Directors and key management personnel are at applicable Bank commercial rates.

(c) Directors' and key management personnel compensation

Salaries and other benefits	5,094,310	4,366,667	4,155,660
Social security contributions	104,861	23,736	34,230
Directors' fees	79,500	79,500	82,000
Other Board expenses	477,099	472,419	429,518
	5,755,770	4,942,322	4,701,408

(d) Outstanding balances

Tanzania Posts Corporation Western Union Agents (note 23)	746,819	692,371	766,720
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The transactions entered into with related parties were at arm's length and in accordance with laid down regulations.

41. FAIR VALUE

The Directors consider that there is no material difference between the fair value and carrying value of the Bank's financial assets and liabilities where fair value details have not been presented.

42. CURRENCY

Except where indicated otherwise, these financial statements are presented in Tanzania Shillings, rounded to the nearest thousand (TZS'000), which is also the functional currency.

43. EVENTS SUBSEQUENT TO FINANCIAL YEAR END

At the date of signing the financial statements, the Directors are not aware of any circumstance or other matter arising since the year end, not otherwise dealt with in these financial statements, which significantly affect the financial position of the Bank and results of its operations.

44. COMPARATIVES

Where necessary comparative figures have been adjusted to conform to changes in presentation in the current year.

45. PRIOR PERIOD CORRECTION

The statement of cash flows and statement of profit or loss and other comprehensive income for the year ended 31 December 2023 have been restated to correct the following prior period errors and the change in accounting policy as required by IFRS Accounting Standards. The Directors have made these corrections to fully comply with the standards.

- Interest received amounting to TZS 153.1 billion, as required by IAS 7, was not disclosed in the cash flows from operating activities for the year ended 31 December 2023; consequently, no offsetting disclosure was made for interest income amounting to TZS 151.2 billion, in non-cash items in reconciliation of non-cash items to cash generated/used in operations.
- Interest paid amounting TZS 52.3 billion, as required by IAS 7, was not disclosed in the cash flows from operating activities for the year ended 31 December 2023; consequently, no offsetting disclosure was made for interest expenses TZS 50.6 billion in non-cash items in reconciliation of non-cash items to cash generated/used in operations.
- Movement in loans and advances to customer was presented as one net figure including both interest income and interest received from loans and advances under operating cash flows as changes in working capital – increase in loans and advances to customers TZS 88.1 billion.
- Movement in customer deposits was presented as one net figure including both interest expense and interest paid to customer deposits under operating cash flows as changes in working capital – increase in customer deposits of TZS 120.1 billion.
- Recovery income from written-off loans of TZS 9.9 billion was classified as fees and commission income instead of offsetting impairment charges on financial instruments.
- Income realised from indemnity fund of TZS 1.7 billion was classified interest income instead of other income.
- Interest paid on borrowings of TZS 587.8 million, balances due to banks of TZS 8.1 billion and on lease liabilities of TZS 530.6 million have been reclassified from financing activities to operating activities. This change in accounting policy has been implemented to

align with the Bank's accounting policy for the presentation of interest paid in the statement of cashflows to industry practice for financial institutions, thus providing more relevant information.

- viii) Balance due to banks TZS 80.0 billion and borrowings TZS 12.1 billion presented as part of cash and cash equivalent.
- ix) Movement in tax payable TZS 2.7 billion was presented under operating cash flows as changes in working capital and tax paid consequently tax paid of TZS 11.3 billion did not include tax payments in the year 2023 with respect to tax liabilities from previous periods

Restatement of audited statement of cashflows

	As previously reported 2023 TZS'000	Restatement TZS'000	Restated 2023 TZS'000
Cash flow from operating activities			
<i>Adjustment for:</i>			
Interest income	-	(151,237,933)	(151,237,933)
Interest expense	767,979	50,617,761	51,385,740
Foreign exchange loss on cash and cash equivalents	-	1,548,181	1,548,181
<i>Changes in working capital items:</i>			
Loans and advances to customers	(88,172,766)	(1,239,471)	(89,412,237)
Other assets	10,157,841	2,856	10,160,697
Placements maturing over 3 months	76,049,736	(76,049,736)	-
Balances due to other banks	-	(37,832,691)	(37,832,691)
Customer deposits	120,155,082	1,653,217	121,808,299
Tax payable	(2,729,482)	2,729,482	-
Interest received	-	153,064,772	153,064,772
Interest paid	-	(52,375,725)	(52,375,725)
Tax paid	(11,438,897)	(1,177,204)	(12,616,101)
Net cash generated from/(used in) operations	81,503,652	(110,296,491)	(28,792,838)
Cash flow from financing activities			
Payments on lease liability	(6,078,306)	530,635	(5,547,671)
Net cash outflow from financing activities	40,705,193	530,635	41,235,828
Net increase/(decrease) in cash and cash equivalents	74,859,713	(109,765,855)	(34,906,142)
Cash and cash equivalents at 1 January	25,210,565	203,603,715	228,814,280
Effect of foreign exchange rate changes	-	(1,548,181)	(1,548,181)
Cash and cash equivalents at 31 December	100,070,278	92,289,679	192,359,957
Analysis of cash and cash equivalents at 31 December			
Placements with other banks	108,258,687	148,148	108,406,835
Balance due to banks	(80,009,367)	80,009,367	-
Borrowings	(12,132,164)	12,132,164	-
	100,070,278	92,289,679	192,359,957

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON FORECASTED FINANCIAL INFORMATION FOR THE 5 YEAR PERIOD FROM 31 DECEMBER 2025 TO 31 DECEMBER 2028

TO THE DIRECTORS OF TANZANIA COMMERCIAL BANK PLC

Introduction

We have undertaken a reasonable assurance engagement in respect of the prospective financial information of Tanzania Commercial Bank Plc "TCB Plc" set out on pages 189 to 190, which comprise the forecasted statement of financial position as at 31 December 2025, 2026, 2027 and 31 December 2028 incorporating forecasted capital growth and the forecasted statement of comprehensive income, for the years then ending 31 December 2025, 2026, 2027 and 2028 (the "Forecasted Financial Information"), as required by the Capital Markets and Securities Act, Act, Cap.79 R.E (2023) as amended, and subject to the Laws of Tanzania and the requirements of Part III, Section 13 of the Capital Markets and Securities (Prospectus Requirements) Regulations of Tanzania and Part V of the Dar es Salaam Stock Exchange Plc Rules, 2022, hereafter referred to as the "Regulations".

We have also undertaken a limited assurance engagement in respect of the assumptions used to prepare and present the Forecasted Financial Information, disclosed on pages 191 of the Forecasted Financial Information as required by the Capital Markets and Securities Act, Cap.79 R.E (2023) as amended and subject to the Laws of Tanzania and the requirements of Part III, Section 13 of the Capital Markets and Securities (Prospectus Requirements) Regulations of Tanzania and Part V of the Dar es Salaam Stock Exchange Plc Rules, 2022, hereafter referred to as the "Regulations".

Directors' responsibility for the Forecasted Financial Information and for the assumptions used to prepare the Forecasted Financial Information

The Directors are responsible for the preparation and presentation of the Forecasted Financial Information and for the reasonableness of the assumptions used to prepare the Forecasted Financial Information as set out on page 191 to the Forecasted Financial Information in accordance with the requirements of the Capital Markets and Securities Act, Cap.79 R.E (2023) as amended and subject to the Laws of Tanzania and the requirements of Part III, Section 13 of the Capital Markets and Securities (Prospectus Requirements) Regulations of Tanzania and Part V of the Dar es Salaam Stock Exchange Plc Rules, 2022, hereafter referred to as the "Regulations". This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Forecasted Financial Information on the basis of those assumptions that is free from material misstatement, whether due to fraud or error.

Inherent limitations

Actual results are likely to be different from the Forecasted Financial Information since anticipated events frequently do not occur as expected and the variation may be material. Consequently, users of the information are cautioned that the Forecasted Financial Information may not be appropriate for purposes other than listing of the Corporate Bond Public Offer(s).

Firm's Independence and Quality Control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Auditax International applies International Standard on Quality Control 1 (ISQC 1), Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Section I – Limited assurance engagement on the reasonableness of the Directors' assumptions Reporting Accountant's responsibility

Our responsibility is to express a limited assurance conclusion on whether anything has come to our attention that causes us to believe that the assumptions do not provide a reasonable basis for the preparation and presentation of the Forecasted Financial Information in accordance with the Capital Markets and Securities Act, Cap.79 R.E (2023) as amended and subject to the Laws of Tanzania and the requirements of Part III, Section 13 of the Capital Markets and Securities (Prospectus Requirements) Regulations of Tanzania and Part V of the Dar es Salaam Stock Exchange Plc Rules, 2022, hereafter referred to as the "Regulations", based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE 3400), The Examination of Prospective Financial Information (ISAE 3400), issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the Directors' assumptions provide a reasonable basis for the preparation and presentation of the Forecasted Financial Information.

A limited assurance engagement undertaken in accordance with ISAE 3400 involves assessing the source and reliability of the evidence supporting the Directors' assumptions. Sufficient appropriate evidence supporting such assumptions would be obtained from internal and external sources including consideration of the assumptions in the light of historical information and an evaluation of whether they are based on plans that are within the entity's capacity. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and included inquiries, inspection of documents, analytical procedures, evaluating the reasonableness of best-estimate assumption and agreeing or reconciling with underlying records.

Our procedures included evaluating the Directors' best-estimate assumptions on which the Forecasted Financial Information is based for reasonableness.

The procedures performed in a limited assurance engagement are less in extent than for, and vary in nature from, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Directors' assumptions provide a reasonable basis for the preparation and presentation of the Forecasted Financial Information.

Limited assurance conclusion on the reasonableness of the Directors' assumptions

Based on the procedures we have performed and evidence we have obtained, nothing has come to our attention that causes us to believe that the Directors' assumptions do not provide a reasonable basis for the preparation and presentation of the Forecasted Financial Information except for the fact that the forecasts prepared do not include the statement of cashflows in accordance with the requirements of the Capital Markets and Securities Act, Cap.79 R.E (2023) as amended and subject to the Laws of Tanzania and the requirements of Part III, Section 13 of the Capital Markets and Securities (Prospectus Requirements) Regulations of Tanzania and Part V of the Dar es Salaam Stock Exchange Plc Rules, 2022, hereafter referred to as the "Regulations"

Section II – Reasonable assurance engagement on the Forecasted Financial Information Reporting Accountant's responsibility

Our responsibility is to express an opinion based on the evidence we have obtained about whether the Forecasted Financial Information is properly prepared and presented on the basis of the Directors' assumptions disclosed on page 191 to the Forecasted Financial Information in accordance with the Capital Markets and Securities Act, Cap.79 R.E (2023) as amended and subject to the Laws of Tanzania the requirements of Part III, Section 13 of the Capital Markets and Securities (Prospectus Requirements) Regulations of Tanzania and Part V of the Dar es Salaam Stock Exchange Plc Rules, 2022, hereafter referred to as the "Regulations".

We conducted our reasonable assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE 3400), The Examination of Prospective Financial Information (ISAE 3400), issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether such Forecasted Information is properly prepared and presented on the basis of the Directors' assumptions disclosed on page 172 to the Forecasted Financial Information in accordance with the Capital Markets and Securities Act, Cap.79 R.E (2023) as amended and subject to the Laws of Tanzania and the requirements of Part III, Section 13 of the Capital Markets and Securities (Prospectus Requirements) Regulations of Tanzania and Part V of the Dar es Salaam Stock Exchange Plc Rules, 2022, hereafter referred to as the "Regulations".

A reasonable assurance engagement in accordance with ISAE 3400 involves performing procedures to obtain evidence that the Forecasted Financial Information is properly prepared and presented on the basis of the assumptions and in accordance with the Capital Markets and Securities Act, Cap.79 R.E (2023) as amended and subject to the Laws of Tanzania and the requirements of Part III, Section 13 of the Capital Markets and Securities (Prospectus Requirements) Regulations of Tanzania and Part V of the Dar es Salaam Stock Exchange Plc Rules, 2022, hereafter referred to as the "Regulations". The nature, timing and extent of procedures selected depend on the reporting accountant's judgement, including the assessment of the risks of material misstatement, whether due to fraud or error, of the forecasted information. In making those risk assessments, we considered internal control relevant to the Bank's preparation and presentation of the Forecasted Financial Information.

- Our procedures included inspecting whether:
- the presentation of prospective financial information is informative and not misleading;
 - the forecasted financial information is properly prepared on the basis of the assumptions;
 - the forecasted financial information is properly presented and all material assumptions are adequately disclosed, including a clear indication as to whether they are best-estimate assumptions; and
 - the forecasted statement of financial position as at 31 December 2025, 2026,2027 and 31 December 2028 and statement of comprehensive income for the years then ending 31 December 2025, 2026, 2027 and 31 December 2028 are prepared on a consistent basis with the historical financial statements, using appropriate accounting policies.

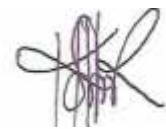
We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion on the Forecasted Financial Information

In our opinion, the forecasted financial information for the years ended 31 December 2025,2026, 2027, 2028 is properly prepared and presented on the basis of the assumptions disclosed on page 189.

For and on behalf of:

Auditax International,
Certified Public Accountants (T)
Auditax House, 3rd Floor, Coca Cola Road,
P.O. Box 77949, Dar es Salaam, Tanzania



Signed by: CPA Khalfani Mbwambo

Date: 26/06/2025

**FORECASTED STATEMENT OF PROFIT OR LOSS FORECASTED
STATEMENT OF PROFIT OR LOSS
FOR THE YEARS ENDING 31 DECEMBER 2025, 2026, 2027 AND 31
DECEMBER 2028**

	2025 TZS'000	2026 TZS'000	2027 TZS'000	2028 TZS'000
REVENUE				
Interest Income on Loans & advances	183,602	211,727	254,072	304,886
Interest Income on Gov't Securities	30,892	35,763	46,463	54,072
Other Interest Income	2,627	2,679	2,733	2,788
Total Interest Income	217,121	250,169	303,268	361,746
Interest Expense on Deposits	(56,118)	(67,449)	(79,590)	(92,624)
Deposits and placements from other banks	(15,787)	(16,102)	(16,102)	(16,424)
Other Interest Expense (Lease)	(778)	(933)	(1,120)	(1,344)
MTN Interest expense	(2,250)	(6,750)	(13,500)	(20,250)
Total Interest Expense	(74,933)	(91,235)	(110,312)	(130,642)
Net Interest Income	142,188	158,935	192,956	231,104
Loan Fees	6,085	6,182	7,418	8,902
Foreign exchange Income	7,667	7,897	8,173	8,500
Digital Fees	11,775	13,541	15,978	19,174
Bancassurance Income	5,971	7,762	10,090	13,118
Branch Services Charges	7,183	8,260	9,499	10,924
Trade Finance Income	4,958	5,950	7,139	8,567
Post Write-Off Recoveries	15,246	19,820	25,766	33,495
Other Operating Income	3,475	3,545	3,616	3,688
Total Non-Funded Income	62,360	72,956	87,681	106,369
Total Income	204,548	231,891	280,637	337,473
EXPENSES				
Provisions	(8,680)	(8,342)	(11,262)	(14,078)
Staff costs	(73,394)	(77,064)	(80,917)	(84,963)
Operating Expenses	(66,399)	(70,383)	(74,606)	(79,083)
Total Expenses	(148,473)	(155,789)	(166,785)	(178,123)
Profit Before Tax	56,075	76,102	113,852	159,350
Exceptional Income				
Profit Before Tax & Exceptional Income	56,075	76,102	113,852	159,350
Tax	(16,822)	(22,830)	(34,155)	(47,805)
Profit After Tax	39,252	53,271	79,696	111,545

FORECASTEDED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025,2026,2027 AND 31 DECEMBER 2028

	2025 TZS' 000	2026 TZS' 000	2027 TZS' 000	2028 TZS' 000
Cash	334,487	197,347	232,870	267,800
Gov. Securities	267,589	394,694	465,739	535,600
Placements	116,164	188,835	57,211	(165,400)
Loans & Advances	1,334,762	1,668,453	2,252,411	2,815,514
Fixed Assets	26,503	30,478	35,050	38,555
Other Assets	56,102	61,712	67,883	71,201
Total Assets	2,135,607	2,541,519	3,111,164	3,563,270
Deposits	1,672,434	1,973,472	2,328,697	2,678,002
Borrowed Funds	194,750	254,487	304,488	319,713
Other Liabilities	78,471	86,318	94,950	104,445
Total Shareholders' Funds	189,952	227,242	383,029	461,111
Total Liabilities & S/H Funds	2,135,607	2,541,519	3,111,164	3,563,270

ASSUMPTIONS APPLIED IN THE PREPARATION OF
THE FORECASTED FINANCIAL INFORMATION

The forecasted financial information is based on the following key assumptions;

- Capital injection of TZS 50 billion through the Medium -Term Notes Programme by issuance of a Corporate Bond towards the end of financial year 2025,
- TZS 50 billion capital injection expected in 2027 through the Medium -Term Notes Programme by issuance of a Corporate Bond,
- Accordingly, based on the above key drives, management assumes;
 - A CAGR Growth rate of between 20% - 25% on total assets with the base year annualized from May 2025 actuals.
 - A year on year Growth rate of 18% on Deposits which is based on the current market growth rate being experienced. The growth rate is maintained through out enhanced by expected influence of financial inclusion and digital banking, and TCB Plc expansion through rural penetration (SME focus) and IPO confidence
 - Borrowed funds assumed year on year growth rate of 5-10% with 2025 taken as a borrowing base level, partial disbursement in 2026 of the initial TZS 50 billion, and additional TZS 50 billion from MTN expected in 2027.
 - A year on year Growth rate of between 12% and 55% on Shareholders' Funds, driven by expected 30% dividend payout in 2026, TZS 100 billion IPO proceeds in 2027 and continuous Profit accumulation (70% profit retention).
- Net Interest Income annual growth average rate of 24% while Non Funded Income at a rate of between 15% and 20%. Net Interest Income growth is expected to mainly be driven by SME portfolio growth influenced by capital injection through MTN and IPO. Like-wise, Non-funded income will be influenced by gains from digital, trade finance, and insurance cross-selling.
- Total Operational Expenses assumed growth rate of between 15% and 20%, driven by Inflation-aligned growth in staff costs (5%), value adding IT investments to impact lower hiring pace and Platform scale-up post - IPO intended at supporting expanded operations.
- Effective Corporate tax rate is assumed to continue at 30% throughout the forecast period
- Depreciation and amortization have been ignored. They will be computed on actual basis depending on the useful life of available assets in a particular year.

INDEPENDENT LIMITED ASSURANCE REPORT TO THE DIRECTORS OF TANZANIA COMMERCIAL BANK PLC ON FINANCIAL RATIOS PREPARED BASED ON GUIDELINES FOR THE ISSUE OF CORPORATE BONDS, MUNICIPAL BONDS AND COMMERCIAL PAPERS ISSUED BY THE CAPITAL MARKETS AND SECURITIES AUTHORITY - TANZANIA (CMSA), 2019

We were engaged by the board of directors of Tanzania Commercial Bank Plc to report on the Bank's historical financial ratios as at and for the years ended 31 December 2024, 31 December 2023 and 31 December 2022 set out on pages 194 to 198 prepared based on the guidelines for the issue of corporate bonds, municipal bonds and commercial papers issued by the CMSA, 2019, in the form of an independent limited assurance conclusion that based on our work performed and evidence obtained, nothing has come to our attention that causes us to believe that Bank's historical financial ratios have not been properly prepared, based on the guidance provided under Annex 1: Financial ratios, included in the Guidelines for the issuance of corporate bonds, municipal bonds and commercial papers issued by the CMSA, 2019.

Responsibilities of the Directors

The Directors are responsible for the preparation and presentation of the historical financial ratios in accordance with the guidance provided under Annex 1: Financial ratios, included in the Guidelines for the issuance of corporate bonds, municipal bonds and commercial papers issued by the CMSA, 2019.

Practitioner's Responsibilities

Our responsibility is to examine the historical financial ratios and to report thereon in the form of an independent limited assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. The standard requires that we plan and perform our procedures to obtain a meaningful level of assurance about whether the historical financial ratios are prepared per the requirements of Annex 1: Financial ratios, in the Guidelines for the issuance of corporate bonds, municipal bonds and commercial papers issued by the CMSA, 2019 in all material respects, as the basis for our limited assurance conclusion. The firm applies International Standard on Quality Management, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The procedures selected depend on our understanding of the historical financial ratios and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Based on our review, nothing has come to our attention that causes us to believe that the accompanying historical financial ratios of Tanzania Commercial Bank Plc have not been properly prepared in all material respects, based on the requirements of Annex 1: Financial ratios, included in the Guidelines for the issuance

of corporate bonds, municipal bonds and commercial papers issued by the CMSA, 2019. The historical financial ratios have been prepared for inclusion in a prospectus for the purpose of listing Medium Term Notes, and may therefore, not be appropriate for another purpose. However, we would like to bring the users to the attention of the following ratio interpretations;

- Funds from operations to debt percentage was only positive in the year 2024 (51.69%) which was a significant improvement as compared to previous years. The ratio was below 1% in both financial year 2023 and 2022 indicating that the company was heavily leveraged thus needed taking additional financing to either directly cover debt repayments or finance its working capital coupled with cost cutting measures to improve cash generated from operations.
- Free cash flow to debt repayment cover has also improved from below 1%, 2023 (-68.51%) and 2022 (-66.57%) to 10.39% in 2024. As suggested above, improvement measures in cash generated from operations will enhance sustainability of cover as projected in the forecast between 2025 and 2028.
- Long Term Debt to Capital Employed ratio has remained steadily low at 0.15 in 2024 (2023: 0.09). Also, Total Debt to Equity was at 1 by 31 December 2024. These two results suggest a more conservative approach adopted by TCB Plc, with a larger proportion of assets financed by equity short-term customer deposits, indicating lower financial risk.
- The Guidelines for the issuance of corporate bonds, municipal bonds and commercial papers issued by the CMSA, 2019; as at 31 December 2024 does not specifically require computation of the Non-Performing Loan (NPL) ratio, the ratio is critical in assessing Tanzania Commercial Bank Plc financial performance in line with regulations governing financial institutions in Tanzania. The ratio is computed by dividing Non-Performing loans over Gross loans and advances. Over the period of the past three (3) financial year, NPL ratio has improved to 3.4% from 3.7% (2023) and 8.4% (2022). The improvement is financially better when compared to low non-performing loans ratio of 3.6 percent in February 2025 as per Bank of Tanzania , Monetary Policy Report – April 2025, and within the acceptable level of not more than 5 percent.

For and on behalf of:
Auditax International,
Certified Public Accountants (T)
Auditax House, 3rd Floor, Coca Cola Road,
P.O. Box 77949, Dar es Salaam, Tanzania



Signed by: CPA Khalfani Mbwambo
Date: 26/06/2025

FINANCIAL RATIOS

FOR THE YEARS ENDED 31 DECEMBER 2024,
31 DECEMBER 2023 AND 31 DECEMBER 2022

No.	Ratio	Formula	Results		
			2024	2023	2022
i.	Earnings before interest and taxes (EBIT) interest cover	$\frac{\text{(EBIT for the period)}}{\text{(Interest payable for the period + any preference dividend payable for the period)}}$	1.76	0.14	1.14
ii	Operating cash flow to total debt percentage	$\frac{\text{(funds generated from Operations in the period) x 100\%}}{\text{(Average total debt during the period)}}$	51.69%	-25.91%	-63.51%
iii	Free Cash flow to total debt percentage	$\frac{\text{(free cash flows for the period) x100\%}}{\text{(Average total debt during the period)}}$	10.39%	-68.51%	-66.57%
iv	Total free cash flow to total short term debt obligations	$\frac{\text{(total uncommitted cash flows for the period) x 100\%}}{\text{(total short-term debt obligations at the end of the period)}}$	104%	126%	115%
v	Net profit margin	$\frac{\text{(Net profit for the period x 100\%}}{\text{(total sales for the period)}}$	18.36%	-63.34%	2.87%
vi	Post-tax return	$\frac{\text{(Profit after tax but before Financing costs for the period) X100\%}}{\text{(Average Capital employed for the period)}}$	57%	4%	43%
vii	Long-term debt to capital employed ratio	$\frac{\text{(average long- term debt outstanding during the period)}}{\text{(average equity + average long- term debt for the period)}}$	0.15	0.09	0.05
viii	Total debt to equity ratio	$\frac{\text{(average short-term debt outstanding+ average long-term debt outstanding during the period)}}{\text{(average equity for the period)}}$	1.02	0.85	0.99
ix	Funds from operations to debt Percentage	$\frac{\text{(funds generated from operations in the period) x 100\%}}{\text{(Average total debt during the period)}}$	52%	-26%	-64%
x	Free cash flow to debt repayment cover	$\frac{\text{(free cash flow for the period)}}{\text{(Interest payable + preference dividend+ principal repaid during the period)}}$	77.28	(576.12)	(135.35)

NOTES TO THE FINANCIAL RATIOS

FOR THE YEARS ENDED 31 DECEMBER 2024,
31 DECEMBER 2023 AND 31 DECEMBER 2022

1. Financial information used for computation of the ratios

The financial ratios have been computed based on historical financial information extracted from the annual audited financial statements of Tanzania Commercial Bank Plc as at and for the years ended 31 December 2024, 2023 and 2022.

2. Basis for computation of the ratios

The ratios have been computed based on the guidance provided under Annex 1: Financial ratios, included in the Guidelines for the issuance of corporate bonds, municipal bonds and commercial papers issued by the Capital Markets and Securities Act (CMSA), 2019.

3. Computation of ratios

a	Earnings before interest and Tax (EBIT) interest cover	2024	2023	2022
	Earnings before interest and Tax	TZS'000	TZS'000	TZS'000
	Profit before income tax	43,935,843	(44,420,352)	6,870,843
	Add: Interest expense	57,958,533	51,385,740	48,565,235
	EBIT	101,894,376	6,965,388	55,436,078
	Interest expense	57,958,533	51,385,740	48,565,235
	EBIT interest cover	1.76	0.14	1.14

b	Operating cash flow to total debt percentage	2024	2023	2022
	Funds generated from operations (net cash generated from/used in operating activities)	83,548,331	(28,792,838)	(75,914,244)
	Average total debt			
	Borrowings at start of the year	92,141,531	130,136,169	108,911,671
	Borrowings at the end of the year	231,143,322	92,141,531	130,136,169
	Average total debt	161,642,427	111,138,850	119,523,920
	Operating cashflow to total debt	51.69%	-25.91%	-63.51%

c	Free cash flow to total Debt percentage (debt repayment cover)	2024	2023	2022
	Free cash flow for the period			
	Cash generated from/used in operating activities	83,548,331	(28,792,838)	(75,914,244)
	Dividend Received	-	-	-
	Purchase of Fixed Assets	(5,021,456)	(2,224,712)	(2,330,366)
	Purchase of intangible assets	(253,997)	(1,049,065)	(577,008)
	Proceeds from Sale of Fixed Assets	131,330	-	-
	Purchase of Non - Dealing Securities	(92,614,981)	(44,075,355)	(23,574,125)
	Proceeds from Non - Dealing Securities	31,000,000	-	22,833,833
	Free cash flow	16,789,227	(76,141,970)	(79,561,910)
	Average total debt (refer to B)	161,642,427	111,138,850	119,523,920
	Free cash flow to total Debt (debt repayment cover)	10.39%	-68.51%	-66.57%
d Total free cash flow to total short-term debt obligations				
	Uncommitted cash flows			
	Free cash flow (refer to C above)	16,789,227	(76,141,970)	(79,561,910)
	Cash and cash equivalents at the end of the year	224,590,457	192,359,957	228,814,280
	Total uncommitted cash flows	241,379,684	116,217,987	149,252,370
	Short term debt obligations at the end of the period	231,143,322	92,141,531	130,136,169
	Total free cash flow to total short-term debt obligations	104%	126%	115%
e Net profit margin				
	Net Profit for the period	31,638,526	(46,274,709)	3,153,844
	Total income	172,328,932	73,060,259	110,023,715
	Net profit margin	18.36%	-63.34%	2.87%

f	Post-tax return (before financing) on Capital Employed	2024	2023	2022
	Profit after tax before financing costs for the period			
	Profit after tax	31,638,526	(46,274,709)	3,153,844
	Interest expense	57,958,533	51,385,740	48,565,235
		89,597,059	5,111,031	51,719,079
	Average capital employed			
	Capital employed as at start of the year			
	Shareholders' equity	118,908,024	116,630,609	113,213,022
	Long-term debt	12,132,164	12,587,836	-
		131,040,188	129,218,445	113,213,022
	Capital employed as at the end of the year			
	Shareholders' equity	150,692,538	118,908,024	116,630,609
	Long-term debt	33,687,253	12,132,164	12,587,836.00
		184,379,791	131,040,188	129,218,445
	Average capital employed (simple average)	157,709,990	130,129,317	121,215,734
	Post-tax return (before financing) on Capital Employed	57%	4%	43%
g Long Term Debt to Capital Employed				
	Average long-term debt	22,909,709	12,360,000	6,293,918
	Average capital employed (refer to F)	157,709,990	130,129,317	121,215,734
	Long Term Debt to Capital Employed	0.15	0.09	0.05

h	Total Debt to Equity	2024	2023	2022
	Average short-term debt outstanding + average long-term debt outstanding during the period	161,642,427	111,138,850	119,523,920
	Average equity for the period	157,709,990	130,129,317	121,215,734
	Total Debt to Equity	1.02	0.85	0.99
i	Funds from operations to debt percentage			
	Funds generated from operations in the period	83,548,331	(28,792,838)	(75,914,244)
	Average total long-term debt during the period (refer to H above)	161,642,427	111,138,850	119,523,920
	Funds from operations to debt percentage	52%	-26%	-64%
j	Free cash flow to debt repayment cover			
	Free cash flow for the period (refer to C)	16,789,227.00	(76,141,970.00)	(79,561,910.00)
	Interest payable + preference dividend + principal repaid during the period	217,253.00	132,164.00	587,836.00
	Free cash flow to debt repayment cover	77.28	(576.12)	(135.35)



Wekeza. Stawi zaidi.

ACHA PESA YAKO IKUFANYIE KAZI

Wekeza kuanzia TSH. 500,000 ulipwe riba ya 13.5% kwa mwaka itakayolipwa kila baada ya miezi 3 kwa miaka 5.

**Tembelea tawi letu au piga 0800 110160
kupata maelezo zaidi**

Vigezo na masharti kuzingatiwa.



13 Appendices

APPENDIX I: APPLICATION FORM

Please refer to “Terms and Conditions of the Offer” in the Information Memorandum as well as the instructions for completion of the Application Form, as set out below, before completing the same. Terms used herein shall be deemed to be as defined in the Information Memorandum dated 15th September 2025.

The Board of Directors of TCB Commercial Bank PLC (the “Directors”) shall reject any application, in whole or in part, if instructions as set out in the Information Memorandum and this Application Form are not complied with.

OFFER OPENS: 17th September 2025

OFFER CLOSES: 17th October 2025

Please refer to “Terms and Conditions of the Offer” in the Information Memorandum as well as the instructions for completion of the Application Form, as set out below, before completing the same. Terms used herein shall be deemed to be as defined in the Information Memorandum dated 15th September 2025.

The Board of Directors of TCB Commercial Bank PLC (the “Directors”) shall reject any application, in whole or in part, if instructions as set out in the Information Memorandum and this Application Form are not complied with.

APPLICANT'S DECLARATION

By signing the Application Form overleaf, I/We the applicant (s) therein state that:

- the undermentioned application amount, or any lesser amount that may, in your sole discretion, be allotted to me/ us subject to the terms and conditions of the TCB 5-year MTN Programme.
- I/We authorise the Registrar to enter my/ our name in the register of members of Noteholders and to credit my CDS account with the Notes allocated to me/us and remit any refunds due to me/us via Electronic Funds Transfer or Cheque in accordance with the terms and conditions contained in the Information Memorandum.
- In consideration of your agreeing to accept this Application Form, I/we agree that this application shall be irrevocable and shall constitute a contract which shall become binding to me/us upon dispatch by post or hand delivery.
- I/We authorise the Sponsoring Broker to open a CDS account in my/our name(s) with the Central Depository in the event that I/we do not have an existing CDS account, and to take all necessary steps in connection therewith for the purpose of facilitating my/our application for the Notes, in accordance with the terms and conditions contained

GENERAL INSTRUCTIONS ON COMPLETION OF THE APPLICATION FORM

- Please complete the Application Form in capital letters using black/blue ink. Ensure each letter is written clearly within each of the boxes provided. Incorrectly completed Application Forms will be rejected.
- When completing this Application Form please bear in mind that Notes may not be applied for in the name(s) of a trust that has not been incorporated or a deceased's estate.
- Trustees of unincorporated trusts, individual partners or executors may apply for Notes in their own name(s). Registered or incorporated trusts may apply in the registered or incorporated name. Limited liability partnerships may apply in their registered names.
- Any alteration to the Application Form (other than deletion of alternatives) must be authenticated by the full signature of the Applicant(s) or Authorised Selling Agent.
- The Authorised Selling Agent must sign against the company's official stamp.
- Banker's cheque payments must be made payable as per the details below.
Bank Name: **TANZANIA COMMERCIAL BANK**
Bank Account Name: **STAWI BOND COLLECTION ACCOUNT**
Bank Account Number: **173086000001**
Swift Code: **TAPBTZTZ**
- Your Application Form must be received in its entirety, duly signed and accompanied with the necessary evidence of payment or banker's cheque, cash or Letter of Undertaking.
- The completed Application Form may be mailed or hand delivered to the Authorised Selling Agents and must be received by the placing Agent not later than 5:00pm on Friday 17th October 2025.
- If your Application Form is received by Placing Agent after 5:00pm on Friday 17th October 2025. it will be declined and the form together with the accompanying payment or evidence of payment will be returned as per the terms and conditions of the Offer.
- Applications can only be made through Authorised Selling Agents, the Lead Transaction Advisor and the Receiving Bank as listed in the Information Memorandum.
- The allocation process has been outlined in the Information Memorandum and the Pricing Supplement. No person can make any promises contrary to the allocation criteria.

FOMU YA MAOMBI | APPLICATION FORM

TAFADHALI ANDIKA KWA HERUFI KUBWA UKITUMIA KALAMU NYEUSI/BULUU
PLEASE COMPLETE IN CAPITAL/BLOCK LETTER USING BLACK/BLUE INK

A. NAMBA YA AKAUNTI YA CDS CDS ACCOUNT NUMBER

B. TAARIFA ZA MAOMBI APPLICATION DETAILS

Kiwango Kilichooombwa (TZS) kwa tarakimu
Amount applied (TZS) in numbers

Kiwango Kilichooombwa (TZS) kwa maneno
Amount applied (TZS) in words

C. TAARIFA ZA MWOMBAJI APPLICATION DETAILS

(i) Mwombaji wa Kwanza First Applicant's Details:

Cheo
Title

Jina la Kwanza
First Name

Jina la Kati
Middle Name

Jina la Ukoo (Jina la Mwisho)
Surname (Last Name)

Tarehe ya kuzaliwa:
Date of Birth (DD/MM/YYYY):

Gender:
Jinsia

Kitambulisho cha Taifa
National ID

Namba ya TIN
TIN number

Pasipoti
Passport

Kazi ya sasa
Present Occupation

Anwani ya makazi | Registered Address

Uraia | Nationality

Anwani ya Barua pepe
Email Address

Namba ya Simu ya Mkononi
Mobile Number

(ii) Mwombaji wa Pili Second Applicant's Details:

Cheo
Title

Jina la Kwanza
First Name

Jina la Kati
Middle Name

Jina la Ukoo (Jina la Mwisho) Surname (Last Name)	Tarehe ya kuzaliwa: Date of Birth (DD/MM/YYYY):	Gender: Jinsia
<input type="text"/>	<input type="text"/>	<input type="text"/>
Kitambulisho cha Taifa National ID	<input type="text"/>	Namba ya TIN TIN number
<input type="text"/>	<input type="text"/>	<input type="text"/>
Pasipoti Passport	<input type="text"/>	Kazi ya sasa Present Occupation
<input type="text"/>	<input type="text"/>	<input type="text"/>
Anwani ya makazi Registered Address	Uraia Nationality	
<input type="text"/>	<input type="text"/>	
Anwani ya Barua pepe Email Address	<input type="text"/>	Namba ya Simu ya Mkononi Mobile Number
<input type="text"/>	<input type="text"/>	<input type="text"/>

(iii) Mwombaji Mtoto
Minor Applicant's Details:

Cheo Title	Jina la Kwanza First Name	Jina la Kati Middle Name
<input type="text"/>	<input type="text"/>	<input type="text"/>
Jina la Ukoo Surname	Tarehe ya kuzaliwa: Date of Birth (DD/MM/YYYY):	Gender: Jinsia
<input type="text"/>	<input type="text"/>	<input type="text"/>
Namba ya Cheti cha kuzaliwa/Pasipoti: Birth Certificate/ Passport Number	<input type="text"/>	
Taarifa za mzazi/mlezi Parent/ Guardian's Details:		
Mahusiano Relationship	Jina la Kwanza First Name	Jina la Kati Middle Name
<input type="text"/>	<input type="text"/>	<input type="text"/>
Jina la Ukoo Surname	Tarehe ya kuzaliwa: Date of Birth (DD/MM/YYYY):	Gender: Jinsia
<input type="text"/>	<input type="text"/>	<input type="text"/>
Kitambulisho cha Taifa National ID	<input type="text"/>	Namba ya TIN TIN number
<input type="text"/>	<input type="text"/>	<input type="text"/>
Pasipoti Passport	<input type="text"/>	Kazi ya sasa Present Occupation
<input type="text"/>	<input type="text"/>	<input type="text"/>
Anwani ya makazi Registered Address	Uraia Nationality	
<input type="text"/>	<input type="text"/>	
Anwani ya Barua pepe Email Address	<input type="text"/>	Namba ya Simu ya Mkononi Mobile Number
<input type="text"/>	<input type="text"/>	<input type="text"/>

(iv) Jina la kampuni (Kama ilivyo katika Hati ya Usajili / ilivyosajiliwa) Nakala ya Hati kama iambatanishwe
Company name (As per certificate of Registration/Incorporation) A certified copy of the certificate must be attached

Namba ya Usajili/kama ilivyosajiliwa Registration / Incorporation Number	Nchi ilikosajiliwa Country of Registration
<input type="text"/>	<input type="text"/>
Namba ya Simu Telephone Number	Namba ya TIN TIN Number
<input type="text"/>	<input type="text"/>
Anwani ya Barua pepe Email Address	
<input type="text"/>	

D. TAARIFA ZA BENKI KWA MALIPO YA KUPONI NA MAREJESHO
BANK DETAILS COUPONS & PRINCIPAL REPAYMENTS APPLICATION DETAILS

Jina la Benki Name of Bank	Jina la Tawi Name of Branch
<input type="text"/>	<input type="text"/>
Jina la Akaunti Name of Account	Namba ya akaunti ya Benki Bank Account Number
<input type="text"/>	<input type="text"/>

E. TAARIFA ZA MRITHI
NEXT OF KIN DETAILS

Jina kamili Full Name	Anuani Address
<input type="text"/>	<input type="text"/>
Namba ya Simu Telephone Number	Mahusiano Relationship
<input type="text"/>	<input type="text"/>

F. SAHIHI: (LAZIMA KWA WAOMBAJI WOTE)
SIGNATURES: (COMPULSORY FOR ALL APPLICANTS)

Sahihi ya 1 Signature 1	Sahihi ya 2 Signature 2	Mhuri wa moto / Mhuri Company Seal / Stamp
<input type="text"/>	<input type="text"/>	<input type="text"/>

G. WAKALA WA MAUZO / MATAWI YA TCB TU KWA MATUMIZI YA OFISI
SELLING AGENTS ONLY FOR OFFICIAL USE ONLY

Jina la wakala/Tawi la TCB
Agent/Branch Code

Jina la Wakala wa Mauzo/Mwakilishi wa Huduma kwa Wateja wa TCB
Selling agent's name

Mhuri wa Wakala wa Mauzo Aliyeidhinishwa/
Mwakilishi wa Huduma kwa Wateja wa TCB
Authorised Selling Agents Stamp



H. RISITI YA MWEKEZAJI
INVESTOR'S RECEIPT

Jina la Mwekezaji:
Investor's Name:

Kiasi kilicholipwa (TZS)
Amount Paid

Namba ya akaunti ya CDS (Isianze na sifuri)
CDS Number

Namba ya Akaunti
Account Number

Jina la Wakala wa Mauzo/ Jina la Tela wa
TCB Selling Agent's Name/Tellers Name

Mhuri na sahihi ya Wakala wa
Mauzo/ Tawi la TCB Stamp

Tarehe
Date

APPENDIX II: AUTHORIZED PLACING AGENTS

1	iTrust Finance Limited	2	CRDB BANK Plc
	Block C, 429 Mahando Street, Masaki P.O. Box 22636, Dar es Salaam Tel: +255 659 071777 Website: www.itrust.co.tz		26 Ali Hassan Mwinyi Rd, Plot No 25 P.O. Box 268, Dar es Salaam Tel: +255 22 129412 Website: www.crdbbank.co.tz
3	Solomon Stockbrokers Limited	4	Zan Securities Limited
	Ground Floor-PPF House, Samora Avenue P.O. Box 77049, Dar es Salaam Mob: +255 714 269090, +255 764 269090 E-mail: info@solomon.co.tz Website: www.solomon.co.tz		1st floor, VIVA Towers, Ali H. Mwinyi Road P.O. Box 5366, Dar es salaam Tel: +255 22 2103433 E-mail: info.dsm@zansec.co.tz Website: zansec.co.tz
5	TIB Rasilimali Limited	6	Tanzania Securities Limited
	Building No 3, Mlimani City Park P.O. Box 9154, Dar es Salaam Mob: +255 754 232 035 E-mail: invest@rasilimali.tib.co.tz Website: www.tib.co.tz		Alfa Plaza, 2nd Floor, 201 P.O. Box 9821, Dar es Salaam Mob: +255 718 799 997 E-mail: info@tanzaniasecurities.co.tz Website: tanzaniasecurities.co.tz
7	Vertex International Securities Ltd	8	E.A. Capital Limited.
	Annex Building – Zambia High Commis- sion, Sokoine Drive/Ohio Street P.O. Box 13412, Dar es Salaam Tel: 255 22 2116382 Fax: 255 22 2110387 E-mail: vertex@vertex.co.tz,		3rd Floor, Acacia Estates 84 Kinondoni Rd P.O. Box 20650, Dar Es Salaam. Tel: +255 769 257511 Email: ck@eacapital-tz.com
9	Core Securities Ltd	10	Orbit Securities Company Limited
	Mezzanine Floor, Diplomat House P.O. Box 76800, Dar es Salaam. Mobile: +255 22 2123103, Fax: +255 22 2122562 E-mail: info@coresecurities.co.tz Website: coresecurities.co.tz		4th Floor, Golden Jubilee Towers, Ohio Street P.O. Box 70254, Dar es Salaam Tel: 255 22 2111758, Fax: 255 22 2113067 E-mail: orbit@orbit.co.tz Website: orbit.co.tz

11	Victory Financial Services Limited	12	Exodus Advisory Services Limited
	ATC HOUSE, Ohio Street/Garden Avenue, Dar es Salaam Phone: +255 22 2138607 Email: info@vfsl.co.tz Website: vfsl.co.tz		10th Floor, Mwanga Tower, New Bagamoyo Road P.O. Box 80056, Dar es Salaam. Tel: +255 222923810/ 733 701 514 Email: info@exodusadvisory.co.tz
13	FIMCO LTD	14	Global Alpha Capital Ltd
	Alfa Plaza, 2nd Floor, Ali Hassan Mwinyi Road P.O. Box 70468, Dar es Salaam. Tel: +255 22 292 6227 Email: info@fimco.co.tz Website: fimco.co.tz		PSSSF Millenium Tower1, Ali Hassan Mwinyi Road P.O. Box 70166, Dar es Salaam Tel: +255 762 367 347 Email: info@alphacapital.co.tz Website: www.alphacapital.co.tz
15	Yusra Sukuk Company Ltd	16	Lase Securities Limited
	RITA TOWER, 23rd Floor, Plot No.727/11 Makunganya Street P.O. Box 4681, Dar es Salaam Tel: +255 762 715 311/ 713 956 803		Samora Avenue, Plot No. 582, Block 9 P.O. Box 19630, Dar es Salaam Tel: +255 715 484 560
17	Optima Corporate Finance Limited	18	Smart Stockbrokers Limited
	Kinondoni Road, 1st Floor, Togo Tower P.O. Box 4441, Dar Es Salaam Tel: +255 22 266 6031 Website: www.optimacorporate.co.tz		1st Floor, Samora Avenue P.O. Box 105678, Dar es Salaam Phone: +255 22 2138607 Email: info@smartstockbrokers.co.tz
19	Kadoo Securities		
	University Road, 9th Floor, Sky City Mall P.O Box 54618, Dar Es Salaam Tel: +255 763 889 000 info@kadoosecurities.co.tz www.kadoosecurities.co.tz		

APPENDIX III: STAWI BOND PRICING SUPPLEMENT

This document constitutes the applicable Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall have the same meaning ascribed to them in the Information Memorandum dated 15th September 2025.

This applicable Pricing Supplement must be read in conjunction with the Information Memorandum.

1.	Description of the Notes	
1.1	Issuer	TCB Bank PLC.
1.2	Issuer Credit Rating	N/A.
1.3	Lead Transaction Advisor	iTrust Finance Limited
1.4	Status of the Notes	Subordinated, Unsecured.
1.5	Issue: Series Number*	TCB-FXD/T01/2025/05.
	* Explanation of the Series number	TCB Bank-FXD-fixed rate notes; T01 - Tranche number 1; 2025 - year of issue; 05 -tenor.
1.6	Redemption/Payment Basis	Redemption at par.
1.7	Principal Amount	TZS 50,000,000,000.
1.8	Principal Amount Description	Issuance in nominal value: Tanzanian Shillings Fifty Billion (TZS 50,000,000,000)
1.9	Oversubscription	Issuer reserves an option to apply to CMSA in case the issuance is oversubscribed to take any additional amount at its discretion.
1.10	Use of Proceeds	Proceeds from TCB Stawi Bond will be utilized to finance SMEs to fuel socio-economic development.
1.11	Form of Notes	Book Entry.
1.12	Issue Date	14 th November 2025
1.13	Specified Denomination of the Notes	TZS 500,000 with integral multiple of TZS 10,000
1.14	Issue Price	At Par
1.15	Interest Commencement Date	14 th November 2025
1.16	Interest Termination Date	14 th November 2030
1.17	Maturity Date	14 th November, 2030
1.18	Specified Currency	TZS (Tanzanian Shillings)

1.19	Applicable Business Day convention	Following Business Day Convention
1.20	Fiscal Agent, Registrar and Receiving Bank	CSD & Registry Company Ltd.
	Specified office of the Fiscal Agent, Registrar and Receiving Bank	1st Floor, Exchange Tower, NHC Morocco Square, Mwai Kibaki and Ali Hassan Mwinyi Roads, P.O. Box 70081 Dar es salaam, Tanzania
1.21	Final Redemption Amount	TZS 50,000,000,000
1.22	Record Date	Three days before (and not including) each Interest Payment Date
2.	Provisions relating to Interest Payable	
2.1	Fixed Rate Note Provisions	
	i. Interest Rate	13.50% per annum payable quarterly in arrear.
	ii. Interest Payment Dates	14th February, 14th May, 14th August and 14th November in each year up to and including the Maturity Date.
	iii. Payment Basis	Each period commencing on (and including) an Interest Payment Date and ending on (but excluding) the following Interest Payment Date; provided that the first Interest Period will commence on (and include) the Interest Commencement Date and end on (but exclude) the following Interest Payment Date.
	iv. Default Rate	Interest Rate + 1.00%
	v. Day Count Fraction	365 Days
	vi. Other terms relating to the method of calculating payment for the Fixed Interest Rate Notes	Not Applicable
3.	Provisions regarding Redemption	
3.1	Redemption at the option of the Issuer	Not applicable
	If applicable, a. Optional Redemption Dates	Not applicable
	b. Optional Redemption Amount(s) and method, if any, or calculation of such amount(s)	Not applicable

3.2	Minimum period of notice (if different from Condition [10.7] as indicated in the Information Memorandum (Redemption and Purchase of Notes by the Issuer)	Not applicable
	a. If redeemable in part	Not applicable
	b. Other terms applicable on Redemption	None
GENERAL		
1.	Other terms or special conditions	None
2.	Board approval for issuance of the MTN Programme	4 th April, 2025
3.	Additional Selling Restrictions	None
4.	Tradability	The bond will be tradable on the exchange at the market price
5.	Eligible Investor(s)	Retail investors, local & international financial Institutions and other Institutional Investors.
6.	Allotment policy	In the event of an oversubscription, allotment will be at the discretion of the Issuer upon approval from CMSA. The allocation of Notes will be conducted transparently and impartially, considering factors such as subscription period demand, investor diversification across categories, prevailing market conditions, investor preferences, and alignment with the Issuer's financial strategy. While aiming for diversification, the Issuer retains, and investors acknowledge that the Issuer's allocation decisions are final and non-negotiable.
7.	Settlement Procedures and Settlement Instructions	All payments from investors should be submitted together with the duly completed Application form prior to the date Offer closes.
8.	Details of bank account(s) to which payments are to be made in respect of the Notes	Bank name: TANZANIA COMMERCIAL BANK Bank Account Name: STAWI BOND COLLECTION ACCOUNT Bank Account Number: 173086000001 Swift code: TAPBTZTZ

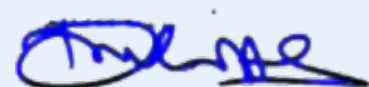
9.	Last Day to Register, which shall mean that the “books closed period” (during which the Register will be closed) will be from each Last Day to Register to the applicable Payment Day until the date of redemption	3 days before the Payment Date
10.	Method of Distribution	Public
11.	Total Notes in issue (excluding the current issue)	NIL
12.	Rights of Cancellation	<p>The Notes will be delivered to investors on the Issue Date by registration in the CDS Account as book entry provided that:</p> <ul style="list-style-type: none">No event occurs prior to the Issue process being finalized on the Issue Date which the Issuer (in its sole discretion) considers to be a force majeure event; orNo event occurs which the Issuer (in its sole discretion) considers may prejudice the issue, the Issuer or the Notes. <p>If the Issuer decides to terminate this transaction due to the occurrence of the above-mentioned events, this transaction shall terminate, and no party hereto shall have any claim against any other party as a result of such termination.</p>
13.	Tax	Interest earned on the Note is not subject to withholding tax for Interest Payment made to Noteholders as per current tax laws.
14.	Material Change	Save as disclosed in the Information Memorandum as read together with this applicable Pricing Supplement, there has been no significant change in the Issuer’s financial position since the date of the Issuer’s last audited financial statements.
15.	Responsibility Statement	The Issuer and the Board of Directors accepts responsibility for the information contained in this Pricing Supplement which, when read together with the Information Memorandum referred to above, contains all information that is material in the context of the issue of the Notes.

ADDITIONAL INFORMATION		
16.	Additional steps that may be taken following approval of the Extraordinary Resolution (in accordance with the Conditions)	Not applicable
17.	Specify Agents and Specified Offices if new or other Agents appointed	Not applicable

Salient Dates	
Offer Opens	8.00 a.m. on Wednesday 17th September 2025
Offer Closes	5.00 p.m. on Friday 17th October 2025
Completion of Register Compilation	Friday 31st October 2025
Allotment	5.00 p.m. on Thursday 13th November 2025
Announcement Date	Friday 14 th November 2025
Notification Date	Friday 14 th November 2025
Register submission date to CSDR	Friday 14 th November 2025
Issue Date	Friday 14 th November 2025
CDS Account upload date	Wednesday 19 th November 2025
Listing date	Friday 21 st November 2025
Maturity Date	14 th November 2030

Authorised Signatories

Signature:



Signature:



Name: Daniel Mboto

Name: Msafiri Absolom

Title: Director of Credit

Title: Ag. Director of Treasury

Wekeza. Stawi zaidi.

FUNGUA KURASA ZISIZO NA KIKOMO

Wekeza kuanzia **TSH. 500,000** ulipwe riba ya **13.5%** kwa mwaka itakayolipwa kila baada ya miezi 3 kwa miaka 5.

Tembelea tawi letu au piga 0800 110160
kupata maelezo zaidi

Vigezo na masharti kuzingatiwa.



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