



Annual Market Disclosure

Overview

This Annual Market Disclosure has been prepared by Tanzania Commercial Bank Public Limited Company (“TCB PLC” or “TCB”) in accordance with the Bank of Tanzania Market Discipline Guidelines for Banks and Financial institutions, 2023, with the objective of promoting transparency and strengthening market confidence through comprehensive disclosure of the bank’s risk profile, capital adequacy, and risk management practices. The report provides qualitative and quantitative information on how the bank identifies, measures, monitors, and controls key risks arising from its core banking activities, including credit, operational, market, liquidity, and interest rate risks.

The disclosures demonstrate TCB’s commitment to maintaining a sound risk management framework, strong governance structures, and adequate capital and liquidity buffers to support sustainable operations and protect stakeholders’ interests. They also enable regulators, investors, and the public to assess the Bank’s financial resilience, compliance with prudential requirements, and alignment with its approved risk appetite and strategic objectives.

Scope and Structure of Disclosures

The following section provides detailed qualitative and quantitative disclosures in line with the Bank of Tanzania Market Discipline Guidelines, 2023. The information is presented through a series of tables designed to give stakeholders a comprehensive understanding of Tanzania Commercial Bank’s risk profile, capital adequacy, and risk management practices.

These disclosures cover key risk areas including credit risk, operational risk, market risk, liquidity risk, leverage, and interest rate risk in the banking book. Each table is accompanied by a brief description of its purpose to enhance clarity, transparency, and consistency with regulatory expectations.

Table 1: Qualitative Information About Credit Risk

To provide transparency on how the bank identifies, manages, and governs credit risk in line with its business activities and regulatory expectations.

Area	Disclosure Description
How the business model translates into the components of the Bank’s credit risk profile	The Bank’s business model is primarily focused on retail, SME, corporate, and public sector lending, which constitutes the main source of credit risk exposure. Credit risk arises from loans and advances, investments in debt securities, interbank placements, and other financing activities.
Criteria and approach used for defining credit risk management policy and for setting credit risk limits	The Bank manages credit risk in accordance with a Board-approved Credit Risk Management Policy that establishes principles for credit appraisal, approval, monitoring, and recovery. Credit risk limits are set based on the bank’s risk appetite, regulatory requirements, and portfolio diversification considerations.
Structure and organization of the credit risk management and control function	Credit risk management is implemented through business units responsible for originating facilities and an independent Risk Management Function responsible for oversight, monitoring, and control. Credit Management Committee review and approve facilities within delegated authority levels.
Relationships between credit risk management, risk control, compliance and internal audit functions	The Risk Management Function provides independent oversight, Compliance ensures adherence to regulatory and internal requirements, and Internal Audit provides independent assurance on the effectiveness of credit risk management and controls.
Scope and main content of reporting on credit risk exposure to executive management and the Board	Credit risk exposures are reported regularly to Senior Management and the Board Credit Committee, including information on portfolio quality, concentrations, non-performing exposures, provisioning, and key risk indicators.

Table 2: Prudential Regulatory Metrics

The following table presents the bank's key prudential regulatory metrics in accordance with the Market Discipline Guidelines for Banks and Financial Institutions, 2023. The disclosures include capital adequacy, leverage, and liquidity indicators reported for the current period (T) and the four preceding quarters (T-1 to T-4), enabling market participants to assess the Bank's financial position and regulatory compliance over time.

PRUDENTIAL REGULATORY METRICS AS AT 31ST DECEMBER 2025

(Amount in million shillings)

Metric	a	b	c	d	e	
	Dec-25	Sep-25	Jun-25	Mar-25	Dec-24	
Available Capital (Amount)						
1	Common Equity Tier 1 (CET1)	157,665.26	141,966.92	137,007.60	137,006.16	135,056.54
2	Tier 1	157,665.26	141,966.92	137,007.60	137,006.16	135,056.54
3	Total capital	184,320.28	141,966.92	137,007.60	137,006.16	135,056.54
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	1,332,750.57	1,181,229.77	1,125,476.94	1,207,461.25	1,104,694.24
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	11.8%	12.0%	12.2%	11.3%	12.2%
6	Tier 1 ratio (%)	11.8%	12.0%	12.2%	11.3%	12.2%
7	Total capital ratio (%)	13.8%	12.0%	12.2%	11.3%	12.2%
"Additional CET1 buffer requirements as a percentage of RWA"						
8	Capital conservation buffer requirement (2.5%)	1.8%	0.0%	0.2%	0.0%	0.2%
9	Total of bank CET1 specific buffer requirements (%)	2.5%	2.5%	2.5%	2.5%	2.5%
10	CET1 available after meeting the bank's minimum capital	3.3%	3.5%	3.7%	2.8%	3.7%
Basel III leverage ratio						
11	Total Basel III leverage ratio exposure measure	2,490,964.47	2,275,352.67	2,130,651.45	1,907,818.42	1,832,863.21
12	Basel III leverage ratio (%) (Tier 1 Capital / Exposure Measure)	6.3%	6.2%	6.4%	7.2%	7.4%
Liquidity Coverage Ratio						
13	Total high-quality liquid assets (HQLA)	394,111.95	434,434.87	381,434.93	339,334.34	252,886.84
14	Total net cash outflow	303,826.66	232,636.12	193,349.26	197,360.65	267,340.92
15	LCR (%)	130%	187%	197%	172%	95%
Net Stable Funding Ratio						
16	Total available stable funding	1,814,578.80	1,603,646.60	1,406,695.37	1,293,316.40	1,239,867.75
17	Total required stable funding	1,402,622.02	1,293,462.92	1,183,896.88	1,193,723.48	1,165,102.49
18	NSFR (%)	129%	124%	119%	108%	106%

Table 3: Composition of regulatory capital

Tanzania Commercial Bank PLC discloses the composition of its regulatory capital in accordance with the Bank of Tanzania Market Discipline Guidelines, 2023, providing a breakdown of Common Equity Tier 1, Additional Tier 1, and Tier 2 capital components.

This disclosure enables stakeholders to assess the Bank's capital adequacy, quality of capital, and capacity to absorb losses in line with applicable regulatory requirements.

QUANTITATIVE INFORMATION ON CAPITAL ADEQUACY RETURNS AS AT 31ST DECEMBER 2025

(Amount in million shillings)

		31 - Dec - 25	31 - Dec - 24
1	Common Equity Tier 1 capital (CET1): Instruments and reserves	-	-
2	Fully Paid-up Ordinary shares Capital	80,029	80,029
3	Share Premium arising from Ordinary shares	-	-
4	Retained earnings less foreseeable dividends	62,125	36,921
5	Other disclosed reserves;	2,105	2,105
6	Year to date profits of:	-	-
7	Fifty per cent of the year to date profits less foreseeable dividends where accounts are unaudited or;	-	-
8	One hundred percent of the year to date profits, less foreseeable dividends, where accounts have been audited subject to submission of the signed accounts to the Bank;	35,601	31,639
9	CET 1 before Regulatory Adjustments	179,860	150,693
10	Regulatory adjustments applied to CET1:	22,194	15,636
11	Year to date losses;	-	-
12	Goodwill;	-	-
13	Other intangible assets;	-	-
14	Deferred tax assets that rely on future profitability;	15,277	11,814
15	The amount of items where entities with which the bank has reciprocal cross holdings of Common Equity Tier 1 instrument that the Central Bank considers to have been designed to inflate artificially the own funds of the bank;	-	-
16	The amount of items required to be deducted from Additional Tier 1 items that exceed the Additional Tier 1 capital of the bank.	-	-
17	Pre-paid expenses;	6,917	3,822
18	Pre-operating expenses.	-	-
19	Available Common Equity Tier 1	157,665	135,057
20	Additional Tier 1 Capital	-	-
21	Non-cumulative Irredeemable Preference Shares	-	-
22	Share Premium arising from Non-cumulative Irredeemable Preference Shares	-	-
23	Other Qualifying Additional Tier-1 capital instruments plus any related share premium	-	-
24	Additional Tier 1 Capital before regulatory adjustments	-	-
25	Regulatory adjustment applied to Additional Tier 1 capital	-	-
26	The amount of items required to be deducted from Tier 2 items that exceed the Tier 2 capital of the bank.	-	-
27	Other Items Qualifying to be deducted from Additional Tier-1 Capital.	-	-
28	Available Additional Tier 1 Capital	-	-
29	Available Tier 1 Capital	157,665	135,057
30	Tier 2 Capital	-	-
31	Qualifying Tier 2 capital instruments and subordinated loans that meet the conditions stipulated by the Bank.	26,655	-

32	Share premium arising from capital instruments and subordinated loans qualifying as Tier 2 Capital	-	-
33	Instruments issued by consolidate subsidiaries and held by third parties that met the criteriastipulated by the Bank.	-	-
34	General provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk Weighted Assets	-	-
35	Available Tier 2 Capital	26,655	-
36	TOTAL CAPITAL (Tier Capital plus Tier 2 Capital).	184,320	135,057
37	Total Risk Weighted Assets (RWA) as BOT FORM 16-1 Schedule 15 (SUMMARY)	1,332,751	1,104,694
38	Capital Ratios and buffers (in percentage of risk weighted assets)	-	-
39	CET1 to total RWA	11.83%	12.23%
40	Tier-1 capital to total RWA	11.83%	12.23%
41	Total capital to total RWA	13.83%	12.23%
42	Capital conservation buffer	1.83%	0.23%
43	Minimum capital requirements prescribed by the Bank of Tanzania	0.00%	0.00%
44	CET1 to total RWA	8.50%	8.50%
45	Tier-1 capital to total RWA	10.00%	10.00%
46	Total capital to total RWA	12.00%	12.00%
47	Capital conservation buffer (Made of Instrument Qualifying to be included in CET1)	2.50%	2.50%

Table 4: Credit quality of assets

The table below presents the credit quality of the Bank's loans, debt securities and off-balance sheet exposures, showing gross carrying values, allowances or impairments, and net exposure amounts. Exposures are classified as defaulted or non-defaulted in accordance with applicable regulatory and accounting requirements.

ANNUAL CREDIT QUALITY OF ASSETS AS AT 31ST DECEMBER 2025

(Amount in million shillings)

	a	b	c	d
	Gross Carrying Value of:		Allowances/ impairments	Net Value (a+b-c)
	Defaulted Exposure	Non - Defaulted Exposure		
Loan	40,410	1,484,369	26,106	1,498,673
Debt Security	-	328,234	16.40	328,218
Off Balance sheet items	-	325,341	108	325,233
Total	40,410	2,137,944	26,231	2,152,124

Table 5: Standardized approach – credit risk exposure and credit risk mitigation effects

The table below shows the Bank's credit risk exposures by asset class before and after the application of credit conversion factors (CCF) and credit risk mitigation (CRM) techniques. Exposures are presented on both on-balance sheet and off-balance sheet bases. Risk-weighted assets (RWA) and RWA density reflect the regulatory capital requirements applicable to the post-CCF and post-CRM exposures.

**STANDARDIZED APPROACH - CREDIT RISK EXPOSURE AND CREDIT RISK MITIGATION EFFECTS AS AT
31ST DECEMBER 2025**

(Amount in million shillings)

		a	b	c	d	e	f
		Exposure before CCF and CRM		Exposure post CCF and CRM		RWA and RWA destiny	
	Asset Class	On balance sheet amount	Off balance sheet amount	On balance sheet amount	Off balance sheet amount	RWA	"RWA density"
1	Sovereign and their central banks	12,601.81	-	12,602	-	2,520.36	20%
2	Non central government public sector entities	16,485.99	73,115.22	16,486	46,997.74	16,485.99	26%
3	Multilateral development banks	-	-	-	-	-	0%
4	Banks and financial institution	82,841	18,488.00	82,841	13,286.93	41,403	43%
5	Corporates and securities firms	385,586	230,600.18	385,586	175,998.84	571,935	102%
6	Retails	939,681	2,490.89	939,681	1,740.89	495,437	53%
7	Real estate	45,508	5.45	45,508	5.45	34,268	75%
8	Defaulted Exposure	40,410	-	40,410	-	40,410	100%
9	Other Assets	50,536	641.32	50,536	320.66	28,342	56%
10	Total	1,573,650	325,341	1,573,650	238,351	1,230,801	

Table 6: Standardized approach – exposures by asset classes and risk weights

This provide breakdown of the institution's credit exposures by asset class and the applicable regulatory risk weights under the Standardized Approach. It reflects exposures after applying credit conversion factors and credit risk mitigation, forming the basis for calculating risk-weighted assets and capital adequacy requirements.

**STANDARDIZED APPROACH - EXPOSURES BY ASSET CLASSES AND RISK WEIGHTS AS OF
31st DECEMBER 2025**

(Amount in million shillings)

				0%	20%	50%	100%	150%	Total credit exposure amount (post-CCF and post-CRM)
"Sovereigns and their central banks				-	12,601.81	-	-	-	2,520
				20%	50%	100%	150%	Total credit exposure amount (post-CCF and post-CRM)	

"Public sector entities"				-	-	16,485.99	-	16,486	
				0%	20%	50%	100%	150%	Total credit exposure amount (post-CCF and post-CRM)
Multilateral development banks				-	-	-	-	-	-
				20%	30%	50%	75%	100%	Total credit exposure amount (post-CCF and post-CRM)
Banks and financial institution				-	2,778.61	77,909.16	2,152.83	-	40,569
				0%	20%	50%	100%	150%	Total credit exposure amount (post-CCF and post-CRM)
Corporates and securities firms				14,133.44	-	-	371,452.25	-	371,452
				0%	50%	75%			Total credit exposure amount (post-CCF and post-CRM)
Retail				43,579.49	706,555.67	189,545.88	495,437.25		495,437.25
	20%	25%	30%	40%	50%	60%	70%	100%	Total credit exposure amount (post-CCF and post-CRM)
Residential real estate	1,917.53	770.70	433.61	865.09	642.50		17,507.93		13,629.10
"Commercial real estate"						6,830.33		16,540.35	20,638.55
							100%	150%	Total credit exposure amount (post-CCF and post-CRM)

"Defaulted exposures"				-	-	-	40,410.24	-	40,410
				0%	20%	100%	150%	Total credit exposure amount (post-CCF and post-CRM)	
Other Assets				22,194	-	28,342	-	28,342.16	

Table 7: Additional disclosure related to the credit quality of assets

This table enhances transparency on TCB Bank's asset quality by explaining the recognition, measurement, ageing, and restructuring of credit exposures, enabling stakeholders to assess credit risk profile and adequacy of impairment practices.

Category	Disclosure Requirement	TCB Bank Disclosure
Qualitative Disclosures	Scope and definitions of "past due" and "impaired" exposures used for accounting purposes.	Past-due exposures are defined as credit facilities where principal or interest payments remain unpaid beyond the contractual due date. Impaired exposures are those classified as non-performing in accordance with IFRS 9 and the Bank of Tanzania Prudential Regulations, generally where payments are overdue for 90 days or more or where there is objective evidence of credit deterioration.
	Differences, if any, between the definition of past due and default for accounting and regulatory purposes.	The bank applies the Expected Credit Loss (ECL) framework under IFRS 9 for accounting purposes, while regulatory classification follows Bank of Tanzania guidelines. Variances may arise due to staging criteria under IFRS 9 compared to regulatory non-performing loan classification thresholds.
	Extent of past-due exposures (more than 90 days) not considered impaired and reasons.	All exposures exceeding 90 days past due are generally classified as non-performing unless supported by strong collateral and demonstrated recovery prospects. Any exceptions are subject to rigorous case-by-case assessment and approval.
	Description of methods used for determining impairments.	Impairment is determined using the IFRS 9 Expected Credit Loss methodology, incorporating Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD), adjusted for forward-looking macroeconomic factors such as economic growth, inflation, and sector performance.
	The Bank's definition of a restructured exposure.	Restructured exposures refer to facilities where concessions are granted to borrowers experiencing financial difficulty, including rescheduling of payments, extension of tenor, refinancing, or modification of contractual terms to improve recoverability.

Quantitative Disclosures

Geographical Areas Analysis As At 31st December 2025

(Amount in million shillings)

	Region	Gross Exposure	% of Total Portfolio
1	Arusha	72,408	4.75%
2	Coastal	17,052	1.12%
3	Dar es Salaam	646,273	42.38%
4	Dodoma	43,421	2.85%
5	Geita	23,131	1.52%
6	Iringa	24,123	1.58%
7	Kagera	27,289	1.79%
8	Katavi	12,503	0.82%
9	Kigoma	33,204	2.18%
10	Kilimanjaro	14,738	0.97%
11	Lindi	16,191	1.06%
12	Manyara	13,862	0.91%
13	Mara	37,084	2.43%
14	Mbeya	40,076	2.63%
15	Morogoro	30,119	1.98%
16	Mtwara	40,464	2.65%
17	Mwanza	125,582	8.24%
18	Njombe	16,302	1.07%
19	Rukwa	62,129	4.07%
20	Ruvuma	44,034	2.89%
21	Shinyanga	12,551	0.82%
22	Simiyu	14,409	0.95%
23	Singida	8,427	0.55%
24	Songwe	36,669	2.40%
25	Tabora	23,753	1.56%
26	Tanga	64,682	4.24%
27	Pemba	10,109	0.66%
28	Unguja	14,194	0.93%
	Total	1,524,779	100%

Industrial Exposure Analysis As At 31st December 2025

(Amount in million shillings)

Sector	Gross Exposure	% of Total Portfolio
Agriculture	49,445.89	3.24%
Fishing	496.14	0.03%
Forest	11,145.75	0.73%
Hunting	0.00	0.00%
Financial Intermediaries	15,369.09	1.01%
Mining and quarrying	31,655.33	2.08%
Manufacturing	65,513.37	4.30%
Building & construction	72,779.55	4.77%
Real Estate	23,801.57	1.56%
Mortgage	45,997.72	3.02%

Leasing	654.65	0.04%
Transport and communication	103,679.70	6.80%
Trade	209,833.97	13.76%
Tourism	5,957.54	0.39%
Hotels and Restaurants	11,615.16	0.76%
Warehousing and Storage	25,981.65	1.70%
Electricity	2,824.57	0.19%
Gas	3,467.21	0.23%
Water	665.93	0.04%
Education	13,262.27	0.87%
Health	9,522.38	0.62%
Other Services	65,412.59	4.29%
Personal (Private)	755,697.36	49.56%
Total	1,524,779.36	100%

Residual Maturity Analysis As At 31st December 2025

(Amount in million shillings)

Maturity Band	Exposure
Less than 1 year	296,665.73
1 – 3 years	294,953.87
3 – 5 years	226,592.29
Over 5 years	706,567.47
Total	1,524,779.36

Amounts Of Impaired Exposures And Related Allowances And Write Offs By Sector 31st December 2025

(Amount in million shillings)

Sector	Impaired Exposures	Allowances	Write-offs
Agriculture	3,463.65	339.41	163
Building & construction	6,467.26	1,679.13	-
Education	525.01	23.91	-
Electricity	783.88	62.63	-
Fishing	24.75	15.32	-
Gas	159.83	13.37	-
Health	728.31	247.00	-
Hotels and Restaurants	75.39	6.89	-
Manufacturing	114.16	8.38	-
Mining and quarrying	242.54	4.12	-
Mortgage	626.35	240.64	-
Other Services	12.58	1.11	0
Personal	16,780.74	8,115.13	1,834
Trade	10,365.47	1,561.25	1,487
Transport and communication	13,063.65	852.46	6
Warehousing and Storage	234.27	133.01	-
Water	97.31	53.73	-
TOTAL	53,765.15	13,357.49	3,490.98

Ageing Analysis Of Accounting Past-Due Exposures As At 31st December 2025

(Amount in million shillings)

Past Due Band	Outstanding Balance
0 – 30 Days	48,461
31 – 60 Days	12,418
61 – 90 Days	8,571
Over 90 Days	29,264
Total Past Due	98,714

f) Restructured Exposures

Breakdown Of Restructured Exposures Between Impaired And Not Impaired Exposures As At 31st December 2025

(Amount in million shillings)

Category	Amount
Performing Restructured Loans	59,589
Non-Performing Restructured Loans	7,542
Total Restructured Portfolio	67,132

Table 8: Qualitative disclosure requirements related to credit risk mitigation techniques

This disclosure outlines the bank's approach to mitigating credit risk through enforceable netting arrangements, prudent collateral management including the use of government bonds and other securities and ongoing monitoring of concentration risks associated with credit risk mitigation instruments.

Area of Disclosure	Disclosure
Core features of policies and processes for on- and off-balance sheet netting, and the extent of use.	The bank applies legally enforceable netting arrangements, where appropriate, to mitigate counterparty credit exposures arising from eligible on- and off-balance sheet transactions. Netting is undertaken in accordance with approved internal policies and supported by standard legal agreements to ensure enforceability under applicable laws and regulations. The extent of netting is regularly reviewed as part of the Bank's risk management framework.
Core features of policies and processes for collateral evaluation and management.	The bank maintains a robust collateral management framework governing the eligibility, valuation, documentation, and monitoring of collateral pledged against credit facilities. Eligible collateral includes cash deposits, government securities, treasury bonds and bills, and immovable property, among other approved instruments. Collateral is valued at origination and periodically revalued using prudent market-based approaches, with appropriate haircuts applied to ensure adequate risk coverage.
Information about market or credit risk concentrations under credit risk mitigation instruments.	The bank monitors and manages concentration risks arising from credit risk mitigation instruments by analysing exposures across collateral types, including real estate and debt securities such as government bonds, as well as by guarantor categories and sectors. Concentration limits are established in line with the bank's risk appetite and are regularly reported to Senior Management and the Board Credit Committee to ensure diversification and effective risk control.

Table 9: Credit risk mitigation (CRM) techniques – overview

This table provides an overview of the extent to which the Bank's credit exposures are protected by eligible collateral and guarantees, thereby reducing residual credit risk.

Credit Risk Mitigation (Crm) Techniques - Overview As At 31st December 2025

(Amount in million shillings)

	a	b	c
	Exposures carrying amount	Exposures secured by eligible collateral	exposures not secured by eligible collateral
Loans	1,498,565	798,943	699,622
Debt Securities	328,234		328,234
Total	1,826,799		1,826,799
Of Which defaulted	40,410		40,410

Table 10: Operational risk – Qualitative disclosures

This disclosure outlines the bank's approach to identifying, assessing, monitoring, and reporting operational risk using defined governance structures and risk management tools.

Area	Disclosure Description (TCB Bank)
Policies, frameworks and guidelines for the management of operational risk	The bank has established an Operational Risk Management Policy approved by the Board of Directors, which sets out the principles for identifying, assessing, monitoring, and mitigating operational risks arising from people, processes, systems, and external events. The Policy is aligned with applicable regulatory requirements and is reviewed periodically to ensure continued effectiveness.
Structure and organization of the operational risk management and control function	Operational risk oversight is undertaken by the Risk and Compliance Function, which operates independently from business units and provides centralized coordination of risk management activities. Business units are responsible for managing risks within their operations, while the Risk and Compliance Function provides guidance, oversight, and monitoring to ensure adherence to the Bank's risk management framework.
Operational risk measurement system	The bank monitors operational risk through established risk management tools including Risk and Control Self-Assessments (RCSAs), an incident management system, and a centralized risk register for risk identification. Operational risk exposures are assessed through stress testing and scenario analysis, while ongoing monitoring is supported by Key Risk Indicators (KRIs) and oversight from the Risk and Compliance Committee and the Board Audit, Risk and Compliance Committee. These mechanisms collectively support the evaluation of operational risk and inform the determination of the regulatory capital charge, with regular operational risk reports prepared for compliance and stakeholder communication.
Scope and main context of reporting to executive management and the Board	Operational risk matters are reported periodically by the Risk and Compliance Function to Senior Management and the Board Audit, Risk and Compliance Committee. Reporting includes key risk indicators, incident analyses, control issues, and mitigation actions to support informed oversight and decision-making.

Table 11: Operational risk – Quantitative disclosures

This disclosure presents the calculation of the bank's operational risk capital requirement using the Business Indicator (BI) approach, as prescribed by regulatory guidelines. It provides transparency on the financial components used to measure operational risk exposure and demonstrates how the resulting Risk-Weighted Assets are derived to support the Bank's capital adequacy assessment.

Minimum Required Operational Risk Capital As At 31st December 2025

(Amount in million shillings)

a	BI and its subcomponents	T (2023)	T - 1 (2024)	T - 2 (2025)
1	Interest, lease and dividend component	24,318	31,062	42,442
1a	"Interest and lease income "	152,034	188,112	217,438
1b	"Interest and lease expense "	57,430	64,012	98,945
1c	"Interest earning assets "	1,080,778	1,380,548	1,886,332
1d	" Dividend income "	-	-	-
2	Services component	42,139	47,574	69,973
2a	Fee and commission income	32,186	38,198	55,468
2b	Fee and commission expense	22,363	32,773	24,504
2c	Other operating income	9,953	9,375	14,505
2d	Other operating expense	-107,965	-128,611	-141,249
3	Financial component	-	-	-
3a	Net P&L on the trading book	-	-	-
3b	Net P&L on the banking book	-	-	-
4	BI	66,457	78,636	112,416
5	Marginal Coefficient (a)	12%	12%	12%
6	Business indicator component (BIC)	7,975	9,436	13,490
7	"Conversion Factor (Reciprocal of Total Capital Ratio) "	8.33	8.33	8.33
8	"Risk Weighted Assets for Operational Risk "	66,430	78,604	112,371

12: Market risk

A. Qualitative Disclosures

This table explains how the bank identifies, manages, and governs market risk exposures to ensure that market-related activities are conducted within approved limits and aligned with the bank's risk appetite framework.

Area	Disclosure Description
Market risk management objectives and strategy	The bank's objective in managing market risk is to safeguard earnings and capital from adverse movements in interest rates, foreign exchange rates, and other market variables while supporting sustainable business growth. Market risk is managed within approved risk appetite limits and in compliance with regulatory requirements.
Processes to identify, measure, monitor and control market risk	Market risk is identified and measured through established risk management practices including sensitivity analysis, exposure monitoring, and limit controls. Independent oversight is provided by the Risk and Compliance Function to ensure that exposures remain within approved thresholds.
Policies for hedging and monitoring effectiveness	Where appropriate, the bank applies risk mitigation strategies to manage market exposures. The effectiveness of these strategies is periodically reviewed to ensure alignment with risk management objectives.
Description of trading activities and structure	The bank undertakes limited trading activities mainly for balance sheet management and customer-driven transactions. Such activities are conducted within defined limits and are subject to oversight to ensure consistency with the Bank's overall risk management framework.
Criteria for classification of positions (trading vs. banking book)	Positions are classified based on their purpose and holding intention in accordance with internal policy and regulatory guidance. Assets held for liquidity management or long-term investment are recorded in the banking book.
Structure and organisation of the market risk management function	Market risk oversight is performed by the Risk and Compliance Function, which independently monitors exposures and reports to Senior Management and the Board Audit, Risk and Compliance Committee.
Governance structure	The Board of Directors provides oversight through the Board Audit, Risk and Compliance Committee, while Senior Management implements approved strategies, policies, and limits to ensure effective market risk management.
Scope and nature of risk reporting and measurement systems	Market risk exposures are monitored and reported periodically through internal reports detailing key exposures, limit utilisation, and emerging risks to support informed decision-making.

B. Quantitative Disclosures

The table below presents the capital charges for market risk calculated using the simplified standardized approach. The disclosed amounts cover interest rate risk, equity risk, and foreign exchange risk, in accordance with applicable regulatory requirements.

Capital Charge In Simplified Standard Method As At 31st December 2025

(Amount in million shillings)

Interest Rate Risk	-
Equity Risk	-
Foreign Exchange Risk	599

Table 13: Interest rate risk in the banking book

A. Qualitative Disclosures

The table explain how the bank measures and manages interest rate risk to ensure its earnings and value remain protected from changes in market interest rates

Area	Disclosure Description
Nature of IRRBB, key assumptions, and frequency of measurement	Interest Rate Risk in the Banking Book (IRRBB) arises from adverse movements in market interest rates affecting the bank's earnings and economic value. The bank measures IRRBB using repricing gap analysis and sensitivity analysis under defined interest rate shock scenarios. Key assumptions include expected loan prepayment behavior, stability of non-maturity deposits, and balance sheet repricing characteristics. IRRBB is measured periodically and results are reviewed by Management and the Board Audit, Risk and Compliance Committee to ensure exposures remain within approved risk appetite limits.

B. Quantitative Disclosures

To explain how the bank measures and manages interest rate risk to ensure its earnings and value remain protected from changes in market interest rates.

Currency	Impact on Earnings (Upward Shock)	Impact on Earnings (Downward Shock)	Impact on Economic Value
TZS	(1,046.74)	1,046.74	104,673.69
USD	-	-	-
GBP	-	-	-
EUR	-	-	-
KES	-	-	-
UGX	-	-	-
ZAR	-	-	-
Total	(1,046.74)	1,046.74	104,673.69

Table 14: Leverage Ratio

Table shows the Bank's capital strength relative to its total exposures, providing a simple, non-risk-based safeguard against excessive leverage.

(Amount in million shillings)

Item	Amount
Capital Measure:	
Tier 1 Capital	157,665.26
Exposure Measure:	
On-balance Sheet Exposures (at accounting value)	2,274,808.28
Less: Items Deducted from Tier 1 Capital (if applicable)	22,194.32
Adjusted On-balance Sheet Exposures	2,252,613.97
Off-balance Sheet Exposures (after Credit Conversion Factors)	238,350.51
Total Exposure Measure	2,513,158.79
Leverage Ratio (%) = Tier 1 Capital ÷ Total Exposure Measure	6.33%

Table 15: Liquidity Coverage Ratio

This Table demonstrate the Bank's ability to withstand short-term liquidity stress by maintaining sufficient High Quality Liquid Assets (HQLA) to meet its net cash outflows over a 30-day period, ensuring ongoing financial stability and compliance with regulatory requirements.

Liquidity Coverage Ratio As At 31st December 2025

(Amount in million shillings)

S/NO	PARTICULARS	Outstanding Amount	Factor	Net Amount
a	b	c	d	e
1	Stock of High Quality Liquid Assets (HQLA)	0%	0	0
2	Cash (notes and coins)	49,097	100%	49,097
3	Balances with Bank of Tanzania to the extent that these balances can be drawn down in times of stress ¹	91,267	100%	91,267
4	Balances with Other banks and Interbank Loan Receivable callable on demand or with a maturity of less than 30 days	80,838	100%	80,838
5	Unencumbered Government securities maturing within 1 year	177,800	95%	168,910
6	Unencumbered Government securities maturing after 1 year	5,000	80%	4,000
7	Total high quality liquid assets	404,007	0%	394,112
8	Cash Outflows	-		-
9	Demand deposits	435,534	10%	43,553
10	Savings deposits	634,034	10%	63,403
11	Time deposits (maturing in 30 days)	56,637	100%	56,637
12	Deposits from banks and financial institutions (maturing in 30 days)	144,948	100%	144,948
13	Derivatives cash outflows (sum of all net cash outflows due within 30 days)	-	100%	-
14	All other contractual cash outflows (maturing in 30 days)	-	100%	-
15	Undrawn and unexpired overdrafts	21,029	30%	6,309
16	Undrawn balances of loans	-	10%	-
17	Other contingent funding liabilities (such as guarantees and letters of credit)	241,167	5%	12,058
18	Total cash outflows	1,533,348		326,908
19	Cash Inflows			
20	Loans and advances (maturing within 30 days)	46,163	50%	23,082
21	Due from banks and financial institutions (maturing in 30 days)	0	100%	0
22	All other contractual cash inflows (maturing in 30 days)	0	100%	0
23	Net derivatives cash inflows	0	100%	0
24	Total cash inflows	46,163		23,082
25	Total net cash outflows = Total cash outflows minus the lower of total cash inflows and 75% of gross outflows	0	0	303,827
26	Liquidity Coverage Ratio = (Total high quality liquid assets)/(Total net cash outflows)	0	0	130%

Table 16: Net Stable Funding Ratio

The Table assess the Bank's long-term liquidity resilience by ensuring that stable funding sources are sufficient to support its assets and off-balance sheet activities over a one-year horizon, thereby reducing reliance on short-term funding and promoting sustainable balance sheet management in line with regulatory requirements.

Net Stable Funding Ratio as at 31st December 2025

(Amount in million shillings)

S/NO	PARTICULARS	Carrying Amount	Factor	Weighted Amount(B*C)
a	b	c	d	e
1	Available Stable Funding (ASF)	0		-
2	Common equity Tier 1	157,665	100%	157,665
3	Additional Tier 1	-	100%	-
4	Tier 2 Capital (excluding Tier 2 instruments with residual maturity of less than one year)	26,655	100%	26,655
5	Borrowings and liabilities with maturities of one year or more	726,553	100%	726,553
6	Stable demand and/or term deposits from retail and small business customers with residual maturity of less than one year.	662,852	95%	629,709
7	Less stable demand and/or term deposits from retail and small business customers with residual maturity of less than one year.	187,170	90%	168,453
8	Funding with residual maturity of less than one year provided by non-financial corporate customers	17,180	50%	8,590
9	Operational Deposits	136,254	50%	68,127
10	Funding with residual maturity of less than one year from sovereigns, public sector entities (PSEs), and multilateral and national development banks	57,652	50%	28,826
11	Other funding maturing within a period of six months to one year and not included in the line items above, including funding provided by central banks and financial institutions, including banks within the same cooperative network	-	50%	-
12	Deferred tax liabilities (if the effective maturity of the liability greater than one year).	-	100%	-
13	Deferred tax liabilities maturing within a period of six months to one year.	-	50%	-
14	Deferred tax liabilities maturing within six months.	-	50%	-
15	"Minority Interest – If perpetual or with effective maturity of greater than or equal to one year"	-	100%	-
16	Minority Interest with residual maturity between six months and less than one year.	-	50%	-
17	Minority Interest with effective maturity of less than six months.	-	0%	-

18	All other liabilities and equity not included in the above categories, including liabilities without a stated maturity.	302,827	0%	-
19	NSFR derivative liabilities net of NSFR derivative assets if NSFR derivative liabilities are greater than NSFR derivative assets	-	0%	-
20	NSFR derivative liabilities (derivative liabilities less total collateral posted as variation margin on derivative liabilities).	-	0%	-
21	"Trade date" payables arising from purchases of financial instruments, foreign currencies	-	0%	-
22	Total Available Stable Funding (ASF) [sum (1)-(21)]	-	0	1,814,579
23	Required Stable Funding (RSF)	-	0	-
24	On-balance sheet	-	0	-
25	Cash	49,097	0%	-
26	Balances with Bank of Tanzania (All balances including Statutory Minimum Reserve).	216,126	0%	-
27	Claims on Bank of Tanzania with residual maturities of less than six months.	-	0%	-
28	Receivables arising from sales of financial instruments and foreign currencies.	-	0%	-
29	Unencumbered HQLA excluding cash and balance with the Bank of Tanzania.	177,800	5%	8,890
30	Unencumbered loans to banks and financial institutions with residual maturities of less than six months, where the loan is secured against Level 1 assets, where a bank or financial institution has the ability to freely rehypothecate the received collateral	-	10%	-
31	All other unencumbered loans to banks and financial institutions with residual maturities of less than six months not included in the above categories.	63,368	15%	9,505
32	HQLA encumbered for a period of six months or more and less than one year.	16,000	50%	8,000
33	Loans to Bank of Tanzania, banks and financial institutions with residual maturities between six months and less than one year.	-	50%	-
34	Deposits held at other banks and financial institutions for operational purposes	52,443	50%	26,222
35	All other assets not included in the above categories with residual maturity of less than one year.	-	50%	-
36	Unencumbered residential mortgages with a residual maturity of one year or more and with a risk weight of less than or equal to 75%.	22,453	65%	14,595
37	Other unencumbered loans not included in the above categories, excluding loans to banks and financial institutions, with a residual maturity of one year or more and with a risk weight of less than or equal to 50%.	828,607	65%	538,595

38	Cash, securities or other assets posted as initial margin for derivative contracts and cash or other assets provided to contribute to the default fund of a Central Counter Party.	-	85%	-
39	Other unencumbered performing loans with risk weights greater than 50% and residual maturities of one year or more, excluding loans to banks and financial institutions.	374,584	85%	318,396
40	Unencumbered securities that are not in default and do not qualify as HQLA with a remaining maturity of one year or more and exchange-traded equities	-	85%	-
41	Physical traded commodities, including gold	-	85%	-
42	All other assets that are encumbered for a period of one year or more	134,418	100%	134,418
43	Derivative assets net of derivative liabilities if derivative assets are greater than derivative liabilities.	-	100%	-
44	All other assets not included in the above categories, including non-performing loans, loans to banks and financial institutions with a residual maturity of one year or more, non-exchange-traded equities, fixed assets, items deducted from regulatory capital, retained interest, insurance assets, subsidiary interests and defaulted securities.	339,911	100%	339,911
45	Off-balance sheet	-	0	-
46	Irrevocable and conditionally revocable credit and liquidity facilities to any client	-	5%	-
47	Unconditionally revocable credit and liquidity facilities	-	5%	-
48	Trade finance-related obligations (including guarantees and letters of credit)	303,915	1%	3,039
49	Guarantees and letters of credit unrelated to trade finance obligations	-	1%	-
50	Other non-contractual obligations	-	1%	-
51	All other off balance-sheet obligations not included in the above categories.	21,029	5%	1,051
52	Total Required Stable Funding (RSF) [sum (22)-(47)]	-	-	1,402,622
53	Net Stable Funding Ratio = (Total available stable funding)/(Total required stable funding) [B/D]	-	-	129%

Name and Title	Signature	Date
Mary Lyimo Chief Manager Accounting	Signed	13.04.2026
Masala Ndobho Korroso Director of Risk and Compliance	Signed	13.04.2026



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