



Integrated
Annual Report | **20
25**

**Digital First,
Financial Inclusion**

Report Overview

About this Report

Co-operative Bank Tanzania Plc's 2025 Integrated Annual Report presents a balanced account of how the Bank created and preserved value during the year ended 31 December 2025. It brings together our financial performance, strategic progress, governance, risk management, operational delivery, stakeholder relationships and sustainability priorities within one connected narrative.

The report explains not only what the Bank achieved during the year, but also how those results were delivered and how they support our long-term ambition. It considers the resources and relationships on which the Bank depends, the operating environment in which we conduct our business and the opportunities, risks and trade-offs that influenced our decisions.

The year 2025 was significant in the Bank's institutional development. It marked the first full reporting period following the integration of the predecessor cooperative banking institutions and the establishment of a stronger national platform dedicated to serving cooperatives, individuals, businesses and communities across Tanzania. The report therefore captures both the Bank's financial and operational performance and the progress made in building the capabilities, systems and governance structures required to support sustainable growth.

Our integrated reporting approach reflects the understanding that financial performance cannot be considered in isolation. The long-term strength of the Bank also depends on the quality of its governance, the resilience of its operations, the capabilities and well-being of its people, the trust of its customers, the strength of the cooperative movement and the responsible management of social and environmental matters.



Reporting Scope and Boundary

This report covers the financial year from 1 January to 31 December 2025 and relates to the activities and performance of Co-operative Bank Tanzania Plc.

The reporting boundary includes the Bank's operations, governance structures, employees, products, services, delivery channels and stakeholder relationships within Tanzania. It covers the matters that materially influenced the Bank's ability to implement its strategy and create value during the reporting period.

The financial information is presented in accordance with the reporting boundary applied in the audited financial statements. Where information relates to a specific business unit, customer segment, branch, programme or operational activity, this is indicated in the relevant section of the report.

The report covers both financial and non-financial performance, including:

- strategic execution and progress against the Bank's priorities
- financial position and financial performance
- lending, deposits and customer growth
- capital, liquidity and asset quality
- operational performance and service delivery
- technology and digital-channel development
- governance, ethics and regulatory compliance
- risk management and operational resilience
- employee development, culture and well-being
- stakeholder engagement and material matters
- financial inclusion and support for cooperatives
- social and environmental responsibility
- the Bank's outlook and future priorities

The 2025 Integrated Annual Report has been prepared with reference to applicable statutory, regulatory and financial-reporting requirements and internationally recognised reporting principles.

The Bank has considered the following in preparing the report:

- applicable laws and regulations governing companies and banking institutions in Tanzania
- requirements and guidance issued by the Bank of Tanzania
- International Financial Reporting Standards
- the principles of integrated reporting
- generally accepted corporate-governance practices
- relevant sustainability-reporting principles
- the Bank's internal policies, strategies and governance frameworks

The audited financial statements have been prepared in accordance with the financial-reporting basis described in the notes to the financial statements. Detailed accounting policies, significant judgements, estimates and financial disclosures are presented within the audited financial statements section of this report.

The integrated narrative has been developed around the principles of strategic focus, connectivity of information, stakeholder relationships, materiality, conciseness, reliability, completeness and consistency. These principles help demonstrate how the Bank's strategy, governance, performance and prospects are connected.

The report also considers the principal resources and relationships that support the Bank's business model. These include financial resources, people and organisational capabilities, technology and operating infrastructure, institutional knowledge, stakeholder relationships and the natural environment.

The Bank applies the principle of materiality in determining the depth and prominence given to each matter. Information is included where it is considered relevant to stakeholders' assessment of the Bank's performance, governance, prospects or long-term value-creation capacity.

The report should be read together with the audited financial statements and their accompanying notes. The comparative financial information for 2024 relates to the applicable prior reporting period and should be interpreted in the context of the Bank's institutional restructuring and reporting history.

Any significant developments occurring after 31 December 2025 and before the approval of this report are disclosed where they are relevant to stakeholders' understanding of the Bank's financial position, operations or future prospects.

Reporting Frameworks and Standards

Although these resources are discussed separately in some sections, they are interconnected. For example, investment in technology supports service reliability and customer access; employee capability strengthens execution and risk management; sound governance protects financial capital and stakeholder trust; and responsible lending contributes to economic and social development.

The Bank continues to strengthen its reporting processes and intends to progressively enhance the measurement and disclosure of non-financial performance. This includes developing clearer performance indicators, strengthening data ownership and improving the connection between strategic priorities, material matters, risks and stakeholder outcomes.



Materiality and Stakeholder Considerations

The report focuses on matters that could materially affect the Bank's ability to create, preserve or erode value over time. Material matters are identified through an assessment of the Bank's strategy, operating environment, performance, risks, stakeholder expectations and governance priorities. The process considers both the significance of a matter to stakeholders and its potential effect on the Bank's business model, reputation, financial performance and long-term sustainability.

Inputs considered in determining material matters include:

- Board and management discussions
- strategic and business-planning processes
- risk assessments and compliance reviews
- financial and operational performance
- customer feedback and service data
- employee engagement and workplace priorities
- engagement with cooperatives and cooperative institutions
- regulatory developments
- market and economic conditions
- internal and external audit findings
- technology and cybersecurity developments
- social and environmental considerations

The Bank recognises that its success depends on

maintaining constructive relationships with the stakeholders who influence or are affected by its activities. Our principal stakeholders include shareholders, cooperative societies, customers, employees, regulators, business partners, suppliers, communities and the Government.

Engagement with these stakeholders helps the Bank understand their needs, expectations and concerns. It also informs strategy, product development, service improvement, risk management and resource allocation.

During 2025, stakeholder considerations included access to appropriate and affordable financial services, service reliability, digital convenience, data security, responsible lending, transparent communication, employee development, effective governance and the Bank's contribution to the cooperative sector and national economic development.

The Board and Management considered these matters when setting priorities and making decisions during the year. Responses included strengthening the Bank's capital and institutional platform, investing in technology and operational capabilities, expanding customer access, enhancing risk and control systems, supporting employee development and deepening engagement with the cooperative movement.

Materiality does not mean that matters outside the report are unimportant. Rather, it enables the Bank to focus the report on the issues most relevant to stakeholders' understanding of the institution and its prospects.

The Bank will continue refining its materiality-assessment process as its operations mature, stakeholder engagement expands and the availability of reliable non-financial data improves.



Board Responsibility Statement

The Board of Directors acknowledges its responsibility for the integrity of Co-operative Bank Tanzania Plc's 2025 Integrated Annual Report.

The Board has applied its collective judgement in overseeing the preparation and presentation of the report. It has considered whether the report provides a balanced and understandable account of the Bank's strategy, governance, performance, risks, opportunities and prospects for the year ended 31 December 2025.

The Board is responsible for ensuring that appropriate governance arrangements and internal controls support the preparation of reliable financial and non-financial information. Management is responsible for establishing and maintaining the systems, processes and controls through which the information contained in this report is collected, reviewed and reported.

The Board, supported by its committees, has reviewed the report and considered the completeness of the material matters presented, the connectivity between the Bank's strategy and performance and the consistency of the report with information submitted to the Board during the year.

The Board has also considered whether the report fairly reflects the Bank's business model, operating context and ability to create sustainable value for shareholders and other stakeholders.

On the basis of its review, the Board believes that the report presents a fair and balanced account of the Bank's performance and position for the reporting period and addresses the matters considered material to its long-term success.

Contents

Report Overview	2
Acronyms & Abbreviation	8
2025 at a Glance	10



ABOUT COOP BANK TANZANIA	17
About Co-operative Bank Tanzania	18
Management Team	24

LEADERSHIP PERSPECTIVES	27
Chairman's Statement	28
TAARIFA YA MWENYEKITI WA BODI	32
Managing Director's Statement	36
Taarifa ya Mkurugenzi Mtendaji	40

OUR OPERATING ENVIRONMENT	45
Tanzania's Economic Environment	46
BANKING SECTOR DEVELOPMENTS	48
Cooperative Sector Trends	49
Regulatory Developments	50
Customer and Technology Trends	52
Opportunities and Challenges	54
Outlook for 2026	56

OUR BUSINESS MODEL	59
How We Create Value	60
Key Resources and Relationships	62
Our Activities	64
Our Outputs and Outcomes	66
Value Created for Stakeholders	68
Trade-Offs and Dependencies	70

OUR STRATEGY	73
Strategic Direction	74
Strategic Priorities	76
2025 Strategic Progress	78
Key Investments	80
Strategic Performance Scorecard	81
Progress Against Targets	82
Priorities for 2026	84



STAKEHOLDER ENGAGEMENT	87
Our Key Stakeholders	88
How We Engage	90
Stakeholder Expectations	92
How we Responded in 2025	94
How we Responded in 2025	96
Key Issues Raised	97

MATERIAL MATTERS	101
Materiality Assessment Process	102
2025 Material Matters	104
Matters that became more prominent in 2025	105
Materiality Matrix	106
Link to Strategy Risks and Stakeholders	108
Management Response	109

PERFORMANCE REVIEW	111
Head of Finance & Strategy's Statement	112
Taarifa ya Mkuu wa Fedha na Mkakati	116
Personalized Banking	120
Business & Cooperative Banking	122
Treasury and Investments	126
Digital and Alternative Channels	128
Credit Report	130

OUR PEOPLE AND CULTURE	133
People and Culture	134

SUSTAINABILITY AND IMPACT	139
Economic Impact	140
Social Impact	143
Environmental Responsibility	145
Sustainable Development Goals	147

GOVERNANCE	151
Brief Directors' Profiles	160

STRATEGIC RISK MANAGEMENT	169
Risk Management	170

INTERNAL CONTROL AND ASSURANCE	179
---------------------------------------	------------

AUDITED FINANCIAL STATEMENTS	187
-------------------------------------	------------



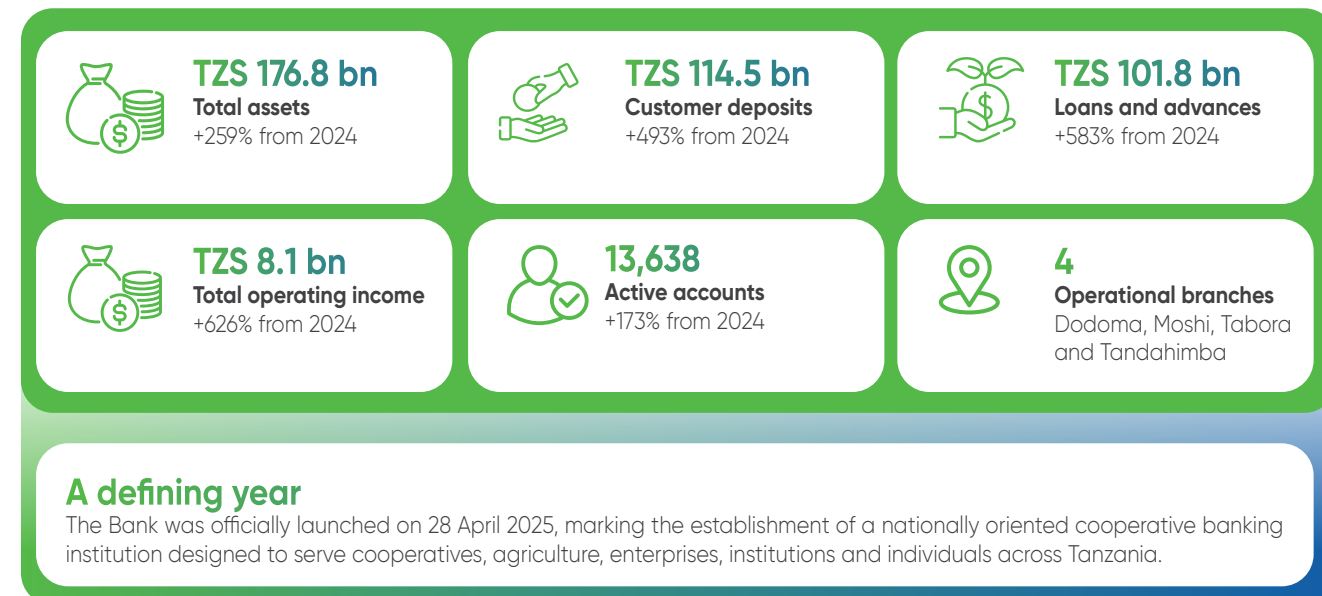
Acronyms & Abbreviation

Abbreviation	Meaning
AMCOS	Agricultural Marketing Cooperative Societies
BOT	Bank of Tanzania
CEO	Chief Executive Officer
COOP Net	Co-operative Bank Internet Banking Platform
COOP Wakala	Co-operative Bank Agency Banking Service
COOPesa	Co-operative Bank Mobile Banking Platform
CRDB	CRDB Bank Plc
ECL	Expected Credit Loss
EFT	Electronic Funds Transfer
GEPI	Government Electronic Payment Gateway
IFRS	International Financial Reporting Standards
IFRS S1	IFRS Sustainability Disclosure Standard S1 – General Requirements for Disclosure of Sustainability-related Financial Information
IFRS S2	IFRS Sustainability Disclosure Standard S2 – Climate-related Disclosures
KCBL	Kilimanjaro Cooperative Bank Limited
MSMEs	Micro, Small and Medium-sized Enterprises
NIDA	National Identification Authority
NPL	Non-Performing Loan
RTGS	Real-Time Gross Settlement
SACCOS	Savings and Credit Cooperative Societies
SMEs	Small and Medium-sized Enterprises
SWIFT	Society for Worldwide Interbank Financial Telecommunication
TIPS	Tanzania Instant Payment System
TISS	Tanzania Interbank Settlement System
TZS	Tanzanian Shilling



2025 at a Glance

Growth with purpose | Stronger reach | A platform for lasting value



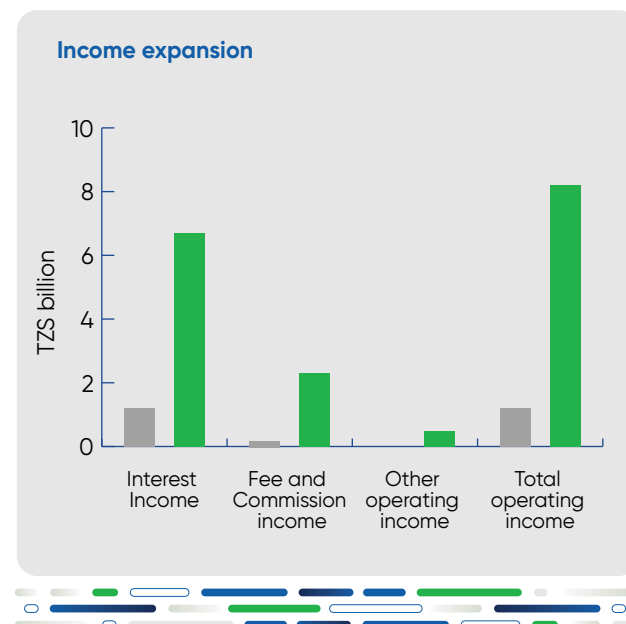
OVERVIEW

A year of scale, investment and institutional transformation

In 2025, Co-operative Bank Tanzania Plc moved from institutional establishment to active market execution. The year combined rapid balance sheet expansion, broader customer reach, accelerated lending, new digital channels, a strengthened workforce and continued investment in governance, technology and service infrastructure. These achievements established a stronger platform for inclusive growth and future profitability.

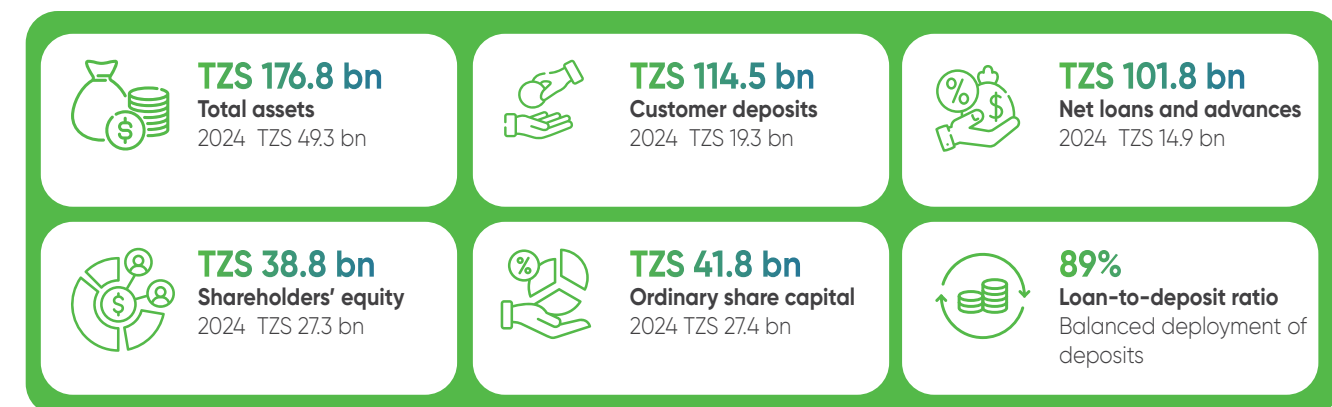
How to read this section

All financial figures are drawn from the audited financial statements for the year ended 31 December 2025. Operational, customer, people and sustainability highlights are based on the Bank's verified management and departmental reports. Where no audited quantitative metric was available, progress is described qualitatively.



FINANCIAL STRENGTH

Key Financial Highlights



The balance sheet expanded more than threefold as the Bank mobilised deposits, increased lending and strengthened its investment and liquidity positions. Customer deposits became the principal source of funding, while the loan book grew substantially to support cooperatives, agriculture, SMEs, institutions, employees and retail customers.

EXECUTION

Key Operational Highlights

Official national launch

The Bank was officially launched on 28 April 2025, strengthening visibility, credibility and stakeholder confidence.

Digital channels introduced

COOPesa mobile banking, COOP Net internet banking and COOP Wakala agency banking expanded the ways customers could access services.

National payment connectivity

The Bank advanced connections to GEPG, EFT and cheque clearing, TISS or RTGS, TIPS, RTSIS, SWIFT and NIDA.

Branch infrastructure strengthened

Operations were delivered through Dodoma, Moshi, Tabora and Tandahimba, supported by investment in systems networks and service infrastructure.

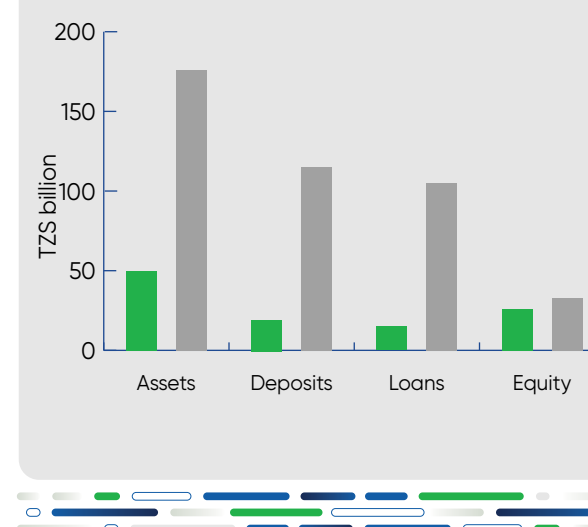
Credit governance reinforced

Credit committees, portfolio monitoring and IFRS 9 expected credit loss processes supported disciplined lending growth.

Operational resilience enhanced

The Bank strengthened system security, user controls, service monitoring, disaster recovery planning and technology governance.

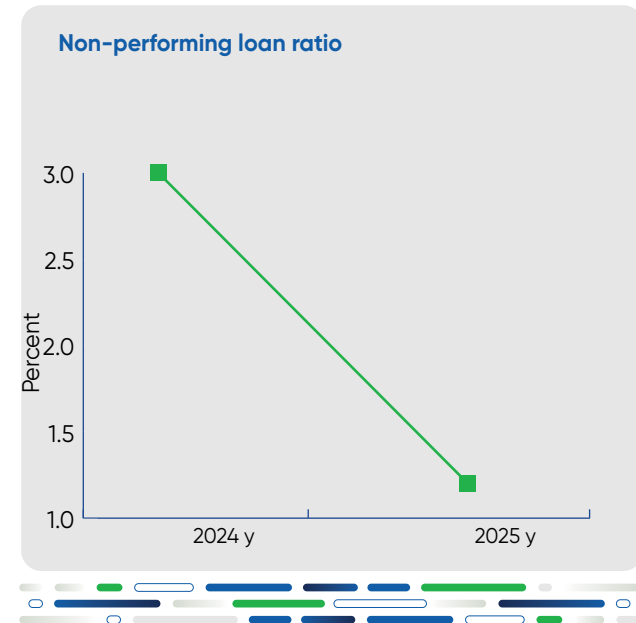
Balance sheet growth



Income grew strongly alongside the balance sheet. Interest income reached TZS 6.64 billion, fee and commission income reached TZS 2.23 billion and other operating income was TZS 503.5 million. Total operating income rose to TZS 8.10 billion.

Investment year

The Bank recorded a loss before tax of TZS 2.73 billion and a loss after tax of TZS 2.73 billion. This reflected the cost of scaling the institution, including employee, technology, branch, systems and administrative investments required to support the Bank's national growth agenda.



Asset quality remained strong despite the rapid expansion of the loan portfolio. The non-performing loan ratio improved to 1.2% from 3.0% in 2024 and remained below the regulatory maximum of 5%.

REACH AND RELEVANCE

Customer and Market Highlights

 13,638 Active customer accounts A wider and more engaged customer base	 4 Operational branches Serving four strategic locations in 2025	 3 Core alternative channels COOPesa, COOP Net and COOP Wakala
 TZS 114.5 bn Customer deposits Evidence of rising market confidence	 TZS 101.8 bn Customer lending Capital channelled to productive activity	 National Market ambition A cooperative-led commercial banking proposition

The Bank continued to serve cooperatives, farmers, SACCOS, AMCOS, SMEs, MSMEs, government institutions, businesses, employees, women, youth and individual customers. Product and service development focused on practical financial needs across agriculture, enterprise, payments, savings, asset finance, personal banking and bancassurance.

A distinctive market position

Co-operative Bank Tanzania combines a cooperative ownership heritage with a commercial banking model. This enables the Bank to connect community-based institutions and productive value chains with formal finance, digital services and long-term economic opportunity.



MOBILISE Deposits and capital	CONNECT Branches and digital
FINANCE Loans and investments	ENABLE Production and trade
CREATE VALUE Inclusive growth	

CAPABILITY AND CULTURE

People Highlights

 95 Employees at year-end Up from 35 in 2024	 171% Workforce growth Capacity added for expansion	 TZS 3.30 bn Employee benefit expense Reflecting the enlarged workforce
 4 Branch teams Supported by Head Office in Dodoma	 Strategic Talent recruitment Experienced professionals added	 Performance-led Culture direction Teamwork, agility and accountability

The Bank expanded its workforce from 35 employees in 2024 to 95 employees in 2025 to support its larger balance sheet, growing branch network, broader product portfolio, strengthened control environment and technology agenda. Recruitment was complemented by the strategic reallocation of experienced staff across branches and Head Office to improve service delivery and build capability in growth areas.

People as a growth enabler

Investment in people was essential to the Bank's transformation. The priority was not simply to increase headcount, but to create the operational, commercial, risk and technical capacity needed to serve customers responsibly as the institution scaled.



INCLUSIVE AND RESPONSIBLE BANKING

Sustainability Highlights

In 2025, the Bank's sustainability contribution was most visible through its core business model. Deposit mobilisation, responsible financial intermediation, digital access, cooperative sector support and financing for productive activity formed the principal channels through which the Bank created economic and social value.

Reporting maturity

The Bank is progressively strengthening its sustainability data systems and its alignment with IFRS S1 and IFRS S2. Quantitative environmental and climate metrics remain under development and have therefore not been presented as established 2025 outcomes.

Financial inclusion

Expanded access for cooperatives, farmers, SMEs, women, youth and customers in underserved and agriculture-dependent markets.

Responsible lending

Maintained disciplined credit assessment, portfolio monitoring and strong asset quality while rapidly increasing productive lending.

Digital access

Introduced mobile, internet and agency banking channels that reduce the time and cost of accessing financial services.

Cooperative development

Strengthened the role of cooperatives as channels for savings, finance, production, market participation and shared economic value.

Governance and resilience

Continued strengthening Board oversight, risk management, compliance, cybersecurity, business continuity and internal controls.



ACCESS

Geographic and Service Network

DODOMA
Head Office and branch

MOSHI
Northern service point

TABORA
Western growth market

TANDAHIMBA
Southern cooperative market

During 2025, the Bank operated through four branches located in Dodoma, Moshi, Tabora and Tandahimba. The network connected central, northern, western and southern markets and provided physical access to customers in important cooperative, agricultural, institutional and commercial centres.



Branches

Face-to-face advisory, account and transaction services



COOPesa

Mobile access to banking services and payments



COOP Net

Internet banking for retail and institutional customers



COOP Wakala

Agency banking designed to extend reach beyond branches



National rails

Integration with key payment and identity systems



Partnerships

Channels for asset finance, agriculture and insurance

An expanding service model

The Bank's distribution strategy combines physical branches, digital platforms, agency banking and strategic partnerships. This blended approach is designed to deepen access while improving convenience, transaction efficiency and customer choice.





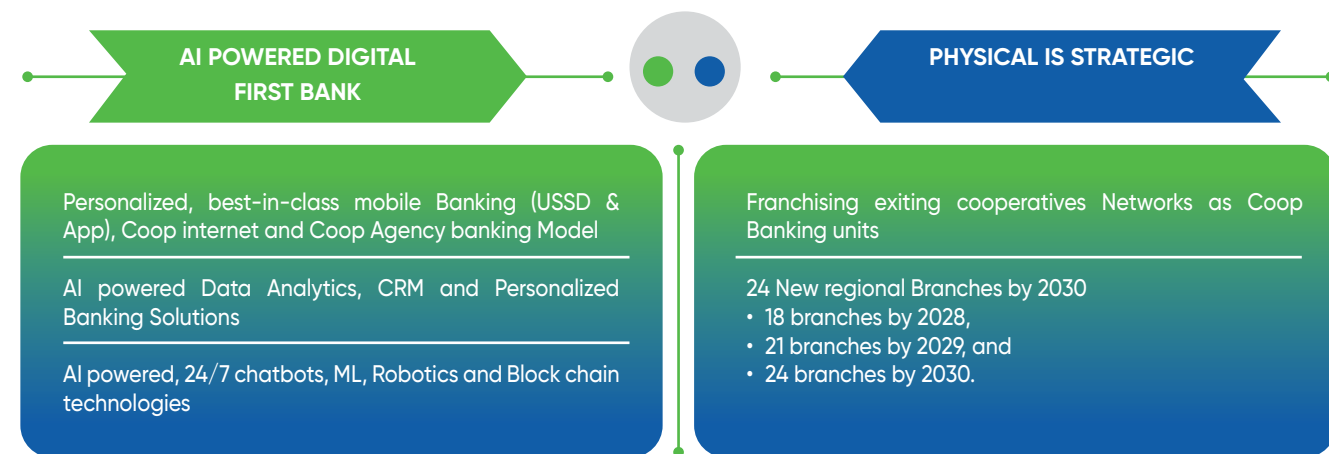
01

About Coop
Bank Tanzania

About Co-operative Bank Tanzania

A Digital-First Bank, AI-Driven Disruptive Innovations for Inclusive Banking With Cheetah Speed Growth

The bank will meet its members where they are by investing in digital channels – mobile banking, internet banking, and ATMs – prioritizing technology that delivers access over expensive brick-and-mortar infrastructure.



Our defining proposition

Co-operative Bank Tanzania brings together the collective strength of the cooperative movement and the capabilities of a modern commercial bank. We mobilise savings, provide responsible finance, enable secure payments and connect customers with opportunities that support productive activity, stronger livelihoods and sustainable stakeholder value.

OUR IDENTITY

Who We Are

Co-operative Bank Tanzania Plc is a Tanzanian public limited banking institution with its registered office on Kuu Street in Dodoma. The Bank provides deposit, payment, credit and related financial services to cooperatives, businesses, institutions and individual customers. Our distinctive position combines a cooperative heritage with a national commercial banking ambition. This enables us to understand the economic relationships, seasonal cycles and group structures that shape cooperative and productive value chains, while providing the convenience, security, governance and accountability expected of a modern bank.

The Bank was created through the amalgamation of Kilimanjaro Cooperative Bank Limited and Tandahimba Cooperative Bank Limited. The audited financial statements identify 30 September 2025 as the amalgamation cut-off date, after which the assets, liabilities and affairs of the two predecessor banks were transferred to Co-operative Bank Tanzania. We therefore bring established regional relationships and institutional experience into a wider national mandate focused on financial inclusion, productive enterprise and economic participation.

What this means for stakeholders

For customers and cooperative members, our model brings financial services closer to the realities of their livelihoods and value chains. For shareholders, it creates a differentiated platform for disciplined long-term growth. For employees, regulators and communities, it establishes clear expectations for service, accountability, resilience and responsible conduct.

FROM COOPERATIVE RELATIONSHIPS TO MEASURABLE OUTCOMES

How We Create Stakeholder Value



FROM LOCAL INSTITUTIONS TO A NATIONAL PLATFORM

Our History

The establishment of a national cooperative bank reflects a long-standing aspiration within Tanzania's cooperative movement. Cooperatives sought a financial institution capable of understanding their structures, supporting their members and serving agriculture and other productive value chains at greater scale. Kilimanjaro Cooperative Bank Limited became an important vehicle for advancing this ambition, while Tandahimba Cooperative Bank Limited contributed deep community and cooperative relationships in southern Tanzania.

31 December 2025

The Bank completed its first full reporting year with an enlarged balance sheet, wider customer reach and a strengthened service platform.

Before 2023

Kilimanjaro Cooperative Bank and Tandahimba Cooperative Bank served their respective markets and cooperative communities.

30 September 2025

The audited financial statements record the amalgamation cut-off date for the transfer of the predecessor banks' assets, liabilities and affairs.

1 October 2024

Kilimanjaro Cooperative Bank and Tandahimba Cooperative Bank official amalgamated and form Coop Bank Tanzania.

28 April 2025

Co-operative Bank Tanzania was officially launched by Her Excellency Dr Samia Suluhu Hassan The President of United Republic of Tanzania, giving national expression to the cooperative banking ambition.

23 April 2025

The Bank transitioned to a public limited company, establishing a corporate structure suited to wider ownership, stronger governance and future growth.

This history gives stakeholders important context for the scale of the 2025 transformation. The Bank is building on established relationships and experience while strengthening the governance, technology, capital and operating capacity required to serve a broader national market responsibly.

SHARED INTEREST COMMERCIAL DISCIPLINE

Ownership and Cooperative Identity

Co-operative Bank Tanzania operates as a public limited company, and its issued ordinary shares are open to the public. At 31 December 2025, the Bank had 83,648,963 ordinary shares in issue, each with a nominal value of TZS 500, representing ordinary share capital of TZS 41.824 billion. All ordinary shares rank equally in relation to voting, declared dividends and the Bank's residual assets.

The Bank's cooperative identity originates in its formation through cooperative banks and in its strategic commitment to cooperative societies and their members. The strategic plan envisages a broad ownership base that brings together cooperatives and other investors. This approach is intended to preserve the institution's cooperative purpose while strengthening capital, commercial capability, governance and accountability to all shareholders.



Cooperative heritage

Established through the amalgamation of two cooperative banks.



Broad participation

Ordinary share issuance is open to the public under the Bank's corporate structure.



Equal shareholder rights

Ordinary shares rank equally in voting, declared dividends and residual assets.



Purpose-led banking

The Bank prioritises inclusion and productive cooperative value chains.



Commercial accountability

Capital is protected and deployed to generate sustainable risk-adjusted returns.



Stakeholder governance

Shareholder expectations are balanced with customer, regulatory and community outcomes.

The cooperative advantage

Cooperative relationships can provide scale, shared information and clearer value-chain connections. Our responsibility is to translate these strengths into accessible products, prudent finance, dependable service and sustainable value for members, customers, shareholders and the wider economy.

OUR STRATEGIC COMPASS

Vision Mission Values and Purpose

Together, these statements define the value the Bank seeks to create and the standards by which stakeholders should assess our progress. The Vision establishes our market ambition. The Mission sets out how tailored solutions, technology and innovation will improve reach and customer experience. The Purpose connects our banking activities with broader socio-economic transformation.

PURPOSE

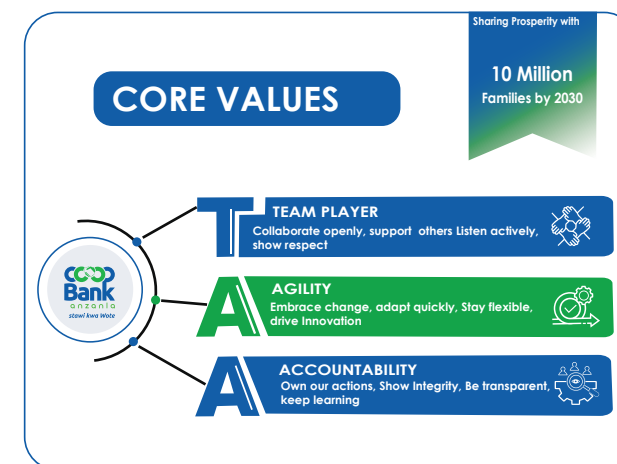
Driving socio-economic transformation of our members to empower and improve livelihoods through financial inclusion and digital innovation.

VISION

To be a leading high-end technology and member-centred bank, driving financial inclusion.

MISSION

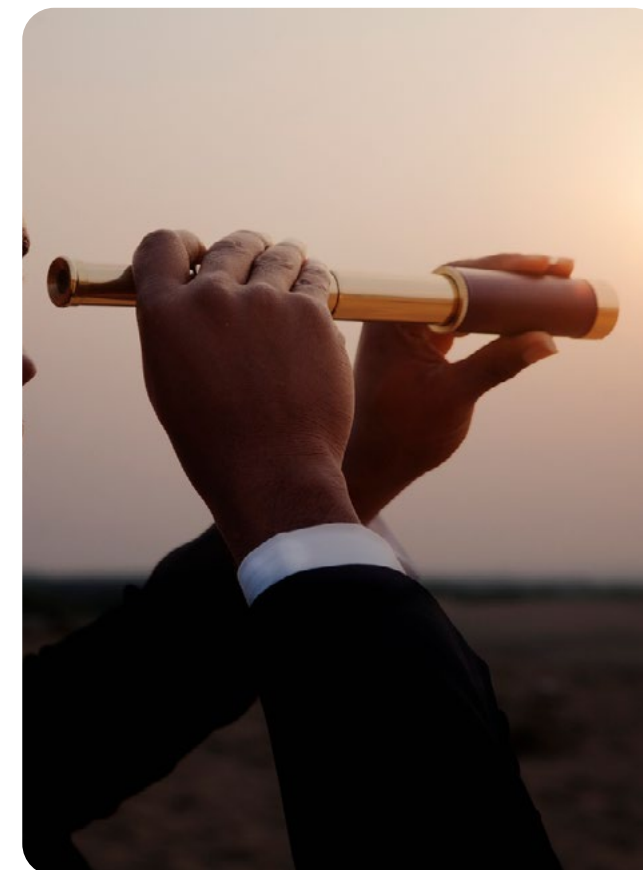
Provide tailored financial solutions, powered by innovation and technology to deliver financial inclusion, member experience and value creation to stakeholders



Coop Bank's vision, mission, purpose, and core values align strongly with the Tanzania Development Vision (TDV) 2050, particularly in driving socio-economic transformation, promoting inclusivity, advancing digital transformation, and empowering smallholder farmers and the unbanked through financial inclusion.

Values in action

Our values guide how employees work together, make decisions, serve customers and remain accountable. They turn cooperative principles into consistent conduct, service quality and measurable stakeholder outcomes.



SOLUTIONS BUILT AROUND CUSTOMER NEEDS

Our Products and Services

The Bank's product and service proposition is designed around five practical customer needs: saving, transacting, borrowing, investing and protecting value. Solutions are tailored for cooperatives and their members, enterprises, institutions and individuals, with pricing and delivery approaches that reflect customer cash flows, productive cycles, risk profiles and service preferences.

Solution area	Value delivered to customers
Deposits and transaction accounts	Current accounts, savings accounts, fixed deposits and transaction services supporting liquidity, payments and day-to-day financial management.
Credit and working capital	Term loans, overdrafts, working-capital facilities, bridging finance and other lending solutions for productive and personal needs.
Agriculture and cooperative finance	Input and output finance, value-chain lending, asset and equipment finance, warehouse and transport-related solutions structured around cooperative relationships.
Personal banking	General-purpose personal loans, savings solutions, education and vehicle-related finance, mortgages and services for salaried customers.
Payments and digital services	Mobile and internet banking, agency banking, transfers, account information and payments delivered through integrated national payment systems.
Treasury and financial services	Liquidity placements, government and corporate securities, foreign-exchange and related transaction services.
Protection and partnerships	Bancassurance and partnership-enabled solutions supporting asset protection, agricultural production, equipment acquisition and enterprise resilience.

Responsible product design

We seek to match each solution with an identifiable customer need, appropriate affordability and repayment capacity. Credit growth is supported by appraisal, approval, monitoring and expected-credit-loss processes designed to protect customers, depositors and shareholder capital.

SERVING CONNECTED ECONOMIC COMMUNITIES

Customer Segments

Cooperatives and members

Cooperative unions, societies, SACCOS, AMCOS, VICOBA and their members across productive and service value chains.

Agriculture and agribusiness

Farmers, input suppliers, aggregators, processors, traders, transporters, warehouse operators and buyers.

Small and medium enterprises

Sole traders, partnerships, companies and growing businesses requiring working capital, investment finance, payments and cash management.

Micro and informal enterprises

Micro-traders, retailers, women and youth groups, transport operators and other enterprises requiring accessible, appropriately structured services.

Individuals and salaried customers

Government, corporate and institutional employees and other retail customers seeking savings, payments, personal credit and protection solutions.

Institutions and public-sector customers

Government institutions, corporate entities, development partners and organisations requiring banking, payment and relationship services.

Our segment approach enables the Bank to move beyond generic products and engage customers according to their economic realities. For cooperative and agricultural customers, this includes understanding seasons, governance structures and value-chain cash flows. For enterprises, it includes working capital, transaction efficiency and investment needs. For individuals, it means convenience, clarity, fair treatment and dependable service. This differentiated approach supports stronger relationships, more relevant solutions and better risk outcomes.

ACCESS WHEREVER CUSTOMERS OPERATE

Distribution Channels

Branches

Face-to-face service, relationship management, account support, transactions and credit engagement.

COOPesa

Mobile banking designed to provide convenient access to account information, transfers, payments and other services.

COOP Net

Internet banking supporting secure digital access for individuals, businesses and institutions.

COOP Wakala

Agency banking that extends services beyond branches and brings access closer to communities.

Payment infrastructure

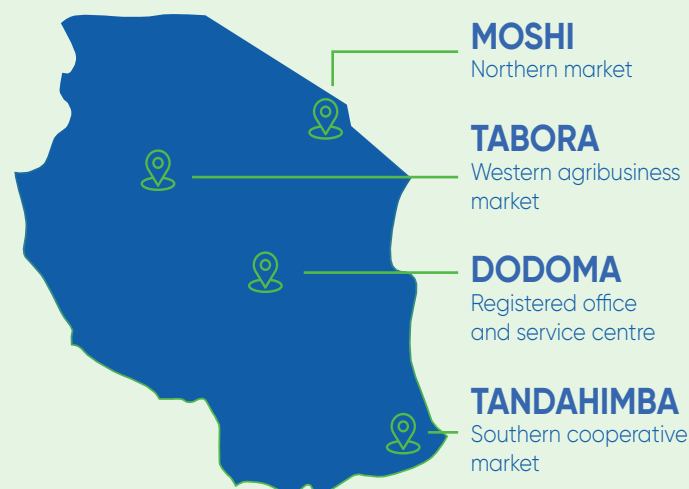
Connectivity to national payment, clearing, settlement and identity systems supporting secure and efficient transactions.

Strategic partnerships

Partners expand the Bank's ability to deliver asset finance, agricultural, insurance and other specialised solutions.

PHYSICAL PRESENCE SUPPORTED BY ALTERNATIVE CHANNELS

2025 Service Footprint



NATIONWIDE DIGITAL REACH

COOPesa | COOP Net | COOP Wakala | National payment and settlement infrastructure

During 2025, the Bank operated through service points in Dodoma, Moshi, Tabora and Tandahimba. The physical network was complemented by COOPesa, COOP Net and COOP Wakala, creating a blended distribution model designed to improve convenience, reduce distance barriers and support wider national reach without relying exclusively on branches.

CLEAR ACCOUNTABILITY FOR SAFE AND SUSTAINABLE EXECUTION

Organisational Structure

The Bank's organisational model connects ownership, governance, strategy, business growth and control. Shareholders exercise their rights through the general meeting. The Board provides strategic direction, stewardship and oversight. Management, led by the Managing Director, is accountable for execution within approved policies, risk appetite and regulatory requirements. Business, enablement and control functions work together to convert strategy into customer value while protecting the institution.



Credit

Credit evaluation, approval support, portfolio administration and monitoring.



Business and Cooperative Banking

Customer acquisition, relationship management, deposits, lending and cooperative value-chain development.



Finance and Strategy

Financial reporting, planning and performance insight.



Human Resources and Administration

Workforce planning, talent, culture, learning, performance and employee well-being.



ICT and Innovation

Technology infrastructure, digital channels, information security, systems and innovation.



Risk and Compliance

Enterprise risk management, regulatory compliance, risk monitoring and advisory.



Company Secretariat and Legal

Board support, shareholder services, legal advice, contracts and statutory governance.



Internal Audit

Independent assurance on governance, risk management and internal controls.

A structure that evolves with the Bank

The organisational structure will continue to be reviewed as customer volumes, automation, business needs and operational complexity evolve. The objective is to maintain clear accountability, effective control and responsive service without introducing unnecessary layers or costs.

COOPERATIVE PURPOSE NATIONAL AMBITION

Our Identity in One View

ROOTED IN

Cooperative heritage, community relationships and productive value chains

DELIVERED THROUGH

Modern governance, capable people, technology, branches and alternative channels

CREATING VALUE FOR

Customers, members, shareholders, employees, regulators, communities and the national economy

MEASURED BY

Access, customer trust, asset quality, financial sustainability and stakeholder outcomes

Co-operative Bank Tanzania is building an institution whose relevance comes from understanding people, enterprises and the economic relationships that connect them. Our cooperative identity provides a distinctive foundation; our public limited company structure supports broader participation and accountability; and our investments in people, technology and distribution provide the means to serve at greater scale. Our continuing responsibility is to ensure that this platform translates into dependable service, responsible finance, sustainable returns and inclusive progress for all stakeholders.

Management Team



Mr. Godfrey Ng'urah
Managing Director & CEO

Godfrey Joel Ng'urah possesses nearly two decades of wealth of banking experience spanning over 17 years in the financial services sector. He worked with CRDB Bank Plc (2008-2020) Kilimanjaro Cooperative Bank (2020-2024) and Pride Tanzania (2025-2007) with a strong track record in Retail and business banking, change management, digital transformation acumen, and executive leadership. Prior to his current role as MD-Coop bank Tanzania, he served as General Manager & CEO for Kilimanjaro Co-operative Bank (2020- 2024) where he executed strategic change leadership and transformation initiatives that led to the birth and formation of Co-operative Bank Tanzania Plc (Coop Bank)



Immaculatha Maro
Head of Credit

Immaculatha Maro is Head of Credit, with over nine years' experience across credit management, disbursement, business analysis and compliance. She holds a Bachelor of Commerce in Accounting. Her expertise covers microfinance, SME, agriculture and corporate lending, with a leadership inclination towards disciplined controls, portfolio quality, faster turnaround and operational excellence.



Jackline Muro
Head of Risk and Compliance

Jackline Muro is the Head of Risk & Compliance at Cooperative Bank Tanzania Plc, where she provides strategic leadership in enterprise risk management, regulatory compliance, governance, operational resilience, and sustainability risk. She works closely with the Board and Management to strengthen the Bank's risk culture, safeguard its operations, and support the achievement of its strategic objective.



ACPA (T) Kinyaki Kinyaki
Head of Finance and Strategy

Kinyaki Kinyaki is Head of Finance and Strategy, with over 10 years' experience in banking finance, audit, EPC projects, oil and gas, social security and maritime logistics. A CPA (T), he holds an MSc in Finance and BBA in Accounting. His expertise and leadership inclination centre on finance, integration, accountability and results.



Hemed Nassor
Head of ICT and Innovation

Hemed Nassor is Head of ICT and Innovation, with over five years' experience in banking technology. He holds a Bachelor's degree in Information Systems and Network Engineering plus ITIL certification. His expertise covers core banking, payments, cards, cybersecurity and digital channels, with a leadership inclination towards secure, scalable, business-aligned transformation.



Adv. Hassan Herith
Head of Legal and Company Secretary

Hassan S. Herith is Head of Legal Services and Company Secretary, with over 15 years' experience across law, academia, consultancy, governance and board secretariat. He holds an LLB and Postgraduate Diploma in Legal Practice. His expertise and leadership inclination emphasise legal precision, sound governance, policy discipline and effective dispute resolution.



Yahya Kiyabo
Head of Business and Cooperative Banking

Yahya Kiyabo is Head of Business and Co-operatives Banking with over 12 years' leadership experience across co-operative, retail, commercial and community banking. He holds master's and bachelor's degrees in finance and banking, is a Certified Professional Banker and Certified Director, and has additional qualifications in insurance, Islamic banking, corporate governance, co-operative leadership and banking services.



CPA (T) Hossein Simba
Head of Internal Auditor

Hossein Simba is Head of Internal Audit, holds a BSc in Computer Science and has over 10 years' experience in internal auditing. A CPA (T), CIA and CISA, he serves as Head of Internal Audit at Co-operative Bank Tanzania. His banking career includes Equity Bank and Stanbic Bank, with earlier roles at Deloitte and Tanzania Breweries.



02

**Leadership
Perspectives**

Chairman's Statement

Stewarding a national cooperative institution for sustainable value creation

Dear Shareholders,

The 2025 FY was a defining period in the institutional journey of Co-operative Bank Tanzania Plc. It was the year in which a long-held ambition of Tanzania's cooperative movement took firmer national form: a dedicated bank, rooted in cooperative ownership and values, operating with the discipline, governance and ambition required of a modern commercial institution. The official launch of the Bank on 28 April 2025 gave public expression to that ambition, while the legal restructuring into a public limited company and the integration of the predecessor cooperative banks created a stronger platform from which to serve members, customers and the wider economy. For the Board, the significance of the year lies not only in what the Bank achieved, but in the quality of the foundation established for the years ahead.



Strategic stewardship and a clear long-term purpose

The Board's primary responsibility is to safeguard the institution's purpose, while ensuring that growth is governed, adequately capitalized and sustainable. During the year, we oversaw the early execution of the Bank's 2025-2029 strategic direction, which seeks to expand access to finance across cooperative and agribusiness value chains, micro, small and medium-sized enterprises and underserved communities through diversified and increasingly seamless delivery channels. The strategy is anchored in capitalization and business growth, digital transformation and artificial-intelligence-enabled banking capabilities, cooperative-led financial inclusion, and responsible attention to people, communities and the planet. These priorities are mutually reinforcing, in that; capital enables investment; technology improves reach and efficiency; cooperative relationships deepen relevance; and sustainability protects the durability of the value we create.

Governance for a new phase of growth

Institutional transformation must be matched by governance maturity. The Board therefore focused on clarifying accountability, strengthening committee oversight, approving policies and ensuring that decision-making reflected the requirements of company law, banking regulation and sound corporate governance. We maintained oversight of strategy, capital, credit, risk, internal control, compliance, technology and people matters. We also supported the transition from a cooperative-society

structure to shareholder governance under a public limited company, while preserving the Bank's distinctive cooperative identity. This balance is important. The Bank must remain close to its founding constituency, but it must also be managed with commercial discipline, transparent reporting and equal regard for all shareholders.

Capital strength and shareholder confidence

Shareholder support was one of the strongest signals of confidence in the Bank during 2025. Issued share capital rose from TZS 27.5 billion to TZS 41.8 billion, reflecting new capital of approximately TZS 14.3 billion during the year. The admission of the Government of Tanzania as a strategic shareholder broadened the Bank's institutional base and reinforced market confidence. At year-end, the Tier 1 capital ratio stood at 31.85% and the total capital ratio at 40.46%, materially above the regulatory minimums of 12.5% and 14.5%, respectively. These buffers provide capacity to absorb risk and support measured business expansion. The Board nevertheless recognises that shareholder value is ultimately created through sustainable profitability, not size alone. Our focus is therefore on converting the capital and infrastructure established in 2025 into disciplined, risk-adjusted returns over the strategic period.

Investment today, value tomorrow

The Bank closed the year with total assets of TZS 176.8 billion, compared with TZS 49.3 billion at the end of 2024. This growth reflects deliberate investment in the loan portfolio, liquidity placements, government and corporate securities, technology, premises and the operational capabilities required to serve a broader market. The new Tabora branch extended the Bank's reach into an important agricultural region, while renovation of Bank-owned premises in Tandahimba improved the utilisation of existing assets. Investments in Coopesa, CoopNet and Coop Wakala created additional channels through which customers can transact, save, borrow and manage their financial lives. These investments raised the cost base in the near term, but they are strategic assets designed to widen access, improve customer experience and strengthen future revenue generation.

Responsible growth and risk oversight

Rapid balance-sheet growth must never be pursued at the expense of quality. The Board therefore maintained close attention to credit governance, liquidity, capital and operational resilience. Net loans and advances reached TZS 101.8 billion, while the non-performing loan ratio remained low at 1.17%. The loans-to-deposits ratio of 89% indicates that deposit growth supported lending while preserving a prudent funding position. The Bank also held TZS 41.4 billion in placements with other banks and TZS 16.0 billion in treasury and corporate bonds, providing liquidity and income diversification. The Board views these outcomes as evidence that the institution can expand while maintaining credit discipline, although continued investment in risk analytics, controls, collections and portfolio monitoring remains essential.

Sustainability and cooperative impact

For Coop Bank, sustainability is inseparable from purpose. Our mandate is to support socio-economic transformation through financial inclusion, particularly within cooperative and agricultural value chains. This means directing finance towards productive activity, strengthening the resilience of farmers, SACCOS, AMCOS, entrepreneurs and small businesses, and enabling customers to participate more fully in the formal financial system. During the year, the Bank advanced partnerships aimed at asset financing, agricultural input guarantees, youth participation in agriculture and access to insurance. It also strengthened its approach to responsible banking, social impact and environmental awareness. The Board expects sustainability considerations to become increasingly embedded in credit decisions, product design, operational practices, stakeholder engagement and performance measurement.

People, culture and institutional capability

No strategy can outperform the people responsible for delivering it. The year required employees to integrate teams, learn new systems, establish new processes and serve customers while the institution itself was changing. The Board supported strategic recruitment, staff reallocation and capability building to ensure that expertise was deployed where it could create the greatest value. We also emphasised ethical conduct, accountability, inclusion and a performance culture that is consistent with cooperative values. As the Bank scales, succession planning, leadership development and technical capability in digital banking, credit, risk, treasury and customer experience will remain central to our oversight agenda.



Understanding the 2025 financial outcome

The Bank reported a loss after tax of TZS 2.7 billion for 2025. The Board does not minimise this result, and no dividend has been recommended for the year. At the same time, the loss should be understood in the context of a first full year of transformation, business expansion and platform investment. Total operating income reached TZS 8.1 billion, but operating expenses of TZS 9.9 billion reflected the enlarged workforce, branch and infrastructure investments, systems implementation, integration activities and the operating capacity required for future scale. The Board's responsibility is to ensure that this investment phase is followed by increasing income productivity, tighter cost discipline and a clear path to profitability. Management has been tasked with improving revenue diversification, customer activity, asset yields, process efficiency and return on equity.

Outlook and Board priorities

Looking ahead, the Board is confident but not complacent. The opportunity is substantial: Tanzania's cooperative movement, agricultural economy, MSMEs, women, youth and emerging digital customers require a financial institution that understands their realities and can serve them at scale. Our priorities are to strengthen capital productivity, grow stable and diversified deposits, maintain asset quality, increase digital adoption, deepen cooperative relationships, expand selectively into high-potential markets and accelerate the journey to sustainable profitability. We will continue to measure progress not only through financial indicators, but also through customer trust, member impact, governance quality and the resilience of the institution.

Stakeholder value and accountability

The Board's understanding of value extends beyond a single financial period. For shareholders, value includes the protection and productive use of capital, credible governance, transparent reporting and a realistic path to future distributions. For customers and members, it includes accessible products, dependable service, fair treatment and financial solutions that reflect their economic cycles. For employees, it includes a safe, ethical and enabling workplace. For regulators and the nation, it includes stability, compliance and a contribution to productive economic activity. These interests are not competing claims when the Bank is well governed; they are the conditions that make long-term shareholder returns possible. The Board will therefore continue to require management to explain how strategic initiatives create measurable outcomes across income, efficiency, risk, customer experience and social impact.

A disciplined approach to investment

Our investment decisions will be governed by clear strategic and financial criteria. Technology expenditure must improve access, security, reliability, data quality or operating efficiency. Physical expansion must be supported by credible market demand, cooperative density and a practical route to break-even. Product investments must solve identifiable customer needs and demonstrate sustainable economics. People investments must strengthen scarce capabilities, leadership depth and service quality. The Board will review benefits realisation so that projects are not judged only by successful implementation, but by the value they subsequently deliver. This discipline is particularly important after a year of rapid expansion: the institution must now consolidate, extract value from its new capabilities and direct additional resources towards the areas with the strongest risk-adjusted potential.

Trust as our most important asset

Banking ultimately rests on trust. Depositors trust us to protect and provide access to their funds. Borrowers trust us to understand their needs and treat them fairly. Shareholders trust us to steward their capital responsibly. Regulators trust us to operate within the rules and to identify risks early. Cooperative communities trust us to remain faithful to the purpose for which the Bank was created. The Board will protect this trust through ethical leadership, transparent communication, effective internal controls and consistent accountability. We will also encourage constructive engagement with stakeholders so that the Bank remains responsive as needs evolve. A national cooperative bank must be commercially strong, but it must also be recognisably responsible in the way it makes decisions and serves people.

The Board's commitment

As we move from establishment to consolidation, the Board will maintain a balanced posture: supportive of responsible ambition and uncompromising on governance. We will challenge management to move with sufficient speed to capture opportunity, while ensuring that capital, liquidity, controls and organisational capacity remain aligned with growth. We will review strategic performance regularly, engage openly with shareholders and encourage timely corrective action where results fall short. This institution has a rare opportunity to create commercial value and broad-based impact at the same time. Our duty is to ensure that the opportunity is pursued with patience, courage and stewardship worthy of the trust placed in us.

Appreciation

On behalf of the Board, I thank our shareholders for their confidence and patience during this important building phase. I acknowledge the Government of Tanzania, the Bank of Tanzania, the Tanzania Cooperative Development Commission and other regulatory and public institutions for their guidance and support. I thank our customers, cooperative societies, SACCOS, AMCOS and business partners for choosing to grow with us. I also commend the Managing Director, management team and every employee for their commitment during a demanding year of change. Together, we are building more than a bank: we are building a national institution capable of connecting cooperative strength, modern finance and inclusive prosperity.



Dr Joseph O. Witts
Chairman of the Board of Director



TAARIFA YA MWENYEKITI WA BODI

Ndugu Wanahisa,

Katika mwaka 2025, Bodi ya Wakurugenzi iliendelea kutekeleza wajibu wake wa kusimamia mwelekeo wa kimkakati wa Co-operative Bank Tanzania PLC kama Benki ya Taifa ya Ushirika inayomilikiwa na wanahisa kwa mujibu wa muundo wa kampuni. Bodi iliweka msisitizo katika kulinda maslahi ya wanahisa, kuimarisha utawala bora, kusimamia utekelezaji wa mkakati na kuhakikisha ukuaji wa Benki unaendana na nidhamu ya kiutendaji, udhibiti wa vihatarishi, uzingatiaji wa sheria na uendeleu wa taasisi.

Kwa mtazamo wa Bodi, mwaka 2025 ulikuwa mwaka muhimu wa kuimarisha mpito wa kitaasisi baada ya muungano wa Kilimanjaro Co-operative Bank Limited na Tandahimba Co-operative Bank Limited na kuweka msingi wa Benki inayofanya kazi kwa misingi ya kampuni ya kibenki, huku ikiendelea kubeba dhamira ya kuhudumia sekta ya ushirika, kuongeza ujumuishaji wa kifedha na kuongeza thamani kwa wanahisa wake.

Utangulizi

Waheshimiwa Wanahisa, Wajumbe wa Bodi ya Wakurugenzi, Menejimenti, Wanaushirika, Wateja, Wadau na Wageni Waalikwa,

Kwa niaba ya Bodi ya Wakurugenzi ya Co-operative Bank Tanzania PLC, ninafuraha kuwasilisha Taarifa ya Mwenyekiti wa Bodi kwa mwaka wa fedha ulioishia tarehe 31 Desemba 2025, ikiwa ni sehemu ya Mkutano Mkuu wa Pili wa Mwaka wa Wanahisa wa Benki baada ya kuunganishwa kwa Kilimanjaro Co-operative Bank Limited na Tandahimba Co-operative Bank Limited, na kuundwa kwa Benki ya Taifa ya Ushirika.

Mkutano huu una umuhimu wa kipekee kwa kuwa unaendelea kuweka msingi wa utawala wa wanahisa katika mfumo wa kampuni. Katika mfumo huu, haki na wajibu wa wanahisa, majukumu ya Bodi, wajibu wa Menejimenti na maamuzi muhimu ya Benki yanatekelezwa kwa kuzingatia Katiba ya Kampuni, sheria za makampuni, sheria na kanuni za sekta ya benki, pamoja na miongozo ya wasimamizi husika.

Mwaka 2025 ulikuwa mwaka wa kuimarisha mpito wa kitaasisi, kuendelea misingi ya utawala bora, kusimamia utekelezaji wa mkakati wa Benki na kulinda maslahi ya wanahisa. Katika kipindi hiki, Bodi iliendelea kuhakikisha kuwa Benki inaendeshwa kwa uwazi, uwajibikaji, nidhamu, uadilifu, uzingatiaji wa sheria na usimamizi madhubuti wa vihatarishi.

Kwa mtazamo wa Bodi, mafanikio yaliyopatikana katika mwaka

2025 yanatoa msingi thabiti wa kuendelea kujenga Benki yenye ushindani, yenye uendeleu, inayolinda thamani ya uwekezaji wa wanahisa na inayotekeleza dhamira yake ya kuhudumia sekta ya ushirika na kuchangia ujumuishaji wa kifedha nchini.

Safari ya Mageuzi ya Kisheria na Kitaasisi Baada ya Muungano

Co-operative Bank Tanzania PLC iliundwa kupitia muungano wa Kilimanjaro Co-operative Bank Limited na Tandahimba Co-operative Bank Limited, kwa lengo la kujenga Benki ya Taifa ya Ushirika yenye uwezo wa kuhudumia sekta ya ushirika na soko pana la kifedha kwa ufanisi zaidi.

Katika kutekeleza maazimio ya Wanahisa ya tarehe 17 Oktoba 2024, Bodi na Menejimenti, kwa kushirikiana na wadau wa sekta ya ushirika, zilisimamia mabadiliko ya kimuundo na kisheria yaliyowezesha Benki kusajiliwa na kuendeshwa kama kampuni ya kibenki inayomilikiwa na wanahisa. Mabadiliko haya yalihusisha, pamoja na mambo mengine, usajili wa kampuni mwezi Aprili 2025, upatikanaji wa leseni mpya kutoka Benki Kuu ya Tanzania mwezi Juni 2025, pamoja na uhamishaji wa mali, madeni na wafanyakazi kwenda kwenye muundo mpya wa kampuni.

Benki ilizinduliwa rasmi tarehe 28 Aprili 2025, hatua iliyoashiria mwanzo wa utekelezaji wa dhamira ya kujenga Benki ya Taifa ya Ushirika yenye mtaji, mifumo, utawala bora na uwezo wa kuhudumia soko la kitaifa. Kwa msingi huo, Mkutano Mkuu wa Mwaka wa Benki unaendeshwa kama Mkutano Mkuu wa

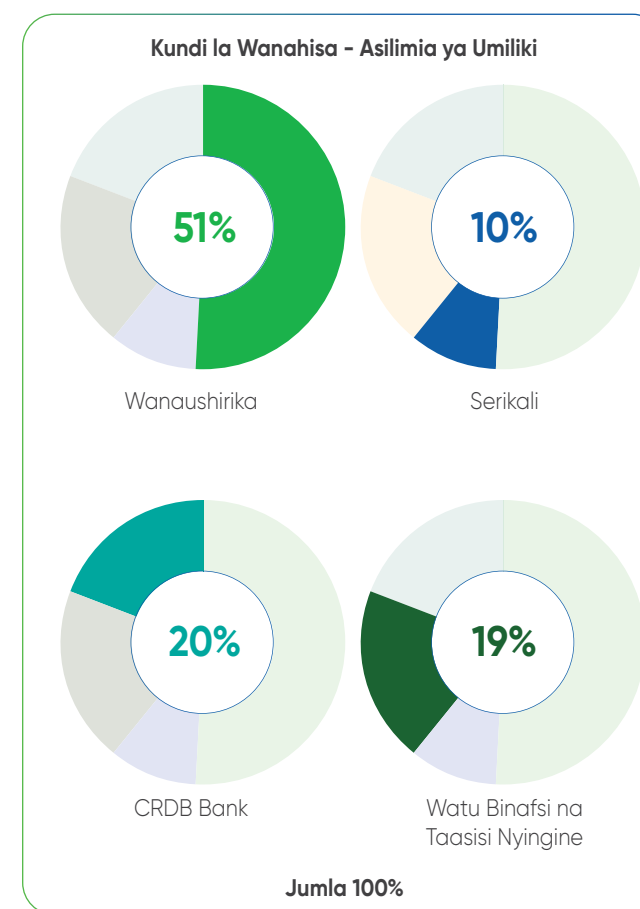
Wanahisa, kwa kuzingatia Katiba ya Kampuni, sheria za makampuni, sheria za sekta ya benki na miongozo ya wadhibiti husika.

Bodi itaendelea kuhakikisha kuwa mageuzi haya yanaimarisha uwazi, uwajibikaji, ulinzi wa maslahi ya wanahisa na uendeleu wa Benki, huku ikihifadhi dhamira ya msingi ya Coop Bank kama Benki yenye mizizi ya ushirika.

Muundo wa Umiliki wa Benki

Co-operative Bank Tanzania PLC ina muundo wa umiliki unaoipa Benki msingi wa kipekee wa kitaifa, kibiashara na kijamii. Kupitia muundo huu, wanaushirika wanabaki kuwa wanahisa wakuu wa Benki, huku Serikali, CRDB Bank, watu binafsi na taasisi nyingine wakishiriki katika kuimarisha mtaji, utawala na ukuaji wa Benki.

Muundo huu unaipa Benki wajibu wa kuhakikisha kuwa ukuaji wake unaenda sambamba na ulinzi wa maslahi ya wanahisa, uendeleu wa taasisi, mahitaji ya sekta ya ushirika na ajenda ya kitaifa ya kuongeza ujumuishaji wa kifedha.



Kwa msingi huu, Bodi itaendelea kusimamia Benki kwa kuzingatia misingi ya utawala bora wa kampuni, uwazi, uwajibikaji, ulinzi wa mtaji na kuongeza thamani ya uwekezaji kwa wanahisa wote.

Uongozi, Usimamizi na Utawala Bora

Katika mwaka 2025, Bodi ya Wakurugenzi iliendelea kutekeleza wajibu wake wa kusimamia mwelekeo wa kimkakati wa Benki, kuimarisha utawala bora, kulinda maslahi ya wanahisa na kuhakikisha Benki inaendeshwa kwa kuzingatia sheria, kanuni, sera za ndani na miongozo ya wadhibiti.

Bodi iliendelea kutoa miongozo kwa Menejimenti, kupitia na kuidhinisha sera na miongozo muhimu ya uendeshaji, pamoja na kufuatilia utekelezaji wa mkakati, udhibiti wa vihatarishi na matumizi bora ya rasilimali za Benki. Msisitizo uliwekwa katika uwazi, uwajibikaji, uadilifu, nidhamu ya kiutendaji na ukuaji endelevu wa taasisi.

Eneo la Usimamizi wa Bodi	Mwelekeo wa Usimamizi
Mwelekeo wa Kimkakati	Kusimamia utekelezaji wa dira na mkakati wa Benki.
Utawala Bora	Kuimarisha uwazi, uwajibikaji na maadili ya taasisi.
Sera na Miongozo	Kupitia na kuidhinisha sera muhimu za uendeshaji.
Usimamizi wa Vihatarishi	Kuhakikisha ukuaji unaenda sambamba na udhibiti wa vihatarishi.
Maslahi ya Wanahisa	Kulinda thamani ya uwekezaji na uendeleu wa taasisi.
Ufuatiliaji wa Mkakati	Kuhakikisha Menejimenti inatekeleza mikakati iliyoidhinishwa na Bodi kwa viashiria vinavyopimika.

Kwa msingi huu, Bodi itaendelea kuhakikisha kuwa ukuaji wa Benki unaenda sambamba na uangalifu wa kibenki, uzingatiaji wa sheria, udhibiti wa ndani na ulinzi wa maslahi ya wanahisa na wadau wengine.

Mwaka wa Kwanza wa Kimkakati na Kasi ya Ukuaji

Mwaka 2025 uliendelea kuthibitisha kuwa msingi uliowekwa baada ya muungano wa Benki unaendelea kuimarika. Kwa mtazamo wa Bodi, Benki ilionyesha mwelekeo chanya katika ukuaji wa biashara, kuongezeka kwa imani ya wateja na wanahisa, kuimarika kwa mifumo ya ndani, pamoja na uwezo wa kuhudumia sekta ya ushirika na soko pana la kifedha.

Katika kipindi hiki, jumla ya mali za Benki zilifikia TZS bilioni 176.8, amana za wateja zilifikia TZS bilioni 114.5, na mikopo kwa wateja ilifikia TZS bilioni 101.8. Aidha, ubora wa kitabu cha mikopo uliendelea kuimarika, ambapo mikopo chechefu ilidhibitiwa hadi kufikia asilimia 1.2, kiwango kilicho ndani ya viwango vya kikanuni vya sekta ya benki.

Bodi inatambua kuwa mafanikio haya yametokana na utekelezaji wa hatua muhimu za kimkakati, ikiwemo kuimarisha utawala wa kampuni, kupanua huduma, kujenga uwezo wa ndani, kusimamia vihatarishi na kuweka msingi wa ukuaji endelevu. Hatua hizi zimeipa Benki nafasi nzuri ya kuendelea kukua kwa tahadhari, kuongeza ufanisi na kulinda maslahi ya wanahisa.

Maelezo ya kina kuhusu viashiria vya utendaji, matokeo ya kifedha na utekelezaji wa biashara kwa mwaka 2025 yamewasilishwa katika Taarifa ya Mkurugenzi Mtendaji na Hesabu za Fedha zilizokaguliwa.

Mkakati wa Benki na Mwelekeo wa Muda Mrefu Hadi Mwaka 2030

Katika Mkutano Mkuu wa kwanza wa Benki uliofanyika tarehe 17 Oktoba 2024, Wanahisa waliridhia na kuidhinisha Mpango Mkakati wa Benki wa mwaka 2025–2029, na kuelekeza Bodi na Menejimenti kusimamia utekelezaji wake kwa kuzingatia ukuaji wa Benki, uimarishaji wa mtaji, huduma bora kwa vyama vya ushirika, matumizi ya teknolojia, usimamizi wa vihatarishi, utawala bora na uendeleu wa taasisi.

Baada ya kuanza kwa utekelezaji wa mpango huo, Bodi kwa kushirikiana na Menejimenti ilifanya mapitio ya kimkakati kwa kuzingatia mahitaji ya ukuaji wa Benki, mabadiliko ya mazingira ya biashara, maendeleo ya teknolojia, ushindani katika sekta ya fedha na nafasi ya Co-operative Bank Tanzania PLC kama Benki ya Taifa ya Ushirika. Mapitio hayo yaliwezesha kuboreshwa kwa mwelekeo wa kimkakati na kuandaliwa kwa Mkakati wa Miaka Mitano 2026–2030, ambao unaendeleza msingi ulioridhiwa na Wanahisa huku ukiweka msisitizo mpana zaidi katika ukuaji wa mtaji, biashara, teknolojia, ujumuishaji wa kifedha, usimamizi wa vihatarishi na kuongeza thamani kwa wanahisa.

Mkakati wa 2026–2030 unalenga kuijenga Benki kuwa taasisi yenye mtaji imara, huduma jumuiishi za kifedha, ufanisi wa kiutendaji, matumizi bora ya teknolojia, utawala bora na uwezo wa kuhudumia sekta ya ushirika pamoja na soko pana la kifedha. Kwa mtazamo wa Bodi, mkakati huu ni msingi wa awamu mpya ya ukuaji wa Benki kwa njia salama, endeleu na yenye tija kwa wanahisa na wadau wote.

Aidha, mkakati huu unaweka mwelekeo wa kuchochea mageuzi ya kijamii na kiuchumi kupitia ujumuishaji wa kifedha, huduma zinazozingatia mahitaji ya vyama vya ushirika, wateja na wananchi, pamoja na matumizi ya ubunifu wa kidijitali. Lengo la muda mrefu ni kuongeza wigo wa huduma, kuimarisha nafasi ya Benki katika sekta ya ushirika, na kugusa maisha ya familia zaidi ya milioni 10 ifikapo mwaka 2030.

Nguzo ya Mkakati 2026–2030	Mwelekeo wa Kimkakati
Ukuaji wa Biashara	Kupanua wigo wa wateja, amana, mikopo, bidhaa na huduma.
Teknolojia na Ubunifu	Kuimarisha huduma za kidijitali, mifumo ya teknolojia na ufanisi wa utoaji huduma.
Mtaji wa Watu	Kujenga uwezo wa wafanyakazi, uongozi na utamaduni wa uwajibikaji.
Ushirikiano wa Kimkakati	Kuendeleza ushirikiano na Serikali, vyama vya ushirika, wadau wa maendeleo na sekta binafsi.
Usimamizi wa Vihatarishi	Kuhakikisha ukuaji wa Benki unaenda sambamba na udhibiti madhubuti wa vihatarishi.
Ujumuishaji wa Kifedha	Kuwafikia wananchi na makundi ambayo hayajafikiwa vya kutosha na huduma rasmi za kifedha.

Lengo la Kimkakati	Mwelekeo wa 2030
Mtaji wa Benki	TZS trilioni 1
Jumla ya Mali	TZS trilioni 10
Kitabu cha Mikopo	Takribani TZS trilioni 7
Amana za Wateja	Angalau TZS trilioni 8.8
Faida Halisi	Takribani TZS bilioni 251
Familia Zitakazoguswa (Wateja)	Zaidi ya milioni 10

Malengo haya ni sehemu ya mwelekeo wa kimkakati wa Benki hadi mwaka 2030. Bodi itasimamia utekelezaji wake kwa kuzingatia mazingira ya biashara, mahitaji ya mtaji, uwezo wa kiutendaji, usimamizi wa vihatarishi, matokeo ya kifedha na idhini stahiki za kikanuni.

Ujumuishaji wa Kifedha na Nafasi ya Coop Bank katika Sekta ya Ushirika

Kinachoifanya Co-operative Bank Tanzania PLC kuwa ya kipekee ni mizizi yake ya ushirika. Benki hii si taasisi ya kawaida ya kifedha bali ni taasisi iliyojengwa juu ya misingi ya umiliki wa pamoja, ushirikiano na ustawi wa pamoja.

Kupitia muundo wake wa umiliki na dhamira yake ya kuhudumia sekta ya ushirika, Benki ina nafasi ya kipekee katika kuwawezesha vyama vya ushirika, SACCOS, AMCOS, wakulima, wafugaji, wafanyabiashara wadogo na wa kati, wanawake na vijana.

Bodi itaendelea kuhakikisha kuwa Benki inatumia nafasi yake ya kipekee kama Benki ya Taifa ya Ushirika kuongeza ujumuishaji wa kifedha, kuboresha upatikanaji wa huduma rasmi za kifedha, na kuchangia katika maendeleo ya uchumi wa wananchi.

Teknolojia, Watu na Ufanisi wa Taasisi

Bodi inatambua kuwa mustakabali wa sekta ya fedha unaenda sambamba na teknolojia, ubunifu, usalama wa mifumo na matumizi bora ya taarifa. Kwa msingi huo, Bodi itaendelea kuunga mkono uwekezaji katika mifumo ya kidijitali, miundombinu ya kiteknolojia, usalama wa mifumo, pamoja na huduma bunifu zinazorahisisha upatikanaji wa huduma za kifedha.

Aidha, Bodi inaendelea kutambua nafasi muhimu ya rasilimali watu katika mafanikio ya Benki. Uwekezaji katika wafanyakazi, ujenzi wa uwezo, utamaduni wa uwajibikaji na maadili ya msingi ya taasisi ni nguzo muhimu katika utekelezaji wa mkakati wa Benki na ujenzi wa taasisi yenye utendaji wa juu.

Mwelekeo wa Bodi kwa Kipindi Kijacho

Tunapoendelea mbele, Bodi itaendelea kusimamia utekelezaji wa mkakati wa Benki kwa kuhakikisha kuwa ukuaji wa biashara unaenda sambamba na ufanisi, uwajibikaji, usalama wa taasisi na ulinzi wa maslahi ya wanahisa.

Kipaumbele cha Bodi	Mwelekeo
Usimamizi wa Mkakati	Kuhakikisha utekelezaji madhubuti wa Mkakati wa 2026–2030.
Utawala Bora	Kuimarisha uwazi, uwajibikaji, maadili na nidhamu ya taasisi.
Ukuaji Endeleu	Kusimamia ukuaji unaolinda thamani ya wanahisa.
Usimamizi wa Vihatarishi	Kuhakikisha vihatarishi vinatambuliwa, vinapimwa na kudhibitiwa.
Ujumuishaji wa Kifedha	Kuunga mkono juhudi za kuwafikia wananchi wengi zaidi.
Ushirikiano wa Kimkakati	Kuendeleza mahusiano na Serikali, vyama vya ushirika na wadau wa maendeleo.

Bodi ina imani kubwa katika mustakabali wa Coop Bank Tanzania PLC. Dhamira yetu ni kuhakikisha kuwa Benki si tu inakua kwa ukubwa, bali pia kwa ubora, ufanisi, uthabiti na athari chanya kwa jamii.

Shukrani

Kwa niaba ya Bodi ya Wakurugenzi, napenda kutoa shukrani zangu za dhati kwa Wanahisa wetu kwa kuendelea kuamini Co-operative Bank Tanzania PLC. Tunathamini imani, uvumilivu na ushirikiano wenu katika kipindi hiki muhimu cha kujenga msingi wa taasisi yetu.



Ninatoa shukrani pia kwa Menejimenti na wafanyakazi wote wa Benki kwa juhudi zao, weledi na kujituma kwao katika kutekeleza malengo ya taasisi. Aidha, tunawashukuru wadhibiti, Serikali, washirika wa maendeleo, vyama vya ushirika, wateja na wadau wote kwa kuendelea kushirikiana nasi katika safari hii muhimu.

Kwa pamoja, hatujengi tu Benki; tunajenga taasisi ya kimkakati yenye uwezo wa kubadilisha maisha, kuimarisha sekta ya ushirika na kuchangia ustawi wa Taifa.

Nina imani kubwa kuwa mustakabali wa Co-operative Bank Tanzania PLC ni wenye matumaini makubwa, na mafanikio yetu makubwa zaidi bado yako mbele yetu.


Dkt. Joseph Witts,
Mwenyekiti wa Bodi ya Wakurugenzi,

Managing Director's Statement

Turning ambition into execution, scale and customer impact

Dear Shareholders,

2025 was the year in which our strategic ambition moved decisively from design into execution. We began the year with a clear mandate to build a national cooperative bank that combines a deep understanding of members and value chains with the speed, accessibility and discipline of a modern commercial bank. That mandate required us to integrate institutions, strengthen the balance sheet, establish a scalable operating model, expand our market presence and launch new service channels – all while continuing to serve customers safely and reliably. I am proud of the progress made and equally clear about the work still required to translate this enlarged platform into consistent profitability and industry-leading member experience.

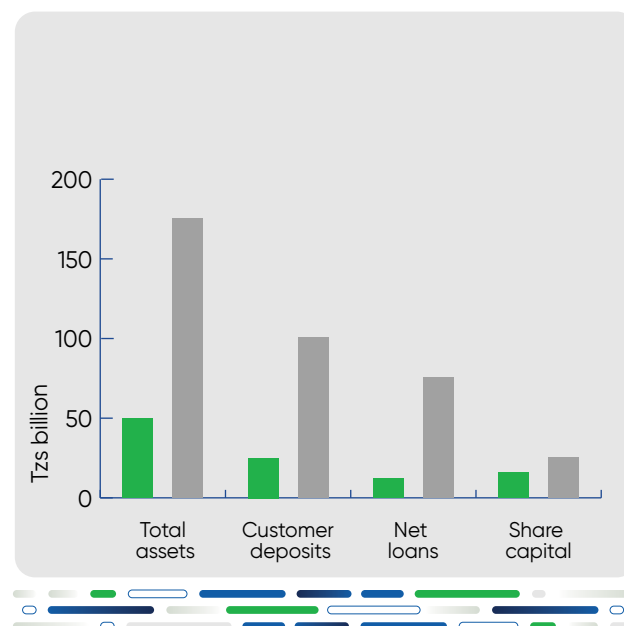


Building the national cooperative banking platform

Our first execution priority was institutional. The amalgamation of Kilimanjaro Cooperative Bank Limited and Tandahimba Cooperative Bank Limited brought together different histories, systems, people and customer relationships. We worked to create one organization with shared standards, governance, policies and performance expectations. The Bank's transition to a public limited company on 23 April 2025 and its official launch on 28 April 2025 provided a new corporate and national identity. This was not simply a change of name or legal form. It was a redesign of how the institution mobilizes capital, allocates resources, manages risk and engages its owners and stakeholders.

Top-line momentum and balance-sheet scale

The clearest evidence of execution is the scale achieved during the year. Total assets increased to TZS 176.8 billion from TZS 49.3 billion. Customer deposits grew to TZS 114.5 billion from TZS 19.3 billion, demonstrating stronger market confidence and the effectiveness of our deposit mobilisation efforts. Net loans and advances rose to TZS 101.8 billion from TZS 14.9 billion as we expanded financing to cooperatives, agribusinesses, SMEs, salaried customers and other productive segments. The growth was broad enough to change the operating scale of the Bank and create a much stronger base for future recurring income.



Revenue growth

Interest income reached TZS 6.6 billion, supported by both customer lending and placements with other banks. Net interest income was TZS 5.4 billion after interest expense of TZS 1.3 billion. Fee and commission income amounted to TZS 2.2 billion, with loan processing and documentation fees forming an important contribution, while other operating income was TZS 5 billion. Total operating income therefore reached TZS 8.1 billion. These results show that the Bank's expanding customer relationships are beginning to generate income across lending, transactional services and treasury activity. Our next task is to deepen account activity and increase the proportion of stable, recurring and diversified income.

Customer reach and distribution

We expanded both physical and digital access. The opening of the Tabora branch established our first presence in a strategic tobacco and agribusiness region, bringing services closer to farmers, traders, cooperative societies and enterprises. Renovation of the Bank-owned Tandahimba premises improved the quality and efficiency of our footprint. At the same time, Coopesa mobile banking, CoopNet internet banking and Coop Wakala agency banking strengthened our ability to serve customers beyond branch walls. These channels are essential to our purpose: the cost and distance barriers associated with traditional banking can only be overcome through simple, secure and widely available digital services.

Operational resilience through transformation

The scale and pace of change tested our operational resilience. We had to sustain service while integrating teams, expanding the loan book, mobilising deposits, opening and renovating branches, upgrading technology and introducing new products. We responded through stronger coordination across business, operations, technology, risk, finance and human resources. Investments were made in server infrastructure, connectivity, endpoint security, backup, monitoring and support arrangements. We strengthened maker-checker controls, access management, incident response and business continuity practices. The year confirmed that resilience is not a single system; it is the combined effect of capable people, disciplined processes, secure technology and timely management decisions.

Technology and innovation as growth engines

Our digital agenda is not a support programme; it is a core business strategy. Coopesa, CoopNet and Coop Wakala are designed to extend the Bank's reach, reduce transaction friction and improve service availability. During the year, the technology team supported channel deployment, infrastructure improvements, cybersecurity controls and integration with the core banking environment. We are building towards a model in which customers can open and operate accounts, make payments, access credit and receive relevant financial guidance through an increasingly connected ecosystem. Artificial intelligence and data analytics will progressively improve customer segmentation, credit assessment, fraud detection and operational decision-making, but we will deploy these capabilities responsibly and with appropriate governance.

Credit growth with discipline

Our lending execution was strong, but quality remained central. Gross loans, overdrafts and advances reached TZS 102.7 billion, with an expected credit loss allowance of approximately TZS 0.9 billion. The non-performing loan ratio was 1.17%, remaining below the 5% regulatory benchmark. This performance reflects improved appraisal, structured disbursement controls, portfolio monitoring and collection efforts. Our portfolio serves term lending, overdrafts and staff facilities and is increasingly aligned to productive sectors and cooperative value chains. We will continue investing in data-led underwriting, early-warning indicators, collateral management and post-disbursement monitoring to protect the quality of growth.

Investing in our people

The transformation would not have been possible without our people. We strategically reallocated experienced employees from legacy locations to Dodoma, Tabora, Tandahimba and the Head Office, ensuring that institutional knowledge supported new growth centres. We also recruited professionals from the wider market to strengthen business development, risk, finance, credit, technology and operations. Beyond staffing, we focused on creating one culture – a culture that is member-centred, accountable, ethical, innovative and performance-driven. Our employees need both technical competence and a genuine understanding of cooperative communities. We will therefore continue to invest in training, leadership development, succession, performance management and employee well-being.

The cost of building for scale

The Bank recorded operating expenses of TZS 99 billion and a loss before tax of TZS 2.7 billion. This outcome reflects a year in which we built capacity ahead of mature revenue: employee benefits, branch and administration costs, technology, depreciation and amortisation all increased as the institution expanded. The cost-to-income ratio of 123% is above our long-term ambition and makes the next execution phase clear. We must increase revenue per customer and per employee, accelerate digital migration, optimise procurement and premises, automate manual processes and ensure that every investment is linked to measurable business outcomes. Our path to profitability will come from disciplined scale, not indiscriminate cost reduction that weakens service or controls.





Partnerships that extend impact

We used partnerships to expand what the Bank can deliver. Agreements in agricultural equipment and truck financing are intended to help customers acquire productive assets. Collaboration around agricultural input guarantees and youth-focused farming programmes supports employment and enterprise development. Insurance partnerships improve the financial resilience of members and businesses by protecting assets and livelihoods. These initiatives demonstrate our role as an orchestrator within the cooperative ecosystem: we combine finance with suppliers, guarantees, insurance, markets and information so that customers can move from access to genuine economic progress.

Priorities for the next phase

Our priorities are straightforward. We will deepen stable deposits, grow quality earning assets, improve interest margins and diversify non-funded income. We will increase active usage of Coopesa, CoopNet and Coop Wakala; selectively expand our presence in priority regions; improve turnaround times; and make customer experience more consistent across every channel. We will maintain strong capital and liquidity, protect asset quality and strengthen cybersecurity and data governance. Most importantly, we will convert the Bank's cooperative advantage into a differentiated customer proposition – one that understands seasons, value chains, group structures and the realities of communities that traditional banking models often overlook.

Customer experience as the measure of execution

The ultimate test of our execution is not the number of initiatives completed; it is the experience customers have when they interact with us. A cooperative society seeking seasonal finance needs timely decisions that reflect its cash-flow cycle. A farmer or trader needs convenient access to payments and working capital. A salaried customer needs clarity, speed and dependable service. A business needs cash management, credit and digital

tools that reduce friction. We are therefore redesigning performance management around customer outcomes such as turnaround time, channel availability, complaint resolution, product usage and relationship depth. Growth that is not accompanied by service quality is fragile. Our aim is to ensure that the expanding Bank feels increasingly simple, responsive and personal to the people it serves.

Productivity and accountability

The next stage of execution requires a stronger productivity culture. Every branch, product, channel and support function must have clear objectives and transparent measures of contribution. Business teams will be expected to grow active customers, quality assets, deposits and fee income. Operations and technology teams will be measured on reliability, speed, control and automation. Control functions will continue to provide independent challenge while helping the organisation make well-informed decisions. Leaders will be accountable for developing people, managing costs and resolving bottlenecks across functional boundaries. This approach is not about short-term pressure; it is about ensuring that the resources entrusted to us are converted into customer value and financial sustainability.

Serving cooperative value chains end to end

Our differentiation will come from serving entire value chains rather than isolated transactions. In agriculture, this means connecting producers, cooperative societies, input suppliers, aggregators, processors, transporters, insurers and buyers. In other cooperative sectors, it means understanding member flows, governance structures and the timing of income and obligations. By combining accounts, payments, credit, asset finance, insurance and data, we can help customers improve productivity and resilience while building deeper, more stable relationships for the Bank. This model also supports risk management because better visibility of value-chain cash flows can improve underwriting and monitoring. It is how our cooperative identity becomes a practical competitive advantage rather than only a statement of heritage.

Execution with consistency

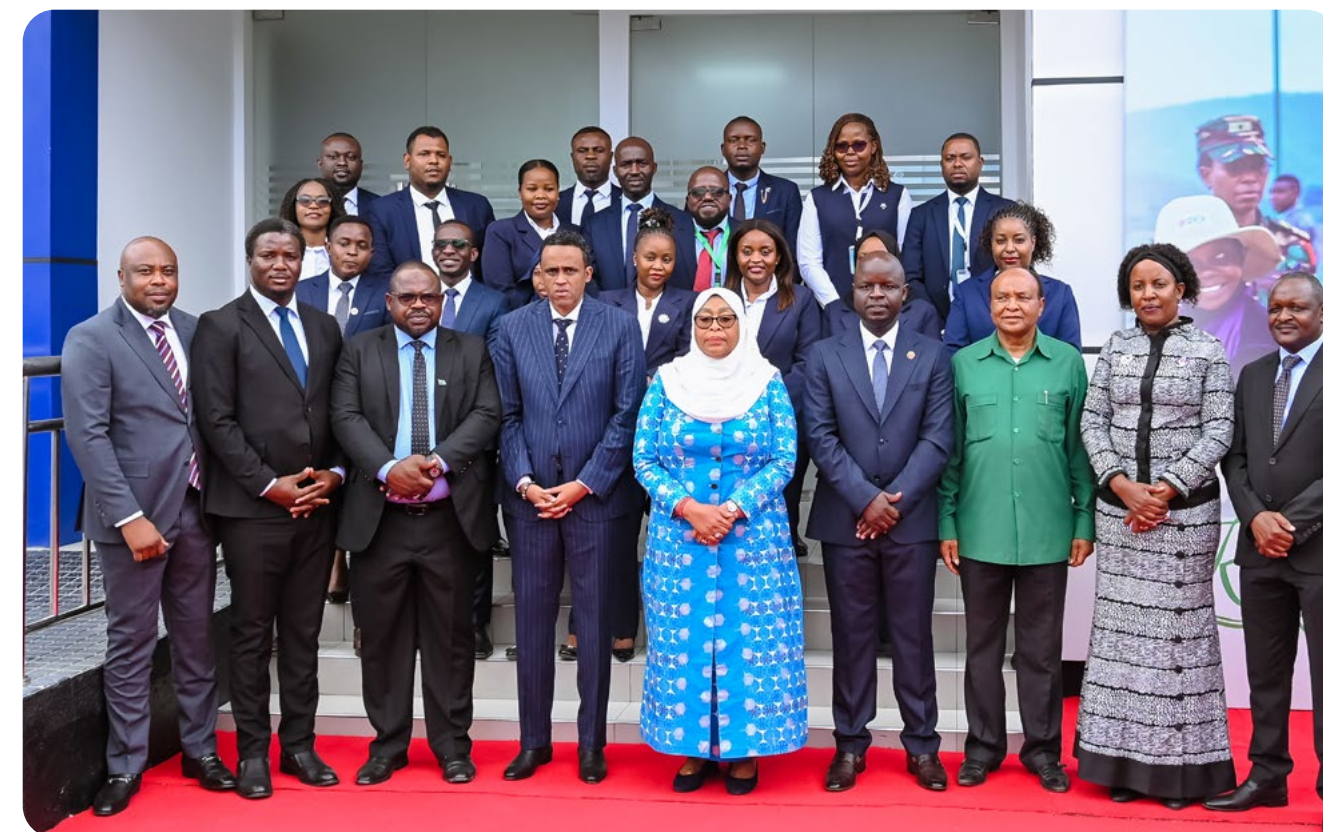
The coming year will be about consistency – consistent service standards, consistent credit discipline, consistent channel availability and consistent accountability for results. We have demonstrated that we can build and grow quickly. We must now show that we can operate the larger platform with increasing precision. I expect leaders at every level to simplify work, solve customer problems at source and use data to guide decisions. We will communicate progress honestly, celebrate delivery and address underperformance early. That consistency will determine how quickly the strong momentum in deposits, assets and customer relationships becomes sustainable earnings and enduring trust.

Appreciation

I thank the Board for its guidance and constructive challenge, our shareholders for investing in the Bank's future, and our regulators and public-sector partners for their support. I am grateful to our customers and cooperative members for placing their trust in a growing institution. Above all, I thank our employees. You delivered through ambiguity, absorbed new responsibilities and continued to serve. The results of 2025 belong to you. We enter the next year with a stronger platform, clearer priorities and renewed determination to make Coop Bank Tanzania the trusted financial partner of the cooperative economy and a catalyst for inclusive growth.

Godfrey J. Ng'urah

Mr. Godfrey J. Ng'urah
Chief Executive Officer



Taarifa ya Mkurugenzi Mtendaji

Kugeuza azma kuwa utekelezaji, ukuaji na matokeo chanya kwa wateja

Ndugu Wanahisa,

Mwaka 2025 ulikuwa mwaka ambao azma yetu ya kimkakati ilihama kwa uthabiti kutoka katika hatua ya usanifu na kuingia katika utekelezaji. Tulianza mwaka tukiwa na dhamira ya wazi ya kujenga benki ya kitaifa ya ushirika inayounganisha uelewa wa kina wa wanachama na minyororo ya thamani pamoja na kasi, urahisi wa kufikiwa na nidhamu ya benki ya kisasa ya kibiashara. Dhamira hiyo ilitutaka kuunganisha taasisi, kuimarisha mizania, kuweka mfumo wa uendeshaji unaoweza kuhimili ukuaji, kupanua uwepo wetu sokoni na kuzindua njia mpya za utoaji huduma, huku tukiendelea kuwahudumia wateja kwa usalama na kutegemewa. Ninajivunia maendeleo tuliopata na, kwa kiwango sawa, ninaelewa kwa uwazi kazi ambayo bado inahitajika ili kugeuza uwezo huu mpana kuwa faida endelevu na uzoefu bora wa mwanachama unaoongoza katika sekta.

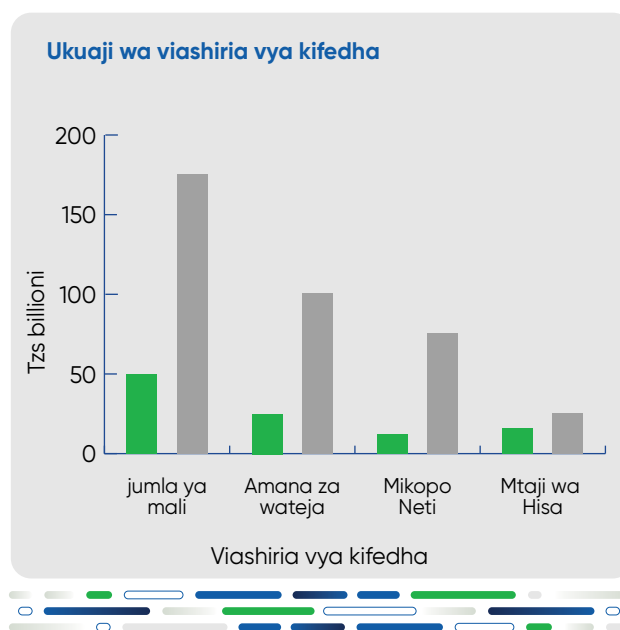


Kujenga jukwaa la kitaifa la benki ya ushirika

Kipaumbele chetu cha kwanza katika utekelezaji kilikuwa cha kitaasisi. Muunganiko wa Kilimanjaro Cooperative Bank Limited na Tandahimba Cooperative Bank Limited uliwaleta pamoja watu, mifumo, historia na mahusiano tofauti ya wateja. Tulifanya kazi ya kujenga taasisi moja yenye viwango, mifumo ya utawala, sera na matarajio ya utendaji yanayofanana. Mabadiliko ya Benki kuwa kampuni ya umma yenye ukomo wa dhima tarehe 23 Aprili 2025, pamoja na uzinduzi wake rasmi tarehe 28 Aprili 2025, yaliipa Benki utambulisho mpya wa kitaifa na kibiashara. Haya hayakuwa tu mabadiliko ya jina au hadhi ya kisheria. Yalikuwa usanifu mpya wa namna taasisi inavyokusanya mtaji, kugawa rasilimali, kusimamia hatari na kushirikiana na wamiliki na wadau wake.

Ukuaji wa mapato na upanuzi wa mizania

Ushahidi ulio wazi zaidi wa utekelezaji wetu ni ukubwa tulioufikia katika mwaka huo. Jumla ya mali iliongezeka hadi Shilingi bilioni 176.8 kutoka Shilingi bilioni 49.3. Amana za wateja zilikuwa hadi Shilingi bilioni 114.5 kutoka Shilingi bilioni 19.3, hali iliyoonesha kuongezeka kwa imani ya soko na ufanisi wa juhudi zetu za kukusanya amana. Mikopo na maduhuli halisi yaliongezeka hadi Shilingi bilioni 101.8 kutoka Shilingi bilioni 14.9 tulipopanua ufadhili kwa vyama vya ushirika, biashara za kilimo, biashara ndogo na za kati, wateja wanaopokea mishahara na sekta nyingine zenye tija. Ukuaji huu ulikuwa mpana kiasi cha kubadili kiwango cha uendeshaji wa Benki na kuweka msingi imara zaidi wa mapato ya mara kwa mara katika siku zijazo.



Ukuaji wa mizania 2024–2025

Ukuaji wa mapato

Mapato ya riba yalifikia Shilingi bilioni 6.6, yakichangiwa na mikopo kwa wateja pamoja na fedha zilizowekwa katika benki nyingine. Mapato halisi ya riba yalikuwa Shilingi bilioni 5.4 baada ya gharama za riba za Shilingi bilioni 1.3. Mapato ya ada na kamisheni yalifikia Shilingi bilioni 2.2, huku ada za uchakataji wa mikopo na nyaraka zikitoa mchango muhimu, na mapato mengine ya uendeshaji yakifikia Shilingi bilioni 5. Kwa hiyo, jumla ya mapato ya uendeshaji yalifikia Shilingi bilioni 8.1. Matokeo haya yanaonesha kwamba mahusiano yetu yanayopanuka na wateja yameanza kuzalisha mapato kupitia mikopo, huduma za miamala na shughuli za hazina. Jukumu letu linalofuata ni kuongeza matumizi hai ya akaunti na kukuza sehemu ya mapato thabiti, ya mara kwa mara na yaliyo katika vyanzo mbalimbali.

Ufikiaji wa wateja na njia za utoaji huduma

Tulipanua ufikiaji wa huduma kwa njia za ana kwa ana na za kidijitali. Kufunguliwa kwa tawi la Tabora kuliweka uwepo wetu wa kwanza katika eneo muhimu la tumbaku na biashara za kilimo, na kuwaleta karibu na huduma wakulima, wafanyabiashara, vyama vya ushirika na makampuni. Ukarabati wa majengo yanayomilikiwa na Benki katika Tandahimba uliboresha ubora na ufanisi wa mtandao wetu wa huduma. Wakati huohuo, huduma za benki kwa simu za mkononi za Coopesa, benki kwa mtandao za CoopNet na uwakala wa benki wa Coop Wakala ziliimarisha uwezo wetu wa kuwahudumia wateja nje ya matawi. Njia hizi ni muhimu kwa madhumuni yetu, kwa sababu vikwazo vya gharama na umbali vinavyohusishwa na huduma za kawaida za benki vinaweza kushughulikiwa tu kwa huduma za kidijitali zilizo rahisi, salama na zinazopatikana kwa upana.

Ustahimilivu wa uendeshaji wakati wa mageuzi

Ukubwa na kasi ya mabadiliko vilijaribu ustahimilivu wetu wa uendeshaji. Tulilazimika kuendeleza huduma huku tukiunganisha timu, tukipanua jalada la mikopo, tukikusanya amana, tukifungua na kukarabati matawi, tukiboresha teknolojia na kuanzisha bidhaa mpya. Tulikabiliana na hali hiyo kwa kuimarisha uratibu miongoni mwa biashara, uendeshaji, teknolojia, hatari, fedha na rasilimali watu. Tuliwekeza katika miundombinu ya seva, mawasiliano, usalama wa vifaa vya watumiaji, uhifadhi wa nakala rudufu, ufuatiliaji na mifumo ya usaidizi. Tuliimarisha udhibiti wa muanzishaji na mhakiki, usimamizi wa haki za ufikiaji, mwitikio kwa matukio na taratibu za mwendelezo wa biashara. Mwaka huo ulithibitisha kwamba ustahimilivu si mfumo mmoja; ni matokeo ya pamoja ya watu wenye uwezo, taratibu zenye nidhamu, teknolojia salama na maamuzi ya usimamizi yanayofanywa kwa wakati.

Teknolojia na ubunifu kama injini za ukuaji

Ajenda yetu ya kidijitali si programu ya usaidizi; ni mkakati mkuu wa biashara. Coopesa, CoopNet na Coop Wakala zimeundwa kupanua ufikiaji wa Benki, kupunguza vikwazo katika miamala na kuboresha upatikanaji wa huduma. Katika mwaka huo, timu ya teknolojia iliunga mkono utekelezaji wa njia za huduma, uboreshaji wa miundombinu, udhibiti wa usalama wa mtandao na uunganishaji na mazingira ya mfumo mkuu wa benki. Tunajenga kuelekea mfumo ambao wateja wanaweza kufungua na kuendesha akaunti, kufanya malipo, kupata mikopo na kupokea mwongozo unaofaa wa kifedha kupitia mfumo unaozidi kuunganishwa. Akili mnemba na uchanganuzi wa data vitaendelea kuboresha upangaji wa makundi ya wateja, tathmini ya mikopo, ugunduzi wa udanganyifu na maamuzi ya uendeshaji, lakini tutatumia uwezo huu kwa uwajibikaji na chini ya mifumo mwafaka ya utawala.

Ukuaji wa mikopo unaoambatana na nidhamu

Utekelezaji wetu wa mikopo ulikuwa imara, lakini ubora uliendelea kuwa kipaumbele. Jumla ya mikopo, mikopo ya ziada kwenye akaunti na maduhuli ilifikia Shilingi bilioni 102.7, huku akiba ya hasara za mikopo inayotarajiwa ikiwa takribani Shilingi bilioni 0.9. Uwiano wa mikopo isiyolipika ulikuwa asilimia 1.17, ukiendelea kuwa chini ya kiwango cha kikanuni cha asilimia 5. Utendaji huu unaakisi kuboreshwa kwa tathmini, udhibiti wa utoaji wa mikopo, ufuatiliaji wa jalada na juhudi za makusanyo. Jalada letu linahudumia mikopo ya muda, mikopo ya ziada kwenye akaunti na mikopo kwa wafanyakazi, na linaendelea kuelekezwa zaidi katika sekta zenye tija na minyororo ya thamani ya ushirika. Tutaendelea kuwekeza katika uidhinishaji wa mikopo unaoongozwa na data, viashiria vya tahadhari ya mapema, usimamizi wa dhamana na ufuatiliaji baada ya utoaji wa mikopo ili kulinda ubora wa ukuaji.

Kuwekeza katika watu wetu

Mageuzi haya yasingewezekana bila watu wetu. Tuliwapanga upya kimkakati wafanyakazi wenye uzoefu kutoka maeneo ya awali kwenda Dodoma, Tabora, Tandahimba na Makao Makuu, ili kuhakikisha kwamba maarifa ya kitaasisi yanaunga mkono vituo vipya vya ukuaji. Pia tulijiri wataalamu kutoka soko pana ili kuimarisha ukuzaji biashara, usimamizi wa hatari, fedha, mikopo, teknolojia na uendeshaji. Zaidi ya kuongeza wafanyakazi, tulilenga kujenga utamaduni mmoja, unaomweka mwanachama katikati, wenye uwajibikaji, maadili, ubunifu na unaoongozwa na utendaji. Wafanyakazi wetu wanahitaji umhiri wa kitaalamu pamoja na uelewa wa kweli wa jamii za ushirika. Kwa hiyo, tutaendelea kuwekeza katika mafunzo, ukuzaji wa uongozi, urithi wa uongozi, usimamizi wa utendaji na ustawi wa wafanyakazi.



Gharama ya kujenga uwezo wa ukuaji

Benki ilirekodi gharama za uendeshaji za Shilingi bilioni 99 na hasara kabla ya kodi ya Shilingi bilioni 2.7. Matokeo haya yanaakisi mwaka ambao tulijenga uwezo kabla ya mapato kufikia kiwango cha ukomavu: gharama za wafanyakazi, matawi na utawala, teknolojia, uchakavu na upunguzaji wa thamani zote ziliongezeka kadiri taasisi ilivyopanuka. Uwiano wa gharama kwa mapato wa asilimia 123 uko juu ya matarajio yetu ya muda mrefu na unaweka wazi hatua inayofuata ya utekelezaji. Tunapaswa kuongeza mapato kwa kila mteja na kwa kila mfanyakazi, kuharakisha uhamishaji wa miamala kwenda njia za kidijitali, kuboresha ununuzi na matumizi ya majengo, kugeza taratibu za mikono kuwa za kiotomatiki na kuhakikisha kwamba kila uwekezaji unaunganishwa na matokeo yanayoweza kupimika ya biashara. Njia yetu ya kufikia faida itatokana na ukuaji wenye nidhamu, si upunguzaji wa gharama usio na mwelekeo unaodhoofisha huduma au udhibiti.

Ushirikiano unaopanua matokeo chanya

Tulitumia ushirikiano kupanua uwezo wa Benki wa kutoa huduma. Makubaliano katika ufadhili wa vifaa vya kilimo na malori yanalenga kuwasaidia wateja kupata mali zenye tija. Ushirikiano katika dhamana za pembejeo za kilimo na programu za kilimo zinazolenga vijana unaunga mkono ajira na maendeleo ya biashara. Ushirikiano wa bima unaimarisha ustahimilivu wa kifedha wa wanachama na biashara kwa kulinda mali na vyanzo vya maisha. Juhudi hizi zinaonesha wajibu wetu kama mratibu ndani ya mfumo wa ushirika: tunaunganisha fedha na wasambazaji, dhamana, bima, masoko na taarifa ili wateja waweze kutoka katika kupata huduma na kufikia maendeleo halisi ya kiuchumi.

Vipaumbele vya hatua inayofuata

Vipaumbele vyetu ni wazi. Tutaongeza amana thabiti, kukuza mali zenye mapato na ubora, kuboresha tofauti ya mapato ya riba na kupanua vyanzo vya mapato yasiyotokana na riba. Tutaongeza matumizi hai ya Coopesa, CoopNet na Coop Wakala; tutapanua uwepo wetu kwa uteuzi katika mikoa ya kipaumbele; tutapunguza muda wa kushughulikia huduma; na tutafanya uzoefu wa mteja uwe thabiti zaidi katika kila njia. Tutaendelea kudumisha mtaji na ukwasi imara, kulinda ubora wa mali na kuimarisha usalama wa mtandao na utawala wa data. Muhimu zaidi, tutageza faida yetu ya kiushirika kuwa pendekezo la kipekee kwa wateja, linaloelewa misimu, minyororo ya thamani, miundo ya vikundi na uhalisia wa jamii ambao mara nyingi hauzingatiwi vya kutosha na mifumo ya kawaida ya benki.

Uzoefu wa mteja kama kipimo cha utekelezaji



Kipimo cha mwisho cha utekelezaji wetu si idadi ya mipango iliyokamilika; ni uzoefu ambao wateja wanaupata wanaposhirikiana nasi. Chama cha ushirika kinachohitaji ufadhili wa msimu kinahitaji maamuzi ya wakati yanayoakisi mzunguko wake wa mtiririko wa fedha. Mkulima au mfanyabiashara anahitaji njia rahisi za malipo na mtaji wa kuendesha shughuli. Mteja anayepokea mshahara anahitaji uwazi, kasi na huduma inayotegemewa. Biashara inahitaji usimamizi wa fedha, mikopo na zana za kidijitali zinazopunguza vikwazo. Kwa hiyo, tunaunda upya usimamizi wa utendaji kuzunguka matokeo ya mteja kama muda wa kutoa huduma, upatikanaji wa njia za huduma, utatuzi wa malalamiko, matumizi ya bidhaa na kina cha mahusiano. Ukuaji usioambatana na ubora wa huduma ni dhaifu. Dhamira yetu ni kuhakikisha kwamba Benki inayopanuka inaendelea kuwa rahisi, yenye mwitikio na inayowajali binafsi watu inaowahudumia.

Tija na uwajibikaji

Hatua inayofuata ya utekelezaji inahitaji utamaduni imara zaidi wa tija. Kila tawi, bidhaa, njia ya huduma na kitengo cha usaidizi lazima kiwe na malengo yaliyo wazi na vipimo vinavyoonekana vya mchango wake. Timu za biashara zitarajiwa kukuza wateja hai, mali bora, amana na mapato ya ada. Timu za uendeshaji na teknolojia zitapimwa kwa kutegemewa kwa huduma, kasi, udhibiti na uendeshaji wa kiotomatiki. Vitengo vya udhibiti vitaendelea kutoa changamoto huru huku vikiisaidia taasisi kufanya maamuzi yenye taarifa sahihi. Viongozi watawajibika kwa kukuza watu, kusimamia gharama na kuondoa vikwazo vinavyovuka mipaka ya vitengo. Mtazamo huu hauhusu shinikizo la muda mfupi; unahusu kuhakikisha kwamba rasilimali tulizokabidhiwa zinageuzwa kuwa thamani kwa wateja na uendelevu wa kifedha.

Kuhudumia minyororo yote ya thamani ya ushirika

Utofauti wetu utatokana na kuhudumia minyororo yote ya thamani badala ya miamala iliyotenganishwa. Katika kilimo, hii inamaanisha kuwaunganisha wazalishaji, vyama vya ushirika, wasambazaji wa pembejeo, wakusanyaji, wasindikaji, wasafirishaji, watoa bima na wanunuzi. Katika sekta nyingine za ushirika, inamaanisha kuelewa mtiririko wa fedha za wanachama, miundo ya utawala na muda wa mapato na wajibu. Kwa kuunganisha akaunti, malipo, mikopo, ufadhili wa mali, bima na data, tunaweza kuwasaidia wateja kuongeza tija na ustahimilivu huku tukijenga mahusiano ya kina na thabiti zaidi kwa Benki. Mfumo huu pia unaunga mkono usimamizi wa hatari kwa sababu uelewa bora wa mtiririko wa fedha katika minyororo wa thamani unaweza kuboresha uidhinishaji na ufuatiliaji wa mikopo. Hivi ndivyo utambulisho wetu wa kiushirika unavyogeuka kuwa faida halisi ya ushindani badala ya kuwa kauli ya urithi pekee.

Utekelezaji wenye uthabiti

Mwaka unaokuja utahusu uthabiti: viwango thabiti vya huduma, nidhamu thabiti ya mikopo, upatikanaji thabiti wa njia za huduma na uwajibikaji thabiti kwa matokeo. Tumeonesha kwamba tunaweza kujenga na kukua kwa haraka. Sasa tunapaswa kuonesha kwamba tunaweza kuendesha jukwaa hili kubwa kwa usahihi unaoongezeka. Ninatarajia viongozi katika kila ngazi kurahisisha kazi, kutatua matatizo ya wateja katika chanzo chake na kutumia data kuongoza maamuzi. Tutawasilisha maendeleo kwa uwazi, kusherehekea utekelezaji na kushughulikia mapema utendaji usioridhisha. Uthabiti huo ndio utakaoamua kasi ambayo ukuaji mkubwa wa amana, mali na mahusiano ya wateja utageuka kuwa mapato endelevu na imani ya kudumu.

Shukrani

Ninaishukuru Bodi kwa mwongozo na changamoto zake zenye kujenga, wanahisa wetu kwa kuwekeza katika mustakabali wa Benki, pamoja na wasimamizi wetu wa kikanuni na washirika wa sekta ya umma kwa usaidizi wao. Ninawashukuru wateja wetu na wanachama wa vyama vya ushirika kwa kuamini taasisi inayokua. Zaidi ya yote, ninawashukuru wafanyakazi wetu. Mlitoa matokeo katika mazingira yenye kutokuwa na uhakika, mkabeba majukumu mapya na mkaendelea kutoa huduma. Matokeo ya 2025 ni yenu. Tunaingia mwaka unaofuata tukiwa na jukwaa imara zaidi, vipaumbele vilivyo wazi na dhamira mpya ya kuifanya Coop Bank Tanzania kuwa mshirika wa kifedha anayeaminika wa uchumi wa ushirika na kichocheo cha ukuaji jumuishi.

Godfrey

Bw. Godfrey J. Ng'urah
Mkurugenzi Mtendaji





03

**Our Operating
Environment**

Tanzania's Economic Environment

Resilient growth creating opportunity while requiring disciplined risk management

2025 operating context

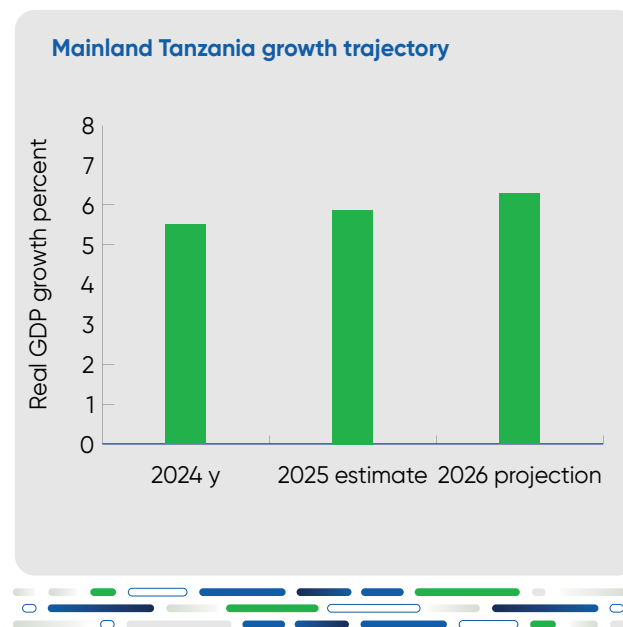
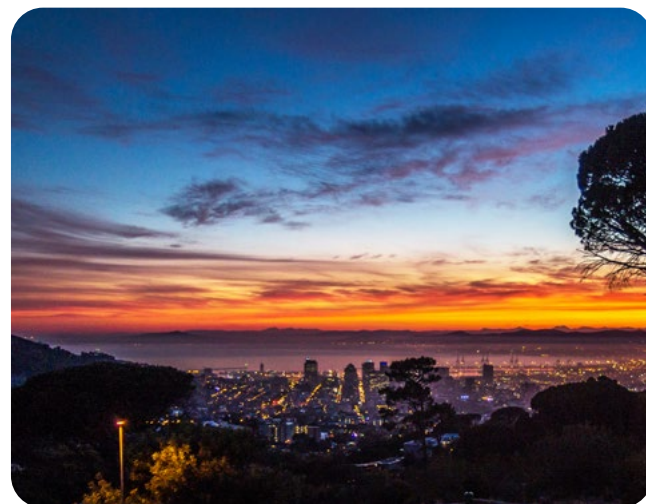
Tanzania's economy remained supportive of banking activity in 2025. Growth was broad-based, inflation stayed within the authorities' medium-term range and private-sector credit continued to expand. For stakeholders, this created greater opportunity for savings mobilisation, lending and payments, while maintaining the need to manage agricultural, climate, foreign-exchange and customer-liquidity risks.

GROWTH

Economic performance in 2025

Mainland Tanzania's real GDP growth for 2025 was estimated at 5.9%, compared with 5.5% in 2024. Agriculture, construction and mining were identified among the principal growth drivers, supported by infrastructure investment, improvements in the business environment and continued policy reforms. Inflation remained low and stable, with headline inflation averaging 3.5% during the first half of the 2025/26 financial year and remaining within the 3–5% medium-term target range.

This environment supported customer activity and demand for finance across agriculture, trade, construction, services and household consumption. It also reinforced the strategic relevance of a cooperative bank able to connect rural production, cooperative organisations and enterprises with formal savings, payments and credit.



STAKEHOLDER IMPLICATIONS

What the environment meant for our stakeholders



Customers

A growing economy supported income-generating activity and demand for accessible finance and transaction services.



Cooperatives

Agriculture-led growth strengthened the case for value-chain finance, seasonal products and solutions linked to member cash flows.



Shareholders

Economic expansion increased the addressable market, while disciplined execution remained essential to convert opportunity into sustainable returns.



Regulators

Stable inflation and financial-sector resilience supported confidence, alongside continued attention to credit, liquidity and emerging risks.



Communities

Greater financial access could support enterprise, employment and participation in productive economic activity.

RESILIENCE

Risks requiring continued attention

The positive outlook did not remove uncertainty. Agricultural customers remained exposed to weather variability, commodity-price movements and seasonal liquidity. External risks included geopolitical and trade tensions, changes in energy and commodity prices and possible pressure on foreign-exchange markets. The Bank's response is to maintain prudent underwriting, diversify exposures, monitor customer cash flows closely and use scenario planning to protect capital and liquidity.

Source note Bank of Tanzania, Monetary Policy Statement, February 2026; National Bureau of Statistics quarterly GDP releases. The 2025 GDP estimate and 2026 projection are official estimates available after the reporting date and are presented as context.



BANKING SECTOR DEVELOPMENTS

A larger, more resilient and increasingly digital financial system

Sector at a glance

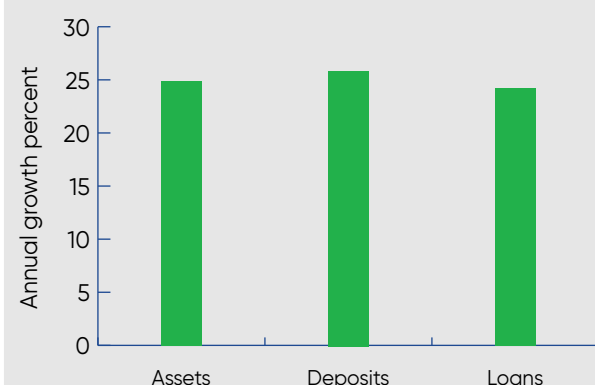
The banking sector recorded strong expansion in 2025 while remaining well capitalised, liquid and profitable. Competition intensified as banks expanded customer reach through branches, agents and digital channels, raising expectations for convenience, pricing transparency and service reliability.

SECTOR PERFORMANCE

Growth and financial soundness

Banking-sector assets increased by 24.9% to TZS 77.70 trillion in 2025, deposits rose by 25.9% to TZS 53.86 trillion and loans, advances and overdrafts grew by 24.2% to TZS 45.46 trillion. The non-performing loan ratio improved to 2.8% from 3.4%, while Tier 1 and total capital ratios stood at 21.6% and 22.5%, respectively. Sector net profit reached TZS 2.23 trillion, supported by growth in earning assets and improved operating efficiency.

Tanzania banking sector growth in 2025



MARKET DYNAMICS

Competition and market structure

Tanzania had 42 banking institutions at the end of 2025, comprising 35 commercial banks, two development banks, three microfinance banks and two community banks. The ten largest banks held 80.8% of sector assets and 82.5% of loans, underlining the importance of clear differentiation for smaller and emerging institutions. Locally owned banking institutions accounted for 68.6% of assets, providing a strong domestic base within the sector.

For Co-operative Bank Tanzania, this structure reinforces the need to compete through relevance rather than scale alone. The Bank's cooperative relationships, understanding of productive value chains and ability to design seasonal and group-based solutions provide a differentiated route to customer loyalty and responsible growth.

ACCESS

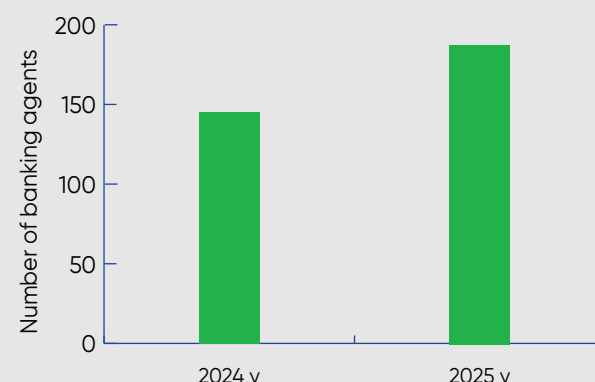
Distribution and financial inclusion

The number of bank branches increased to 1,049, while bank agents rose by 29.1% to 187,692. The expansion of agent and digital banking enabled institutions to reach rural and underserved customers beyond conventional branch hours. However, agent distribution remained concentrated in major urban centres, leaving continuing opportunity in agricultural and cooperative markets.

Strategic response

The Bank's stakeholder proposition is to combine relationship-led cooperative banking with efficient digital and agency channels. This requires strong channel availability, rapid complaint resolution, secure technology, disciplined pricing and products that create measurable value for customers.

Expansion of banking agents access



Source note Bank of Tanzania, Banking Supervision Annual Report 2025.

Cooperative Sector Trends

Turning collective organisation into stronger financial and economic participation

Why the cooperative sector matters

Cooperatives remain important channels through which farmers, employees, traders and communities organise savings, production, marketing and access to finance. Their reach gives Co-operative Bank Tanzania a distinctive opportunity to serve connected groups and complete value chains rather than isolated transactions.

SECTOR STRUCTURE

A broad and evolving ecosystem

The cooperative ecosystem spans agricultural marketing cooperative societies, savings and credit cooperative societies, cooperative unions, producer organisations and community-based groups. Within the regulated microfinance framework, 981 SACCOS and 74,534 Community Microfinance Groups were operating at the end of 2025. During the year, delegated authorities licensed 17 SACCOS and registered 15,608 Community Microfinance Groups.

The sector is increasingly expected to combine member ownership and democratic participation with stronger governance, transparent records, digital capability and commercial sustainability. This creates demand for banking partners able to support both institutional strengthening and member-level financial needs.

STAKEHOLDER VALUE

Our role in the ecosystem

For cooperative societies and members, the Bank can provide safe savings, efficient payments, appropriately structured credit and access to protection products. For buyers, processors and suppliers, stronger transaction visibility can improve reliability and planning. For shareholders, deeper value-chain relationships can support more stable deposits, fee income and well-understood lending opportunities. For regulators and communities, responsible cooperative finance can broaden formal financial participation and direct capital towards productive activity.

MEMBERS
Savings and needs

COOPERATIVE
Aggregation and governance

BANK
Finance and payments

VALUE CHAIN
Production and markets

OUTCOMES
Income and resilience

Source note Bank of Tanzania, Banking Supervision Annual Report 2025; Tanzania Cooperative Development Commission, Annual Performance Report for Non-Financial Cooperative Societies 2025; Bank strategic and management reports.

WHAT IS CHANGING

Trends shaping cooperative banking



Value-chain orientation

Finance is moving beyond standalone loans towards linked solutions for inputs, production, aggregation, processing, transport and markets.



Digital records and payments

Cooperatives increasingly require reliable digital collections, member records, payments and reconciliation.



Governance expectations

Members and regulators expect stronger accountability, financial reporting, controls and leadership capability.



Youth and women participation

Inclusive products and enterprise support can widen economic participation and strengthen future membership.



Climate resilience

Agricultural cooperatives require finance, insurance and risk practices that respond to weather and production uncertainty.



Partnership models

Banks, government institutions, insurers, suppliers and buyers can combine capabilities to reduce risk and expand impact.

Regulatory Developments

Stronger expectations for resilience, conduct, sustainability and transparency

The regulatory direction

The 2025 regulatory agenda strengthened the requirements placed on banks in relation to capital, risk management, sustainability, climate-related risks, customer treatment, financial crime controls and digital resilience. These developments support confidence in the financial system and require institutions to embed compliance within strategy and day-to-day execution.



REGULATORY LANDSCAPE

Key developments in 2025



Non-interest banking

The Banking and Financial Institutions (Non-Interest Banking Business) Regulations, 2025 operationalised a framework for non-interest banking.



Sustainability reporting

Guidelines on Reporting of Sustainability-Related Risks and Opportunities for Banks and Financial Institutions were issued in January 2025.



Climate-related financial risk

Guidelines on Climate-Related Financial Risks Management and Disclosures introduced expectations for governance, risk management and disclosure.



Consumer protection

The Financial Consumer Protection Amendment Regulations, 2025 and complaints-handling guidance reinforced fair treatment, transparency and effective redress.



AML CFT and customer due diligence

Supervisory attention remained focused on risk-based compliance, customer due diligence and the integrity of the financial system.



Basel implementation

The Bank of Tanzania continued implementation of Basel II and III and strengthened risk-based and real-time supervisory capability.

ACCOUNTABILITY

What this means for stakeholders

Customers should benefit from clearer information, fairer treatment, stronger protection of personal information and more effective complaints handling. Depositors and shareholders benefit from stronger capital, liquidity, governance and risk-management expectations. Regulators receive more timely and decision-useful information, while employees require clear policies, training and accountability to translate regulatory standards into consistent conduct.

For the Bank, compliance is not treated as a separate reporting exercise. It is part of protecting customer trust, maintaining the licence to operate and ensuring that growth is supported by controls and organisational capacity.

INTERPRET
Understand requirements

EMBED
Policies and systems

TRAIN
People and conduct

MONITOR
Data and assurance

IMPROVE
Corrective action

IMPLEMENTATION

Bank priorities

The Bank's priorities include strengthening regulatory reporting, integrating sustainability and climate risk into governance and credit processes, enhancing customer disclosures and complaints handling, maintaining effective AML/CFT controls and continuing investment in cybersecurity, data governance and business continuity. Board and management oversight will remain essential as the Bank expands.

Source note: Bank of Tanzania, Banking Supervision Annual Report 2025; Bank of Tanzania regulations, guidelines and circulars issued during 2025.



Customer and Technology Trends

Convenience, interoperability and trust are redefining banking relationships

A digital-first customer environment

Customers increasingly expect banking to be available wherever they work and live, with fast payments, simple onboarding, transparent pricing and reliable support. Technology is therefore both a route to inclusion and a source of operational, cyber and conduct risk that must be governed carefully.

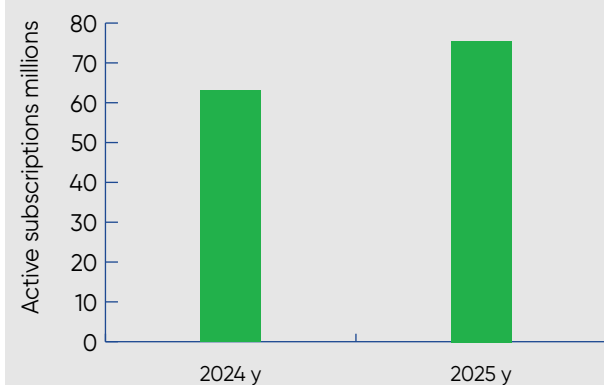
MARKET BEHAVIOUR

Digital adoption accelerated in 2025

Active mobile money subscriptions reached 75.78 million in 2025, while the wider mobile money agent network expanded to approximately 1.98 million agents. Person-to-person mobile transfers increased to 607.71 million transactions valued at TZS 20.19 trillion. Digital savings volumes almost doubled, and digital credit transactions increased to 336.52 million.

Internet banking also expanded, with 28 banks offering internet banking payment solutions. Transaction volumes increased by 25.6% to 27.01 million, while values increased by 18.4% to TZS 253.40 billion. Corporate users increasingly migrated supplier payments, payroll, statutory payments and internal transfers from manual processes to digital platforms.

Active mobile money subscriptions



PAYMENTS

Interoperability is raising customer expectations

The Tanzania Instant Payment System remained central to digital payment transformation. Its integration with the Government Electronic Payment Gateway enabled more efficient real-time government payments and reconciliation. The TANQR standard widened interoperable merchant payments, with 21 banks and financial institutions, five mobile money operators and one aggregator adopting the standard by the end of 2025.

For customers, interoperability means fewer boundaries between banks, wallets, merchants and government services. For the Bank, it creates opportunities to increase account activity and transaction income, while requiring resilient connectivity, strong authentication, fraud monitoring and effective customer support.



CUSTOMER TRUST

The human side of digital banking



Simplicity

Products and journeys must be understandable and easy to complete.



Availability

Customers expect services beyond branch hours and across devices and locations



Security

Trust depends on protecting funds, identities and personal information.



Transparency

Pricing, terms and transaction status must be communicated clearly.



Support

Digital access must be backed by responsive complaint and problem resolution.



Relevance

Data should be used responsibly to tailor services to real customer needs.

Our response

COOPesa, COOP Net and COOP Wakala provide the foundations of the Bank's blended distribution model. The priority is to drive active adoption, improve reliability, strengthen cybersecurity and connect digital services with relationship support for cooperatives, enterprises, institutions and individuals.

Source note: Bank of Tanzania, National Payment Systems Annual Report 2025; Bank ICT and innovation management report.



Opportunities and Challenges

Converting a distinctive market position into responsible and sustainable growth

Strategic balance

The Bank operates within a growing economy, a resilient banking sector and a rapidly expanding digital ecosystem. Its opportunity is to translate cooperative relationships into deeper customer value. Its challenge is to grow income and reach while protecting service quality, asset quality, capital, liquidity and stakeholder trust.

GROWTH

Our principal opportunities



Cooperative value chains

Serve members, societies, suppliers, processors, transporters and buyers through connected financial solutions.



Data-led banking

Use better data to improve customer understanding, credit decisions, fraud detection and performance management.



Deposit mobilisation

Build stable transactional and savings relationships across cooperatives, institutions, enterprises and individuals.



Agriculture and productive sectors

Provide seasonally structured working capital, equipment finance, payments and protection.



Digital and agency access

Reach customers beyond branches and increase the frequency and convenience of transactions.



Partnership-enabled solutions

Combine finance with guarantees, insurance, suppliers, markets and technical support.



RISK AND EXECUTION

Our principal challenges



Profitability transition

The enlarged platform must generate income faster than costs to create sustainable stakeholder returns.



Competitive intensity

Larger banks and digital providers compete on price, convenience, reach and technology.



Credit concentration and seasonality

Agricultural and cooperative exposures require careful diversification and cash-flow monitoring.



Technology and cyber risk

More digital activity increases the need for security, resilience, access controls and rapid incident response.



Capability and change

Growth requires scarce skills, consistent culture, disciplined performance management and leadership depth.



Regulatory complexity

New sustainability, climate, conduct and supervisory requirements must be embedded effectively.

DECISION FRAMEWORK

How we balance opportunity and risk

Strategic question	Value test	Risk and resilience test
Does it solve a verified customer need?	Customer adoption and relationship value	Fair treatment and suitability
Can it generate sustainable economics?	Income, margin and productivity	Capital, liquidity and downside scenarios
Can the Bank deliver it reliably?	Speed, convenience and service quality	Technology, people and control capacity

Stakeholder commitment

Management will pursue opportunities with ambition and discipline, communicate progress transparently and direct resources towards initiatives that produce measurable customer, financial and social outcomes.

Source note Bank audited financial statements and 2026–2030 strategic plan; Bank of Tanzania 2025 supervisory and payment-system reports.



Outlook for 2026

From platform building to deeper customer value and sustainable returns

Our 2026 direction

The external outlook remains supportive, with Mainland Tanzania's economy projected to grow by 6.3% in 2026 and inflation expected to remain within the 3–5% target range. The Bank enters this environment with a materially larger balance sheet, stronger capital and an expanded operating platform. The priority is to convert these foundations into consistent service, active customer relationships and sustainable financial performance.

ECONOMIC AND SECTOR CONTEXT

External outlook

Growth is expected to remain broad-based, supported by agriculture, mining, construction and continued public and private investment. Credit to the private sector is expected to remain supportive of economic activity. At the same time, geopolitical tensions, commodity-price changes, weather conditions, funding costs and customer liquidity remain relevant sources of uncertainty.

The banking sector is expected to continue investing in digital services, agent networks, sustainability risk management, Basel implementation and real-time regulatory reporting. Customers will expect faster, simpler and more interoperable services, while regulators will maintain close attention to resilience, consumer protection, financial crime and climate-related risks.



EXECUTION AGENDA

The Bank's priorities for 2026



Deepen stable deposits

Grow active current and savings relationships and improve retention.



Grow quality earning assets

Expand responsible lending while maintaining strong credit standards and portfolio monitoring.



Accelerate digital adoption

Increase active use of COOPesa, COOP Net and COOP Wakala and improve channel reliability.



Improve customer experience

Reduce turnaround times, strengthen complaint resolution and deliver consistent service.



Increase income productivity

Grow interest and fee income from the platform established in 2025.



Strengthen cost efficiency

Automate processes, improve procurement and link resources to measurable output.



Protect capital and liquidity

Maintain prudent buffers, funding discipline and scenario-based planning.



Build capability and culture

Invest in leadership, technical skills, accountability and employee engagement.



Embed sustainability and resilience

Integrate climate, environmental, social and governance considerations into decisions.

PERFORMANCE LENS

How stakeholders should measure progress

CUSTOMERS

Usage and experience

FINANCIAL

Income and efficiency

RISK

Asset quality and resilience

PEOPLE

Capability and culture

IMPACT

Inclusion and productive value

Progress will be assessed not only by balance-sheet growth, but by the quality of the relationships and returns created. Management will monitor active customers, deposit stability, digital usage, turnaround times, asset quality, capital and liquidity, fee income, cost-to-income performance, employee productivity and the outcomes delivered to cooperative and productive sectors.

Forward-looking statement

The outlook reflects expectations based on information available at the time of preparation. Actual outcomes may differ as economic, market, regulatory and operating conditions evolve. The Bank will respond through disciplined planning, scenario analysis and timely management action.

Source note Bank of Tanzania, Monetary Policy Statement, February 2026; Bank strategic plan and 2025 audited financial statements.





04

Our Business Model

How We Create Value

Connecting cooperative strength, modern banking and productive opportunity

Our value-creation logic

Co-operative Bank Tanzania creates value by mobilising savings and capital, understanding the needs of connected customer groups, allocating finance responsibly and providing secure payment and transaction services. The resulting value is shared through customer access, productive activity, institutional resilience and the potential for sustainable shareholder returns.



VALUE CREATION

Our business model in one view



The Bank's distinctive advantage is its ability to understand relationships that extend beyond an individual customer. Cooperative unions, primary societies, SACCOS, AMCOS, VICOBA, farmers, traders, suppliers, processors, transporters and buyers often form connected economic systems. By serving these relationships together, the Bank can design more relevant products, improve visibility of cash flows and support value creation across an entire chain.

The model combines this cooperative insight with the governance, risk management, capital discipline and technology expected of a modern commercial bank. Value is therefore created not by growth alone, but by converting funding and relationships into responsible earning assets, dependable services and measurable stakeholder outcomes.



OUR APPROACH

Five mechanisms through which value is created



2025 CONTEXT

Value creation during the 2025 platform-building year

During 2025, the Bank materially expanded its ability to create value. Total assets increased to TZS 176.8 billion, customer deposits reached TZS 114.5 billion and net loans and advances reached TZS 101.8 billion. The Bank also strengthened capital, expanded its workforce and invested in branches, technology and alternative channels. These developments increased the resources available to serve customers and finance productive activity.

The year also demonstrated that value creation is a long-term process. The enlarged operating platform generated higher income but incurred a near-term loss as people, systems and infrastructure were established ahead of mature revenues. The next phase is to increase active customer use, improve income productivity and ensure that each investment produces sustainable financial and stakeholder outcomes.

SHARED OUTCOMES

How value flows to stakeholders

Stakeholder	Value created through the business model
Customers and members	Safe savings, convenient payments, appropriate credit, financial protection and service that reflects economic cycles.
Shareholders	A stronger institution, protected capital, transparent governance and a pathway to sustainable risk-adjusted returns.
Employees	Employment, capability development, ethical leadership and opportunities to contribute to a growing national institution.
Regulators	A compliant, well-capitalised institution that supports financial stability and responsible inclusion.
Communities and the economy	Capital directed to agriculture, enterprises and productive value chains, supporting participation, resilience and livelihoods.
Partners	A banking platform through which suppliers, insurers, buyers and public institutions can extend solutions and reach

Key Resources and Relationships

The foundations that enable responsible growth and enduring stakeholder trust

What enables our business model

The Bank's ability to serve stakeholders depends on the quality of the resources it controls and the relationships it maintains. Financial capital alone is insufficient; the model also relies on people, technology, customer information, governance, cooperative networks and trusted partnerships.

RESOURCES

Our key resources



Financial capital

Shareholder capital, customer deposits, borrowings, liquidity placements and investment securities support lending and resilience.



People and capability

Employees provide relationship knowledge, credit judgement, operational execution, technology expertise and control.



Technology and data

Core systems, COOPesa, COOP Net, COOP Wakala, payment connectivity, cybersecurity and data enable scale and convenience.



Physical network

Head Office, branches and service infrastructure support face-to-face engagement and local market access.



Intellectual capital

Policies, products, processes, cooperative knowledge, risk models and institutional experience guide decisions.



Trust and licence to operate

Customer confidence, regulatory approval, ethical conduct and transparent reporting sustain the institution.



RELATIONSHIPS

Our strategic relationships

Relationship	Why it matters	How we create mutual value
Cooperative societies and members	Provide scale, market knowledge, member flows and a distinctive ownership heritage.	Relevant deposits, payments, credit and value-chain solutions.
Customers across other segments	Diversify deposits, lending, transactions and income.	Convenient services, fair treatment and solutions aligned with customer needs.
Shareholders	Provide capital, governance legitimacy and long-term confidence.	Responsible stewardship, transparency and sustainable return potential.
Bank of Tanzania and other regulators	Protect financial stability, conduct and compliance.	Timely reporting, sound controls and constructive supervisory engagement.
Government and public institutions	Influence policy, infrastructure, payments and sector development.	Financial intermediation, collections, payments and support for national priorities.
Technology and service providers	Provide platforms, connectivity, security and specialist capability.	Commercial opportunity, clear standards and managed performance.
Insurers, suppliers, buyers and development partners	Extend the range of solutions available to customers.	Connected finance, protection, guarantees, markets and technical support.
Employees	Convert strategy and resources into service and outcomes.	Fair employment, development, well-being and meaningful work.

HOW INPUTS BECOME CAPABILITY

Resource transformation

CAPITAL Capacity to absorb risk	DEPOSITS Funding for customer assets	PEOPLE Judgement and service	TECHNOLOGY Reach and efficiency	RELATIONSHIPS Relevance and trust
---	--	--	---	---

The effectiveness of these resources depends on how they work together. Capital and deposits create funding capacity, but people and data determine whether that funding is allocated responsibly. Technology can widen access, but customer trust and responsive support determine adoption. Cooperative relationships create market relevance, but governance and commercial discipline are required to translate them into sustainable value.

ACCOUNTABILITY

Stewarding scarce resources

Management is responsible for ensuring that resources are directed towards initiatives with a clear customer need, credible economics and manageable risk. Technology expenditure should improve access, security, reliability, data quality or efficiency. Branch and people investments should be supported by demand and productivity. Capital should be allocated according to risk-adjusted return, while liquidity must remain sufficient to meet obligations and protect depositor confidence.



Our Activities

The work through which the Bank serves customers and converts resources into value

Our role as a financial intermediary

The Bank brings together savers and users of capital, enables secure transactions and supports customers with financial solutions. These activities are carried out within a framework of governance, risk management and operational resilience designed to protect stakeholders.



CONNECTED FINANCE

Activities across the cooperative value chain



Within cooperative and agricultural markets, the Bank's activities are intended to connect multiple stages of a value chain. This can include financing inputs and production, facilitating collections and payments, supporting aggregation and storage, financing equipment and transport, and connecting customers with insurance, suppliers and markets. Serving connected activities can improve customer resilience and provide the Bank with a clearer understanding of transaction and cash-flow patterns.

WHAT WE DO

Core banking activities



Mobilise deposits

Provide current, savings and fixed-deposit accounts and deepen transactional relationships.



Provide credit

Assess, structure and monitor term loans, overdrafts, working capital, asset finance and personal facilities.



Enable payments

Process transfers, collections, clearing, settlements and customer payments through physical and digital channels.



Manage liquidity and investments

Place funds, invest in securities and balance liquidity, yield and counterparty risk.



Protect customers and assets

Facilitate insurance and partnership solutions that strengthen financial resilience.



Provide relationship support

Understand customer cycles, resolve service needs and connect customers to broader value-chain opportunities.

OPERATING MODEL

How activities are delivered

Activity layer	Principal functions	Stakeholder outcome
Customer-facing business	Relationship management, customer acquisition, deposits, lending and segment solutions.	Relevant services and accountable relationship ownership.
Operations and service	Account administration, payments, settlements, documentation and service support.	Reliable execution and reduced friction.
Technology and innovation	Infrastructure, digital channels, integration, cybersecurity and data.	Convenient access, scalability and secure service.
Finance and treasury	Financial reporting, planning, performance insight, liquidity and investment management.	Transparency, resilience and disciplined resource allocation.
Risk, compliance and legal	Risk assessment, monitoring, regulatory compliance, contracts and governance support.	Protection of customers, depositors and shareholder capital.
Internal audit	Independent assurance over governance, risk management and controls.	Confidence that the control environment is operating effectively.
People and administration	Talent, culture, capability, facilities, procurement and organisational support.	A capable workforce and an enabling operating environment.

CONTROLS AROUND OUR ACTIVITIES

Responsible execution

Credit is supported by appraisal, approval, documentation, collateral management, portfolio monitoring and expected-credit-loss processes. Payments and digital activities are supported by access controls, maker-checker procedures, cybersecurity, incident response and business continuity arrangements. Financial activities are governed through capital, liquidity, pricing and performance oversight. These controls help ensure that customer growth does not compromise quality or resilience.



Our Outputs and Outcomes

What the Bank delivers and the difference those activities make

Outputs are not the end of the story

The Bank's immediate outputs include accounts, deposits, loans, payments and access channels. Their value is determined by the outcomes they support: stronger customer participation, productive activity, financial resilience, institutional sustainability and stakeholder trust.



WHAT WE DELIVERED

2025 outputs

Output	2025 position	Why it matters
Customer deposits	TZS 114.5 billion	Expanded the funding base and reflected stronger customer confidence.
Net loans and advances	TZS 101.8 billion	Directed finance to cooperatives, enterprises, institutions and individuals.
Total assets	TZS 176.8 billion	Increased the Bank's capacity to serve and invest.
Total operating income	TZS 8.1 billion	Demonstrated growing income generation from lending, transactions and treasury activity.
Capital strength	Tier 1 ratio 31.85%; total capital ratio 40.46%	Provided resilience and room for measured expansion.
Asset quality	Non-performing loan ratio 1.17%	Showed disciplined growth below the 5% regulatory benchmark.
Customer access	Branches in Dodoma, Moshi, Tabora and Tandahimba, complemented by COOPesa, COOP Net and COOP Wakala	Broadened physical and alternative access.
Workforce capacity	95 employees at year-end	Strengthened commercial, operational, technical and control capability.

IMPACT PATHWAY

From outputs to outcomes



WHAT CHANGES

Outcomes for the Bank and its stakeholders



Greater financial access

Customers can participate more fully in formal savings, payment and credit systems.



Productive capacity

Finance can support inputs, working capital, equipment, trade and personal priorities.



Customer convenience

Digital and agency channels reduce distance and time barriers.



Stronger relationships

Integrated products deepen customer engagement and improve understanding of needs.



Institutional resilience

Capital, liquidity, controls and diversification protect the Bank through change.



Future return potential

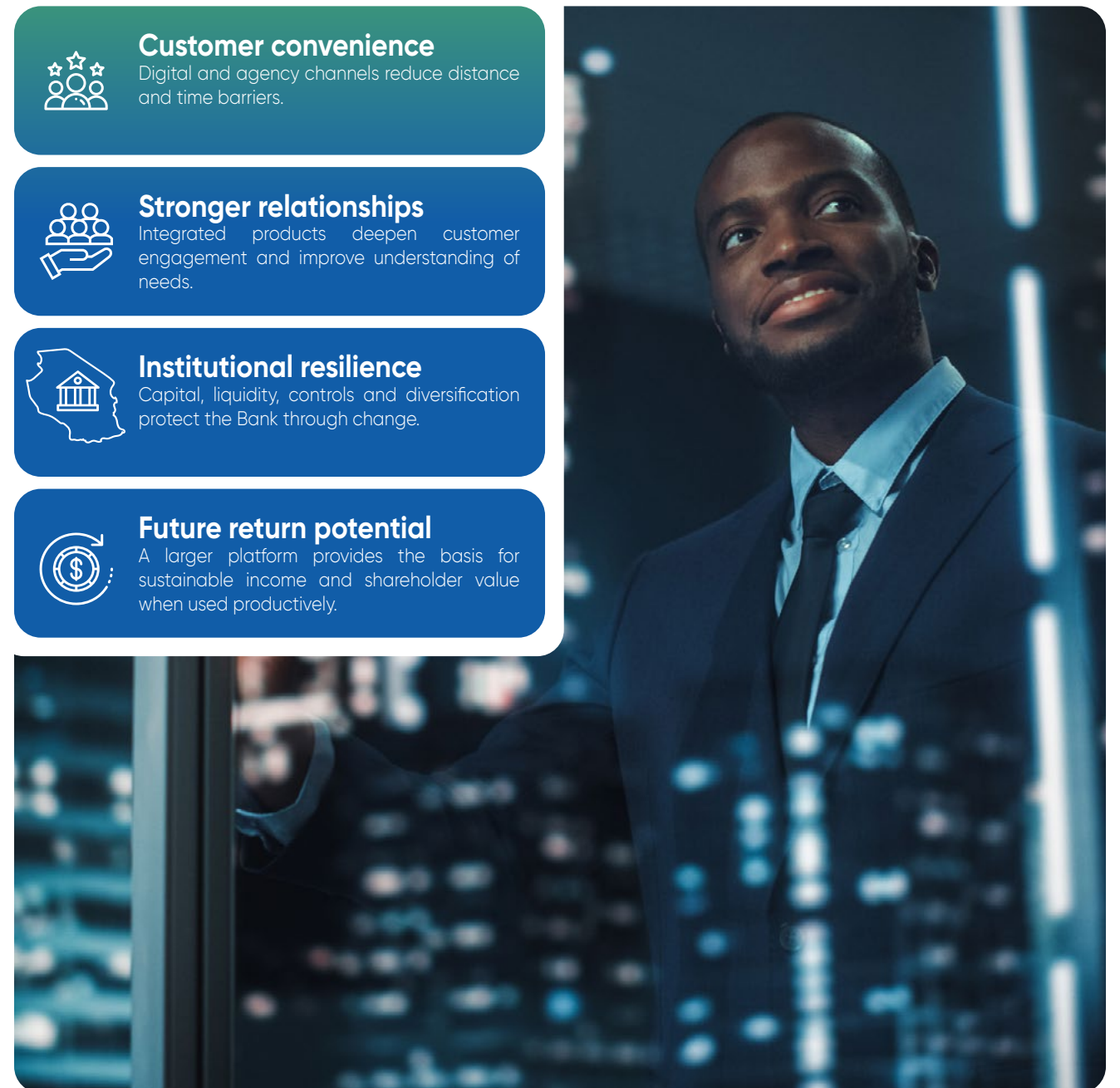
A larger platform provides the basis for sustainable income and shareholder value when used productively.

BALANCED PERFORMANCE

Interpreting the 2025 outcome

The 2025 results must be read as both significant progress and an unfinished transition. The Bank achieved rapid expansion while maintaining strong capital and asset quality. At the same time, operating expenses exceeded income and the Bank reported a loss before tax of TZS 2.7 billion. The outcome reflects investment in people, technology, branches, systems and controls before the enlarged platform reached mature income productivity.

The outcome expected from the next phase is not simply more volume. It is stronger active customer use, better income diversification, improved operating efficiency and sustainable returns, achieved without weakening service, controls or the Bank's cooperative purpose.



Value Created for Stakeholders

A shared-value model linking commercial strength with inclusive progress

Our understanding of value

The Bank recognises that long-term shareholder value depends on the confidence and participation of customers, employees, regulators, partners and communities. Value creation is therefore assessed through financial performance, customer outcomes, institutional resilience and contribution to productive economic activity.



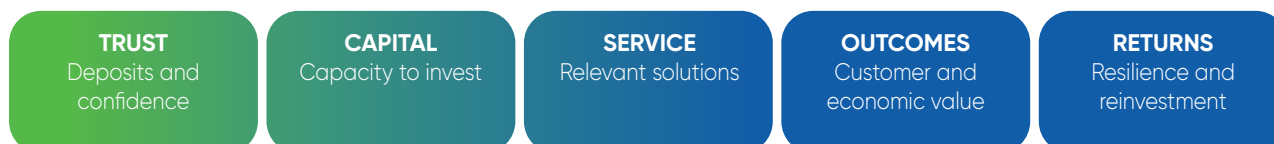
SHARED VALUE

Our stakeholder value proposition

Stakeholder	What they provide	Value the Bank seeks to create
Cooperative societies and members	Relationships, deposits, governance insight and productive opportunities.	Tailored finance, efficient collections and payments, member access and value-chain support.
Individual and business customers	Deposits, transactions, repayments, information and loyalty.	Safe accounts, convenient services, responsible credit, transparency and fair treatment.
Shareholders	Capital, oversight and confidence in the Bank's future.	Protection and productive use of capital, transparent reporting and sustainable return potential.
Employees	Skills, judgement, innovation and customer service.	Fair employment, development, inclusion, well-being and opportunities to contribute.
Regulators and public institutions	Licensing, policy, supervision, infrastructure and sector coordination.	Compliance, stability, accurate reporting and support for national development priorities.
Communities and the economy	Customers, talent, social licence and markets.	Financial inclusion, productive finance, enterprise participation and stronger livelihoods.
Suppliers and strategic partners	Technology, services, markets, insurance, guarantees and expertise.	Fair commercial relationships, growth opportunities and shared customer outcomes.

HOW INTERESTS REINFORCE ONE ANOTHER

Value created through the stakeholder cycle



These stakeholder interests are mutually reinforcing when the Bank is well managed. Customer trust supports deposits and transaction activity. Shareholder capital enables investment and risk absorption. Capable employees and reliable partners turn resources into service. Strong governance and regulatory compliance protect the institution. Sustainable earnings then provide the means to reinvest, strengthen resilience and ultimately deliver returns.

PERFORMANCE INDICATORS

How we will measure stakeholder value



Greater financial access

Customers can participate more fully in formal savings, payment and credit systems.



Customer

Active accounts, service availability, turnaround times, complaints and product usage.



Risk

Asset quality, credit cost, capital, liquidity, compliance and operational resilience.



People

Capability, engagement, productivity, leadership depth and retention.



Cooperative impact

Access, value-chain finance, member participation and productive activity.

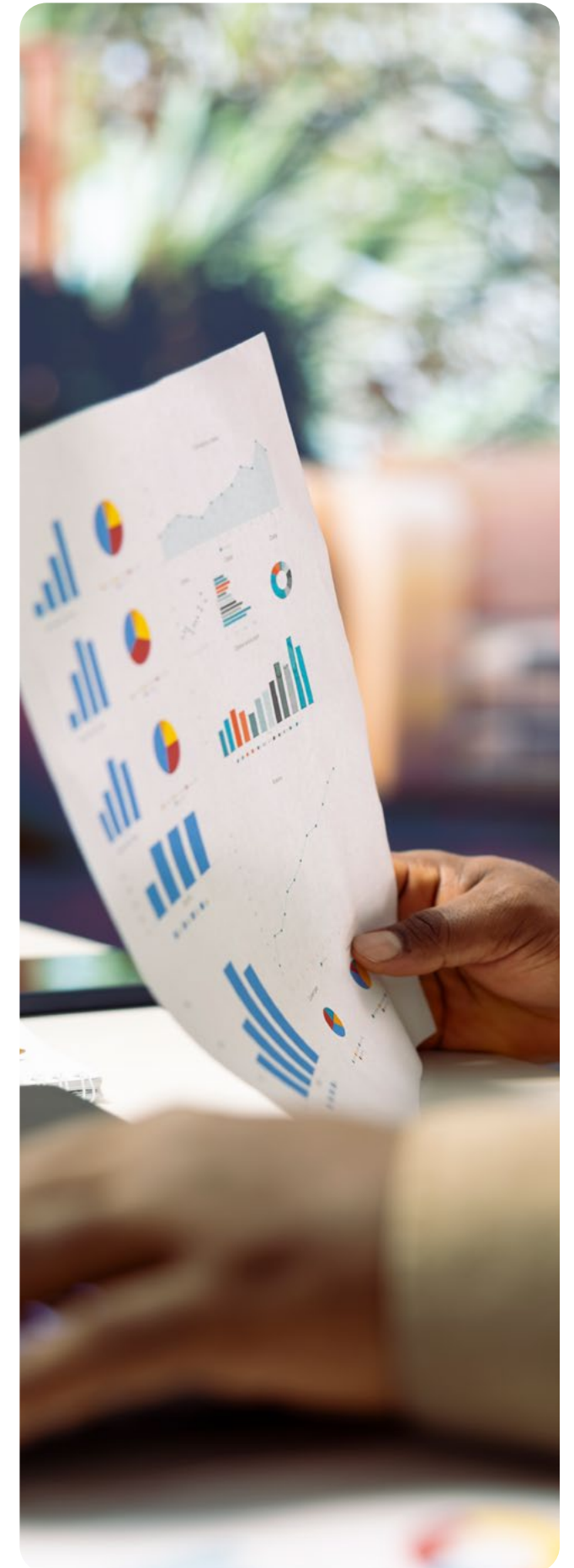


Trust

Transparent reporting, fair conduct, governance quality and stakeholder engagement.

Accountability to stakeholders

The Bank will continue to communicate both progress and gaps. Strategic initiatives should be evaluated not only by whether they were implemented, but by whether they improved customer outcomes, financial sustainability, risk resilience and the broader value created for stakeholders.



Trade-Offs and Dependencies

Managing competing priorities and external relationships with transparency and discipline

Why trade-offs matter

Every business model depends on choices. The Bank must balance growth with quality, access with cost, innovation with security and near-term expenditure with long-term value. Making these trade-offs visible strengthens accountability and helps stakeholders understand how decisions protect the institution's purpose and resilience.



STRATEGIC CHOICES

Our principal trade-offs

Trade-off	The decision to balance	How the Bank manages it
Growth and asset quality	Expanding lending while protecting customers and capital.	Credit standards, pricing, diversification, monitoring, collections and impairment recognition.
Access and operating cost	Extending services to underserved markets without creating an unsustainable cost base.	A blended model combining targeted branches, digital channels, agents and partnerships.
Investment and short-term profitability	Building people, systems and infrastructure before income fully matures.	Benefits tracking, phased investment, productivity targets and a clear path to profitability.
Customer convenience and security	Making services simple and available while protecting funds and data.	Authentication, access controls, cybersecurity, monitoring and responsive support.
Cooperative purpose and commercial discipline	Serving inclusion objectives while maintaining sustainable economics.	Appropriate products, risk-based pricing, value-chain insight and transparent performance management.
Liquidity and asset yield	Holding sufficient liquid resources while earning an appropriate return.	Asset-liability management, placements, securities, deposit strategy and liquidity buffers.
Scale and organisational complexity	Expanding reach without weakening accountability or speed.	Clear structures, automation, management information and disciplined performance scorecards.

WHAT OUR MODEL RELIES ON

Critical dependencies



Customer and member trust

Depositors and borrowers must believe the Bank is safe, fair and dependable.



Cooperative governance

Strong records, leadership and member accountability improve the quality of relationships and finance.



Regulatory stability

Clear rules, supervision and national payment infrastructure underpin banking confidence.



Technology resilience

Systems, networks, vendors and cybersecurity must support secure and available service.



Capital and funding

Growth depends on sufficient capital, stable deposits and disciplined liquidity management.



People and capability

Execution requires skilled employees, leadership, culture and effective collaboration.



Economic and climate conditions

Agricultural production, customer liquidity and asset quality are influenced by weather and market cycles.



Partners and service providers

Insurance, suppliers, buyers, payment networks and specialist providers extend the Bank's proposition.

HOW WE RESPOND

Dependency and resilience map

IDENTIFY

Critical dependency

ASSESS

Impact and vulnerability

MITIGATE

Controls and alternatives

MONITOR

Indicators and assurance

RESPOND

Contingency action

DECISION PRINCIPLES

Managing difficult choices in the interests of stakeholders

When choices compete, the Bank will prioritise financial soundness, fair customer outcomes, regulatory compliance and long-term sustainability. A growth initiative should not proceed merely because it increases volume; it must have a credible customer need, appropriate risk controls and a path to sustainable economics. Cost reduction should improve productivity rather than weaken customer service or control functions. Technology should be adopted where it improves access, reliability, security, insight or efficiency, with responsible governance of data and emerging capabilities.

The Bank also recognises dependencies it cannot control directly. Weather, commodity cycles, economic conditions, regulatory change and third-party performance can affect outcomes. Scenario planning, diversification, business continuity, contractual oversight and timely stakeholder engagement are therefore important parts of the business model.

Our commitment

The Board and management will continue to review whether the Bank's resources, risk appetite and organisational capacity remain aligned with growth. Where trade-offs are material, stakeholders should receive clear explanations of the decision, expected benefit, accepted risk and measures used to assess outcomes.



05

Our Strategy

Strategic Direction

Building a national cooperative bank that combines inclusion with commercial strength

Our 2026–2030 direction

The Bank's strategy is designed to expand access to relevant financial services for cooperatives, agribusiness value chains, micro, small and medium-sized enterprises and underserved communities. It combines a distinctive cooperative market position with modern technology, disciplined growth and a clear commitment to stakeholder value.

PURPOSE AND AMBITION

The strategic intent

Our overriding strategic objective for the next five years 2026–2030 is to achieve network growth to drive financial inclusion in the cooperative sector and in the agribusiness-value chain through diversified and seamless delivery channels offering customized and innovative financial solutions to attain 25% return on equity.

This direction reflects a deliberate market choice. Rather than competing only through conventional branch expansion, the Bank seeks to combine cooperative relationships, value-chain knowledge, partnerships and digital channels to reach customers at scale. The strategy therefore links inclusion with commercial sustainability: broader access must lead to active customer relationships, quality earning assets, diversified income and responsible returns.

1. Capitalization and Business Growth

2. Digital Transformation and AI Banking Capabilities

3. Cooperatives Driven Financial Inclusion

4. People, Planet and Performance

STRATEGIC INTENT

To achieve network growth to drive financial inclusion in the cooperative sector and in the agribusiness-value chain through diversified and seamless delivery channels offering customized and innovative financial solutions to attain 25% return on equity.



Customer and member trust

Depositors and borrowers must believe the Bank is safe, fair and dependable.



Shareholders

Growth in capital, deposits and earning assets, supported by governance and a path to sustainable returns.



Employees

A stronger institution offering opportunities to build skills, lead change and contribute to national impact.



Regulators

A well-capitalised, responsibly governed bank supporting financial inclusion and system stability.



Communities

Finance and payment services that support livelihoods, enterprise, production and employment.



Partners

A banking platform through which guarantees, equipment, insurance, markets and technical support can reach customers.



FROM ESTABLISHMENT TO RETURNS

Strategic horizon

The strategy envisages a progression from institutional establishment and capital mobilisation, through network and customer expansion, to greater operating efficiency and shareholder returns. The 2025 results show that the Bank moved faster than the original scale targets for capital, deposits and lending. The next phase is to consolidate this growth, increase customer activity and income productivity, improve the cost-to-income relationship and maintain strong asset quality.

Strategic Priorities

Three mutually reinforcing pillars guiding growth, efficiency and service

A balanced strategy

The three strategic pillars are intended to work together. Capital and business growth provide the resources and market scale; operational efficiency converts resources into sustainable performance; and service excellence strengthens customer trust, activity and retention.

Capitalisation and business growth

Strengthen the Bank's capacity to grow and serve a larger market.



Capital strength

Mobilise and deploy capital responsibly.



Deposits and lending

Grow stable deposits and quality earning assets.



Non-funded income

Diversify income through payments, fees and other services.



Partnerships

Use collaborative models to expand solutions and impact.



Sustainability

Support responsible growth and positive community outcomes.

Operational efficiency

Build the discipline, capabilities and controls required to translate scale into returns.



Profitability

Increase income productivity and move towards sustainable earnings.



Credit management

Maintain disciplined origination, monitoring and collections.



Risk and governance

Operate within risk appetite and strengthen oversight.



People and capability

Build a productive, accountable and skilled workforce.



Processes

Automate, simplify and improve turnaround times.

Service excellence

Create dependable and differentiated experiences across every channel.



Active relationships

Increase active customers and deepen usage



Customer experience

Improve convenience, responsiveness and service consistency.



Channels

Expand and strengthen branch, mobile, internet and agency access.



Technology

Maintain secure, reliable and scalable ICT infrastructure.



Brand and trust

Build visibility and protect stakeholder confidence.

ONE VALUE-CREATION SYSTEM

Strategic interdependence

CAPITAL
Funds investment

CAPABILITY
Enables execution

EXPERIENCE
Deepens relationships

RETURNS
Sustain future growth



2025 Strategic Progress

A year of institution building, accelerated scale and expanded capability

Progress in context

2025 was the first full year of transformation and national expansion. The Bank completed important institutional milestones, materially strengthened its balance sheet and introduced new service capabilities. At the same time, the year confirmed that the enlarged platform must now generate stronger recurring income and efficiency.

PILLAR ONE

Progress under capitalisation and business growth



Capital mobilised

Ordinary share capital increased to TZS 41.824 billion from TZS 27.478 billion.



Balance sheet expanded

Total assets reached TZS 176.823 billion from TZS 49.260 billion.



Deposits accelerated

Customer deposits increased to TZS 114.477 billion from TZS 19.314 billion.



Lending scaled

Net loans and advances reached TZS 101.764 billion from TZS 14.893 billion.



Market presence

The Bank operated through Dodoma, Moshi, Tabora and Tandahimba.



Partnership platform

The Bank advanced arrangements supporting equipment, agriculture and insurance solutions.

PILLAR TWO

Progress under operational efficiency



Asset quality

The non-performing loan ratio was maintained at 1.17%, below the 3% strategic target.



Capital resilience

Tier 1 and total capital ratios were 31.85% and 40.46%, above regulatory requirements.



Risk infrastructure

Credit, liquidity, operational and compliance oversight continued to be strengthened.



People capacity

The workforce increased to 95 employees from 35 to support the larger institution.



Income growth

Total operating income reached TZS 8.103 billion.



Efficiency gap

Operating expenses of TZS 9.919 billion resulted in a 123% cost-to-income ratio and a TZS 2.725 billion loss before tax.

PILLAR THREE

Progress under service excellence



Official launch

The Bank was officially launched on 28 April 2025.



New digital channels

COOPesa, COOP Net and COOP Wakala were introduced as core alternative channels.



Branch network

Tabora, Tandahimba, Dodoma and Moshi



Payment connectivity

Integration work supported access to national clearing, settlement, payment and identity infrastructure.



Customer base

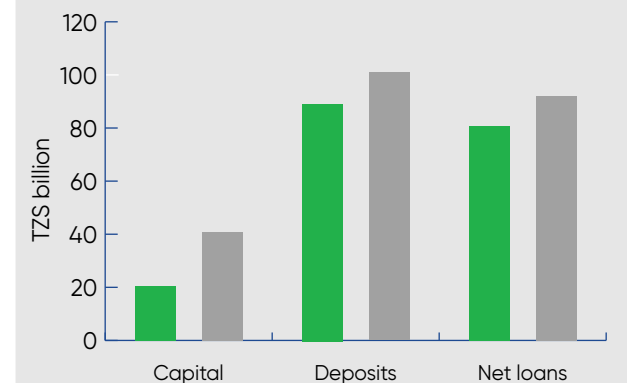
The Bank reported 13,638 active accounts.



Operational resilience

Technology, security, backup, monitoring and access controls were strengthened.

2025 scale targets and audited outcomes



The strategic message

The Bank exceeded its original 2025 capital, deposit and loan targets, demonstrating strong market and shareholder support. The central priority is now to convert this scale into active relationships, diversified income and sustainable returns without weakening credit quality or stakeholder service.



Key Investments

Building the capabilities required for national reach and future profitability

Investment with a purpose

The Bank invested ahead of mature income in 2025. These investments increased the near-term cost base, but were necessary to integrate the institution, expand access, protect operations and establish the capabilities required to serve customers at greater scale.

WHERE RESOURCES WERE DIRECTED

Investment portfolio

Investment area	Strategic rationale	Verified 2025 evidence
Capital and liquidity	New ordinary share capital and a strong liquidity position supported lending, resilience and future growth.	Share capital TZS 41.824 billion; placements with other banks TZS 41.4 billion.
Customer lending	Funds were deployed into productive and personal customer assets.	Net loans and advances TZS 101.764 billion.
Physical distribution	The Bank opened the Tabora branch, renovated Tandahimba premises and prepared additional locations for future expansion.	Property and equipment closed at approximately TZS 4.7 billion.
Technology and digital channels	Investment supported COOPesa, COOP Net, COOP Wakala, connectivity, security, backup and core-system integration.	Intangible assets approximately TZS 0.8 billion; 2025 acquisitions of intangible assets TZS 0.750 billion.
Premises and operating infrastructure	Right-of-use assets, equipment and operating facilities supported the enlarged institution.	Right-of-use assets approximately TZS 1.3 billion; property and equipment acquisitions TZS 2.679 billion.
People and capability	Recruitment and staff reallocation strengthened business, credit, finance, risk, technology and operations.	95 employees at year-end; employee benefit expense TZS 3.299 billion.

BENEFITS REALISATION

How investment value will be realised



Revenue growth

Increase usage, lending yields, fees and customer activity.



Risk control

Use stronger systems, data and capability to protect asset quality and operations.



Efficiency

Automate processes and serve more customers without proportional cost growth.



Market reach

Extend services through branches, digital channels, agents and partnerships.



Customer experience

Improve access, reliability, turnaround times and relationship quality.



Shareholder returns

Move from platform investment towards sustainable profitability and capital productivity.

Investment discipline

Future investments will be assessed against customer need, strategic fit, risk, cost, measurable benefits and a credible path to financial sustainability. Successful implementation is not sufficient; the Bank will track whether each investment produces the outcomes promised.

Strategic Performance Scorecard

A transparent view of progress across growth, efficiency and service

How to read the scorecard

The scorecard compares approved 2025 strategic targets with audited or verified 2025 results. Green indicates that a target was achieved or exceeded; amber indicates partial progress or a result requiring improvement; grey indicates that a verified year-end measure was not available in the reporting materials.

KPI	2025 target	2025 outcome	Stakeholder interpretation
Capital	TZS 23.164bn	TZS 41.824bn	Capital target exceeded.
Profit before tax	TZS 2.466bn	Loss TZS 2.725bn	Investment and operating costs exceeded income.
Loans and advances	TZS 85.217bn	Net TZS 101.764bn	Scale target exceeded with strong asset quality.
Customer deposits	TZS 101.046bn	TZS 114.477bn	Deposit mobilisation exceeded target.
Non-funded income share	52%	33.8%*	Income remained weighted towards net interest income.
Branches	6	4	Dodoma, Moshi, Tabora and Tandahimba operational.
Agency centres	250	58	COOP Wakala launched
NPL ratio	≤3.0%	1.17%	Asset quality remained stronger than target.
Efficiency ratio	55%	123%	Operating capacity was built ahead of mature revenue.
Staff retention	95%	97%	
Process automation	50%	48%	Digital channels launched



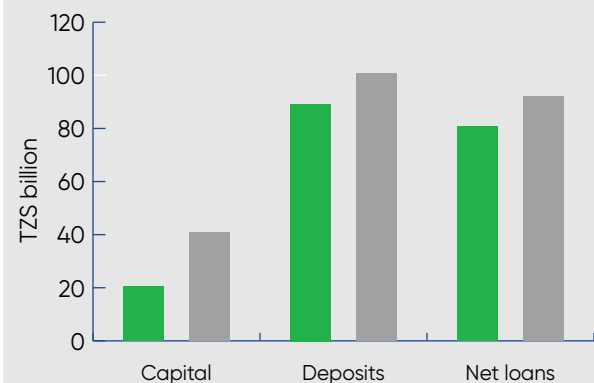
Progress Against Targets

Strong scale delivery with a clear transition required from growth to returns

Overall assessment

The 2025 results show two distinct stories. The Bank delivered faster-than-planned balance-sheet and capital growth, but financial returns and efficiency lagged behind strategic expectations. This is consistent with a year in which the institution built capacity ahead of mature income, but it also makes the next phase of execution unambiguous.

2025 scale targets and audited outcomes



SCALE AND RESILIENCE

Targets exceeded



Capital

181% of the 2025 target, providing strong capacity for measured growth.



Deposits

113% of target, reflecting increased stakeholder and customer confidence.



Net loans

119% of target, demonstrating rapid deployment into earning assets.



Asset quality

NPL ratio of 1.17% against a maximum target of 3.0%.



Capital adequacy

Tier 1 and total capital ratios remained materially above regulatory minima.



National platform

The Bank completed its public launch and established a larger institutional and delivery base.



RETURNS AND EXECUTION QUALITY

Targets requiring further work



Profitability

The Bank reported a TZS 2.725 billion loss instead of the planned profit.



Efficiency

The 123% cost-to-income ratio was above the 59% strategic target.



Income mix

Non-funded income was below the planned share of total income.



Physical reach

Four branches were operational against a target of six.



Agency scale

The channel was launched, but a verified agent count was unavailable.



Performance data

Several service and people KPIs require stronger measurement and disclosure.

CLOSING THE GAPS

Management response

The Bank will focus on increasing revenue per customer, employee, branch and channel; mobilising stable low-cost deposits; improving asset yields; growing fee-generating transactions; automating routine processes; and strengthening benefits realisation from the investments made in 2025. Strategy governance will use clearer scorecards and regular variance analysis to ensure that gaps are identified early and corrective action is owned and tracked.

2025 SCALE
Capital and assets

ACTIVATE
Customers and channels

MONETISE
Interest and fees

OPTIMISE
Costs and processes

DELIVER
Sustainable returns



Priorities for 2026

Consolidating growth and converting the enlarged platform into sustainable value

The execution focus

Having established scale in 2025, the Bank's 2026 priority is to deepen the productivity of its capital, customer relationships, channels, people and infrastructure. Growth will remain important, but the quality of growth – income, efficiency, experience and resilience – will receive greater emphasis.

MANAGEMENT AGENDA

2026 strategic priorities

Deepen stable deposits

Grow active current and savings accounts across cooperatives, institutions, businesses and individuals.

Grow quality earning assets

Expand lending within risk appetite, protect the low NPL ratio and improve risk-adjusted yields.

Accelerate the path to profitability

Increase operating income faster than costs and progressively restore retained earnings.

Diversify income

Increase payments, digital transactions, fees, cash-management, insurance and value-chain income

Increase digital adoption

Drive active use of COOPesa, COOP Net and COOP Wakala and improve channel availability.

Improve customer experience

Reduce turnaround times, resolve complaints faster and create consistent service across channels.

Strengthen cost productivity

Automate workflows, optimise procurement and premises and link staffing to measurable output.

Build people and leadership

Invest in technical capability, succession, performance accountability and employee engagement.

Protect resilience

Maintain capital and liquidity, strengthen cybersecurity, data governance, controls and continuity.

Selective network expansion

Advance locations supported by credible demand, cooperative density and a route to break-even.

Embed sustainability

Integrate environmental, social and climate considerations into products, credit and operations.

Strengthen strategy measurement

Improve data for NPS, uptime, retention, active customers, turnaround times and automation.

STAKEHOLDER SCORECARD

How value will be measured

Stakeholder	2026 value focus	Illustrative measures
Customers and members	Access, relevance, reliability and fair treatment	Active use, turnaround time, channel availability, complaints and relationship depth.
Shareholders	Income growth, efficiency and capital productivity	Operating income, cost-to-income ratio, ROE, asset yield and capital utilisation.
Employees	Capability, engagement and accountability	Training, retention, productivity, performance delivery and leadership pipeline.
Regulators	Resilience, compliance and sound growth	Capital, liquidity, NPLs, reporting quality, cyber and conduct indicators.
Communities and economy	Inclusion and productive finance	Cooperative, agriculture, MSME, women and youth access and outcomes.

Execution discipline

Management will report strategy performance monthly and to the Board quarterly, supported by target-versus-actual analysis, scenario planning and timely corrective action. The objective is to ensure that each initiative creates measurable customer, financial, risk or impact value.





06

Stakeholder Engagement

Our Key Stakeholders

The relationships that sustain our purpose, licence to operate and ability to create value

Stakeholder-centred banking

The Bank's long-term success depends on maintaining trusted relationships with the people and institutions that provide capital, deposits, capability, oversight, market access and social legitimacy. We therefore consider stakeholder interests when setting strategy, allocating resources and evaluating performance.

STAKEHOLDER LANDSCAPE

Who our stakeholders are



VALUE AND ACCOUNTABILITY

Why these relationships matter

Shareholders provide capital and governance authority. Customers and cooperative members provide deposits, borrowing relationships and transaction activity. Employees translate strategy into service and control. Regulators and public institutions protect financial stability and define the standards within which the Bank operates. Communities provide the social and economic context for the Bank's purpose, while partners and suppliers extend the solutions and infrastructure available to customers.

These relationships are interdependent. Sustainable shareholder returns require trusted customer relationships, capable employees, sound regulation, resilient operations and positive economic outcomes. The Bank therefore seeks to balance immediate commercial requirements with the long-term consequences of its decisions for all material stakeholders.



BOARD OVERSIGHT

Governance of stakeholder interests

The Board is required to promote the success of the Bank for shareholders and other stakeholders, with regard to long-term consequences, employee interests, relationships with customers and suppliers, community and environmental impacts, high standards of conduct and fair treatment among shareholders. Management is responsible for translating these considerations into products, service standards, people practices, risk controls and performance reporting.



How We Engage

Using governance, relationship, service and communication channels to understand stakeholder needs

Engagement approach

Engagement takes different forms depending on the stakeholder and the decision involved. Formal governance channels support accountability to shareholders and regulators; relationship channels connect the Bank with customers and cooperatives; and operational channels enable employees, partners and communities to provide feedback and participate in delivery.

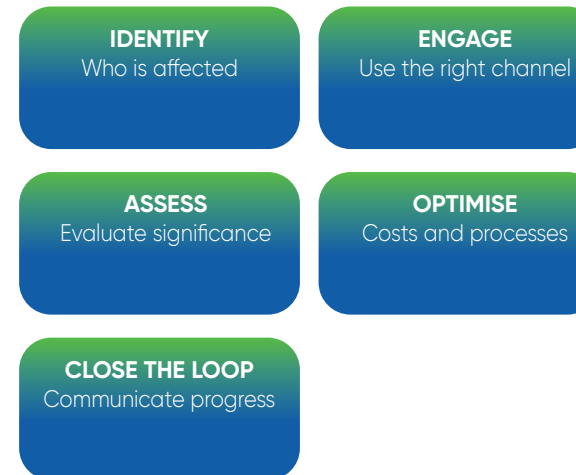
CHANNEL MATRIX

Our engagement channels

Stakeholder	Principal channels	Typical frequency	Accountability
Shareholders	General meetings, statutory notices, financial reporting, Board communications and ownership engagement.	As required by governance calendar and material developments.	Board, Company Secretariat, Managing Director and Finance.
Customers and members	Branches, relationship managers, product interactions, call and service channels, complaints and feedback, digital platforms and market campaigns.	Continuous.	Business, Operations, Customer Experience and Digital teams.
Cooperatives	Society and union meetings, relationship visits, value-chain discussions, product development and engagement through TCDC and other sector institutions.	Periodic and opportunity-led.	Business and Cooperative Banking.
Employees	Management meetings, departmental forums, orientation, performance discussions, training, policy communication and feedback mechanisms.	Daily, monthly and periodic.	Management and Human Resources.
Regulators and government	Regulatory returns, supervisory engagement, approvals, inspections, statutory meetings and policy consultations.	Scheduled and as required.	Board, Risk and Compliance, Finance, Legal and Management.
Communities	Customer outreach, financial-inclusion initiatives, cooperative programmes and engagement connected to branches and partnerships.	Programme and location-based.	Business, branches and partner teams.
Partners and suppliers	Commercial meetings, due diligence, contracts, service reviews and project governance.	Contractual and project-based.	Procurement, Legal, ICT, Operations and business owners.
Financial counterparties	Treasury dealings, settlement, due diligence, compliance information and relationship reviews.	Continuous and periodic.	Treasury, Finance, Risk and Operations.

ENGAGEMENT CYCLE

From engagement to action



The Bank's strategy also identifies customer feedback, call-centre capability, turnaround-time monitoring, employee pulse surveys and stakeholder mapping as important mechanisms to strengthen over the strategic period. These are presented as strategic development priorities where verified 2025 implementation evidence was not available, rather than as fully established year-end outcomes.



Stakeholder Expectations

What stakeholders need from the Bank and how those expectations shape strategic decisions

Understanding expectations

Stakeholder expectations are shaped by the Bank's cooperative purpose, public limited company structure and role as a regulated deposit-taking institution. The Bank must therefore combine accessibility and impact with commercial discipline, prudential strength and reliable service.

STAKEHOLDER LANDSCAPE

Who our stakeholders are



DECISION LENS

How expectations influence decisions

Decision area	Stakeholder expectation considered	Management implication
Product design	Relevance, suitability, affordability and clarity.	Use customer needs, cash-flow cycles and risk capacity to shape features and pricing.
Credit growth	Access balanced with responsible lending and depositor protection.	Maintain appraisal, approval, monitoring, collections and expected-credit-loss discipline.
Technology	Convenience, availability, security and privacy.	Invest in resilient infrastructure, controls, support and responsible data use.
Network expansion	Closer access and service quality alongside financial sustainability.	Require credible demand, cooperative density and a path to break-even.
People investment	Capability and fair opportunity while controlling costs.	Align recruitment, development and deployment with customer volumes and strategic needs.
Financial performance	Growth and impact together with sustainable shareholder returns.	Increase income productivity and efficiency without weakening service or controls.



How we Responded in 2025

Actions taken to strengthen trust, access, resilience and long-term value

A year of response and transformation

The Bank's 2025 actions responded to a broad set of stakeholder needs: national cooperative ownership, stronger capital, wider service access, productive finance, capable people, sound governance and resilient technology. These responses established a larger platform, while also creating a requirement to improve profitability and service productivity in the next phase.

ACTION DASHBOARD

Documented 2025 responses

Shareholders and cooperative owners

Transitioned to a public limited company, officially launched the national institution and increased ordinary share capital to TZS 41.824 billion.

Customers and members

Expanded deposits and lending, introduced COOPesa, COOP Net and COOP Wakala and operated through Dodoma, Moshi, Tabora and Tandahimba.

Productive sectors

Increased net loans and advances to TZS 101.764 billion and advanced partnerships related to equipment, agriculture and insurance solutions.

Employees

Ethical and inclusive leadership, clear accountability, learning, recognition, fair processes and a safe workplace.

Regulators and depositors

Maintained Tier 1 and total capital ratios of 31.85% and 40.46%, with an NPL ratio of 1.17%.

Digital users

Invested in connectivity, servers, endpoint security, backup, monitoring, access controls and payment-system integration.

Communities and underserved markets

Extended physical presence to Tabora and strengthened Tandahimba premises, complementing branches with alternative channels.

Governance stakeholders

Strengthened policies, Board and committee oversight, risk management, internal control, compliance and public-company governance arrangements.

VERIFIED OUTCOMES

Response in numbers

Measure	2025 outcome	Stakeholder relevance
Total assets	TZS 176.823 billion	A larger platform to support customer finance, liquidity and investment.
Customer deposits	TZS 114.477 billion	Evidence of customer confidence and a stronger funding base.
Net loans and advances	TZS 101.764 billion	Greater finance available to customers and productive activity.
Active accounts	13,638	Expanded customer relationships, with further activation required.
Employees	95	More capability to support growth, service and control.
Non-performing loan ratio	1.17%	Protection of depositors, capital and lending sustainability.
Loss after tax	TZS 2.725 billion	A transparent reminder that investment must now convert into sustainable earnings.

What remained unfinished

The enlarged platform did not yet generate enough income to absorb its operating cost. The Bank therefore entered the next phase with a clear obligation to increase account activity, service reliability, fee income, asset yields and cost productivity.



How we Responded in 2025

The value and consequences experienced by stakeholders in 2025

Outcomes, not activity alone

Stakeholder value is assessed by what changed for the people and institutions connected to the Bank. In 2025, the Bank created greater financial capacity, access and institutional resilience, while the reported loss and high cost base demonstrated that value creation was not yet complete for all stakeholders.

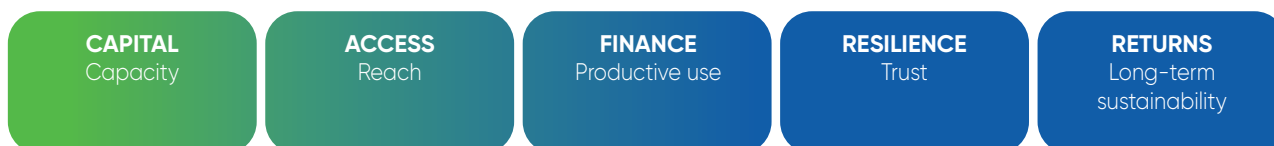
VALUE DELIVERED AND WORK AHEAD

Stakeholder outcome matrix

Stakeholder	Positive 2025 outcome	Limitation or consequence	Next value priority
Shareholders	A materially larger institution, TZS 41.824 billion in share capital and strong capital ratios.	No dividend was recommended because the Bank reported a TZS 2.725 billion loss.	Convert capital and infrastructure into sustainable risk-adjusted returns.
Customers and members	Greater deposit, lending and channel capacity, including mobile, internet and agency banking.	Service consistency and active channel use must mature as the platform scales.	Improve reliability, turnaround time, usage and relationship depth.
Cooperatives and productive sectors	A dedicated national cooperative banking platform and larger lending capacity.	Value-chain and seasonal solutions require continued development and execution.	Serve complete value chains and deepen appropriately structured finance.
Employees	A larger workforce, new responsibilities and opportunities to shape a national institution.	Integration, change and rising performance expectations increased organisational demands.	Strengthen capability, leadership, engagement and well-being.
Regulators and depositors	Strong capital, liquidity resources, low NPLs and strengthened controls.	Rapid expansion requires continuous monitoring and reporting maturity.	Maintain prudential strength and improve data, cyber and operational resilience.
Communities	Greater potential access through branches and alternative channels and more finance for productive activity.	A comprehensive quantified social-impact dataset was not disclosed for 2025.	Strengthen impact measurement and inclusive-product reporting.
Partners and suppliers	New opportunities to participate in equipment, agriculture, technology and insurance solutions.	Benefits depend on execution, adoption and effective contract management.	Measure partnership outcomes and value for customers.

INTEGRATED OUTCOME

The value-creation balance



The Bank created meaningful capacity and access during the year, but sustainable value requires all five elements to work together. Capital without productive use does not create adequate returns. Access without reliability does not build trust. Lending without disciplined quality threatens depositors and shareholders. Growth without efficiency cannot be sustained. The 2026 agenda therefore focuses on completing the value-creation cycle.

Key Issues Raised

The matters that shaped stakeholder needs, management action and future priorities

Reporting basis

The available 2025 records do not include a consolidated stakeholder survey showing issue frequency or stakeholder quotations. The matters below are therefore presented as key issues reflected consistently in governance records, strategic priorities, operational reports and management responses, not as a ranked survey result.

MATERIAL ENGAGEMENT THEMES

Issue and response register

Issue reflected in 2025 records	Why it matters	2025 response	Continuing priority
Access and convenience	Customers and cooperative communities require services closer to where they operate and beyond conventional branch hours.	Launch of COOPesa, COOP Net and COOP Wakala; branch presence in four locations.	Drive active adoption, reliability and agency scale.
Relevant cooperative and agricultural finance	Generic products may not reflect seasons, group structures and value-chain cash flows.	Lending expansion and partnership initiatives for agriculture, equipment and insurance.	Develop end-to-end value-chain solutions and strengthen post-disbursement monitoring.
Service speed and consistency	Stakeholders expect timely decisions, transparent communication and dependable service.	Technology and operating capability were strengthened.	Establish verified turnaround-time, complaint and channel-availability measures.
Financial sustainability	Shareholders require a credible path from investment and scale to returns.	Capital, deposits and lending exceeded strategic scale targets.	Increase revenue productivity, diversify fees and improve the 123% cost-to-income ratio.
Trust, governance and compliance	Regulators, depositors and shareholders expect strong controls, ethical conduct and accurate reporting.	Capital ratios remained strong; governance, risk and compliance arrangements were enhanced.	Embed new conduct, sustainability, climate, data and cyber requirements.
People capability and culture	Employees and customers need sufficient capability and consistent behaviours during rapid change.	Workforce increased to 95 and experienced staff were redeployed.	Strengthen training, leadership, engagement measurement and performance accountability.
Digital security and resilience	Greater digital use increases exposure to cyber, fraud, outage and data risks.	Investments in security, backup, monitoring, access controls and continuity.	Improve testing, incident readiness, data governance and disclosed service metrics.
Impact evidence	Stakeholders increasingly expect proof of financial inclusion and socioeconomic outcomes.	The Bank expanded lending, channels and cooperative-market reach.	Build a reliable sustainability and stakeholder-outcomes data framework.

ISSUE-MANAGEMENT DISCIPLINE

How issues will be managed

CAPTURE

Record consistently

ASSESS

Risk and materiality

ASSIGN

Owner and timeline

RESPOND

Deliver action

DISCLOSE

Report outcome

A stronger central stakeholder-engagement register would allow the Bank to record the source, frequency, materiality, ownership and closure status of issues across branches, digital channels, shareholder forums, employee engagement and regulatory interactions. This would strengthen management insight and provide a more evidence-based foundation for future integrated reporting.

Commitment to transparency

Where data is not yet available, the Bank should say so clearly, establish a measurement plan and report progress in subsequent periods. This protects credibility and ensures that stakeholder reporting supports better decisions rather than merely describing activity.





07

Material Matters

Materiality Assessment Process

Identifying the matters that most influence stakeholder decisions and the Bank's ability to create value

Our approach in 2025

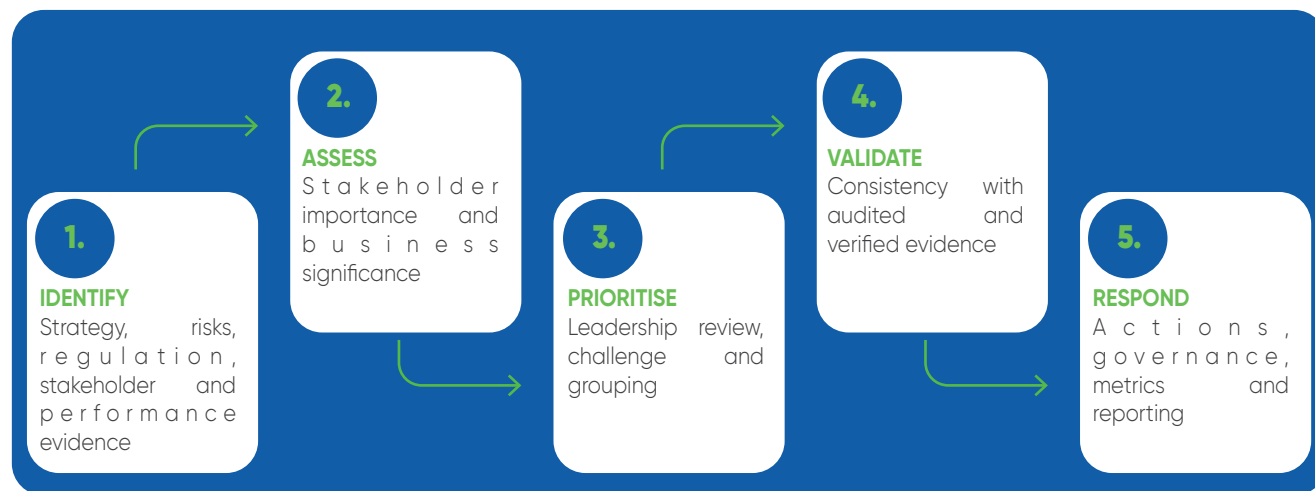
The 2025 assessment was evidence-led and proportionate to the Bank's first full year of transformation. It drew on the approved strategy, audited financial performance, principal risks, regulatory expectations, stakeholder engagement records and departmental reports.

METHOD

The assessment process

Material matters were identified by considering two connected questions: how important is the matter to stakeholders and how significantly could it affect the Bank's ability to execute its strategy, manage risk and create sustainable value? This double-lens approach recognises that stakeholder outcomes and enterprise performance are interdependent.

The review considered the Bank's transformation into a national cooperative institution, rapid balance-sheet growth, investment phase, customer and cooperative mandate, regulatory obligations, technology expansion, people requirements and emerging sustainability expectations.



Annual review | continuous stakeholder listing | Board and management oversight

INPUTS

Evidence considered



Strategy

The 2025–2029 Strategic Business Plan, priorities, targets and planned capabilities.



Financial performance

Audited 2025 results, capital, liquidity, asset quality, income and cost performance.



Risk and controls

Credit, operational, technology, compliance, liquidity and governance reports.



Stakeholder evidence

Engagement records, customer priorities, cooperative relationships and regulatory interactions.



Operating environment

Economic, banking, cooperative, digital and regulatory developments.



Sustainability

Financial inclusion, responsible banking, climate and environmental risk expectations.

ACCOUNTABILITY

Governance and review

Management is responsible for maintaining the material-matters register, linking each matter to strategy, risks, indicators and accountable functions. The Board provides oversight through its review of strategy, risk, performance, governance and reporting. The assessment should be refreshed annually and whenever a significant change occurs in the Bank's operating model, regulatory environment or stakeholder expectations.

Improvement priority

The Bank intends to strengthen future assessments through structured stakeholder surveys, documented scoring criteria, clearer impact and financial-materiality thresholds, and periodic validation by senior management and the Board.



2025 Material Matters

The issues with the greatest influence on trust, resilience and sustainable value creation

Materiality conclusion

Twelve matters were identified as material for 2025. They reflect the Bank's cooperative purpose, rapid institutional growth, financial performance, regulatory responsibilities and dependence on trusted customer relationships, people and technology.

No.	Material matter	Dimension	Why it matters
1	Financial sustainability and shareholder value	Financial	Converting the enlarged platform into recurring earnings, improved efficiency and sustainable returns.
2	Capital, liquidity and balance-sheet resilience	Financial	Protecting depositors and supporting measured growth through strong capital, funding and liquidity.
3	Responsible lending and asset quality	Financial	Growing productive lending while maintaining prudent underwriting, monitoring and collections.
4	Customer experience and fair treatment	Customer	Delivering accessible, reliable, transparent and responsive service across channels.
5	Financial inclusion and cooperative impact	Social	Expanding useful finance and payment services for cooperatives, value chains and underserved customers.
6	Digital access, cybersecurity and resilience	Technology	Increasing digital access while protecting service continuity, systems and customer funds.
7	Governance, ethics and regulatory compliance	Governance	Maintaining accountable leadership, sound controls, integrity and compliance.
8	People, capability and culture	People	Building the skills, leadership, capacity and values required for execution.
9	Data, privacy and technology governance	Technology	Using reliable data responsibly and protecting personal and institutional information.
10	Operational efficiency and cost discipline	Operational	Improving productivity and extracting value from investments without weakening service or controls.
11	Climate, environmental and social risk	Sustainability	Integrating emerging sustainability risks and opportunities into lending and operations.
12	Partnerships and value-chain development	Social	Combining finance with suppliers, insurers, guarantees, markets and public-sector capability.

INTERDEPENDENCE

How the matters work together

The matters are not independent. Strong capital enables lending and technology investment; sound credit quality protects capital; reliable digital channels improve access and efficiency; capable people and governance protect customer trust; and sustainable profitability allows the Bank to continue investing in inclusion and service. Management therefore addresses the portfolio as a connected value-creation system rather than as twelve separate initiatives.

Matters that became more prominent in 2025

Matter	Reason for changed prominence	2025 assessment
Financial sustainability and cost efficiency	The Bank moved from a small base into a full-year investment and expansion phase, reporting rapid income growth but a TZS 2.725 billion loss after tax and a 123% cost-to-income ratio.	Elevated
Capital and balance-sheet resilience	Share capital, deposits, lending and assets expanded materially, increasing the importance of capital productivity, liquidity and asset-liability management.	Elevated
Digital access and cyber resilience	COOPesa, COOP Net and COOP Wakala expanded the delivery model, increasing both access opportunities and technology risk.	Elevated
Governance and accountability	The transition to a public limited company and national platform increased shareholder, regulatory and reporting expectations.	Elevated
People and organisational capability	The workforce expanded from 35 to 95 employees and teams were integrated and reallocated to support new functions and locations.	Elevated
Customer experience	New channels, branches and a broader market increased the need for consistent service and measurable customer outcomes.	Elevated
Sustainability and climate-related risk	New regulatory guidance and the Bank's inclusion mandate increased the importance of embedding sustainability in governance and decisions.	Emerging and elevated
Cooperative and value-chain impact	The national launch made the Bank's cooperative purpose and contribution to productive sectors more central to stakeholder expectations.	Elevated

CONTINUITY

Matters that remained foundational

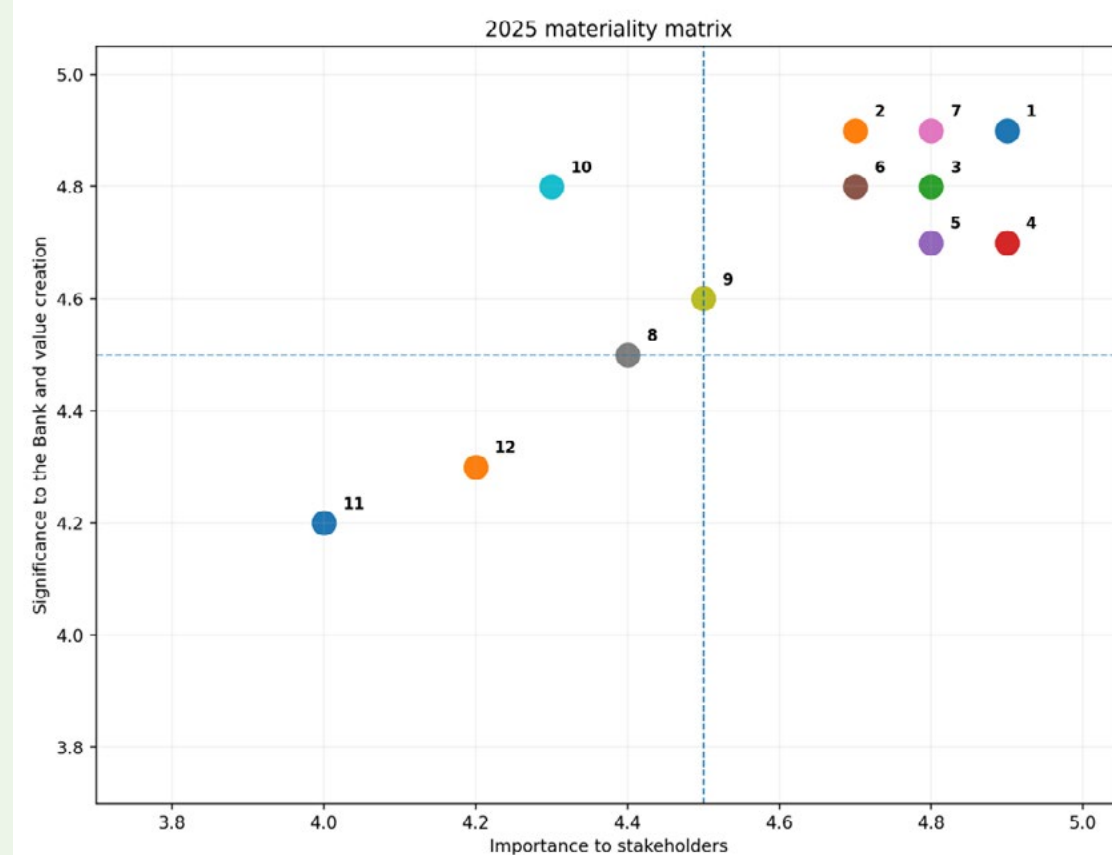


Materiality Matrix

Prioritising matters through stakeholder and enterprise-value lenses

How to interpret the matrix

The horizontal axis reflects assessed importance to stakeholders. The vertical axis reflects significance to the Bank's strategy, resilience and ability to create value. Positions are management assessments derived from documented 2025 evidence; they are not survey averages or externally assured scores.



NUMBERED MATTERS

Matrix key

No.	Material matter	Primary dimension
1	Financial sustainability and shareholder value	Financial
2	Capital, liquidity and balance-sheet resilience	Financial
3	Responsible lending and asset quality	Financial
4	Customer experience and fair treatment	Customer
5	Financial inclusion and cooperative impact	Social
6	Digital access, cybersecurity and resilience	Technology
7	Governance, ethics and regulatory compliance	Governance
8	People, capability and culture	People
9	Data, privacy and technology governance	Technology
10	Operational efficiency and cost discipline	Operational
11	Climate, environmental and social risk	Sustainability
12	Partnerships and value-chain development	Social

FOCUS

Priority interpretation

The upper-right cluster contains the matters requiring the closest and most regular oversight because they are highly important to stakeholders and highly significant to the Bank. Financial sustainability, capital resilience, responsible lending, customer experience, digital resilience and governance form the core of this cluster. People, data, operational efficiency, partnerships and sustainability remain material because they enable, protect or extend these outcomes.

The matrix is not intended to imply that lower-positioned matters are unimportant. It provides a relative view to support resource allocation, performance monitoring and reporting emphasis.



Link to Strategy Risks and Stakeholders

Connecting materiality with execution, accountability and stakeholder outcomes

Integrated management

A material matter becomes decision-useful when it is connected to strategic priorities, principal risks, accountable stakeholders and measurable outcomes. The table below shows how the 2025 matters are embedded in the Bank's value-creation and governance system.

Material matter	Strategy link	Principal risks	Key stakeholders	Illustrative indicators
Financial sustainability and shareholder value	Capitalisation and business growth; operational efficiency	Strategic, profitability, capital	Shareholders, Board, employees	Income, cost-to-income, ROA, ROE
Capital, liquidity and balance-sheet resilience	Capitalisation and business growth	Capital, liquidity, market	Depositors, shareholders, regulators	Capital ratios, liquidity, funding mix
Responsible lending and asset quality	Business growth; operational efficiency	Credit, concentration, collateral	Customers, depositors, regulators	NPL ratio, impairment, collections
Customer experience and fair treatment	Service excellence	Conduct, reputation, operational	Customers, members, regulators	Turnaround, complaints, usage, satisfaction
Financial inclusion and cooperative impact	Business growth; sustainability	Strategic, credit, social	Cooperatives, communities, government	Access, productive lending, active relationships
Digital access, cybersecurity and resilience	Service excellence; operational efficiency	Cyber, technology, continuity	Customers, regulators, employees	Availability, adoption, incidents, recovery
Governance, ethics and regulatory compliance	All pillars	Compliance, fraud, governance	Shareholders, regulators, customers	Breaches, audit actions, policy compliance
People, capability and culture	Operational efficiency	People, conduct, succession	Employees, customers, shareholders	Retention, training, productivity, engagement
Data, privacy and technology governance	Service excellence; operational efficiency	Data, privacy, cyber	Customers, regulators, management	Data quality, access exceptions, incidents
Operational efficiency and cost discipline	Operational efficiency	Operational, strategic, execution	Shareholders, customers, employees	Cost-to-income, productivity, automation
Climate, environmental and social risk	Sustainability	Climate, environmental, social, credit	Communities, regulators, customers	Risk integration, portfolio and operational metrics
Partnerships and value-chain development	Business growth; sustainability	Third-party, strategic, concentration	Cooperatives, partners, customers	Partnership outcomes, finance and customer reach

OVERSIGHT

Governance implications

The Board oversees the material matters through strategy, financial performance, risk, compliance, technology, people and governance reporting. Management assigns ownership to relevant functions and is expected to identify thresholds, indicators, actions and escalation requirements. Internal assurance functions provide challenge and assurance within their mandates, while external assurance applies to the audited financial information included in the annual report.

Management Response

Turning materiality into action and measurable accountability

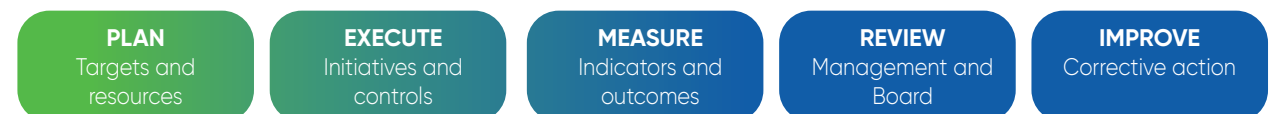
Management commitment

Management's response is to embed the material matters in planning, budgeting, risk management, product development, performance scorecards and stakeholder reporting. The emphasis for 2026 is to convert the scale established in 2025 into stronger returns, consistent service and resilient stakeholder outcomes.

Material matter	2026 management response	Primary accountability
Financial sustainability	Grow recurring interest and fee income; improve cost productivity; track product, branch and segment economics.	Head of Finance and Strategy; business leaders
Capital and liquidity	Maintain prudent buffers; deepen stable deposits; strengthen asset-liability and scenario analysis.	Finance, Treasury and Risk
Responsible lending	Improve data-led appraisal, early warning, collateral management, monitoring and collections.	Credit, Business and Risk
Customer experience	Set service standards; improve turnaround and complaints handling; track active use and relationship depth.	Business, Operations and Digital teams
Financial inclusion and cooperative impact	Develop value-chain and cooperative solutions; deepen partnerships; improve impact measurement.	Business and Cooperative Banking
Digital and cyber resilience	Increase channel adoption and reliability; strengthen security, backup, access control and incident response.	ICT and Innovation; Risk
Governance and compliance	Maintain policy discipline, Board reporting, regulatory compliance, ethics and corrective-action tracking.	Company Secretariat, Legal, Risk and Compliance
People and culture	Build technical and leadership capability; strengthen performance, succession, engagement and well-being.	Human Resources and all leaders
Data and privacy	Improve data ownership, quality, access management, protection and decision-useful analytics.	ICT, Risk, Finance and business functions
Operational efficiency	Automate workflows, optimise procurement and premises and measure benefits from investment.	Operations, Finance and functional leaders
Climate and ESG	Develop governance, risk assessment, data and disclosure capability in line with regulatory expectations.	Risk, Sustainability leads and business functions
Partnerships	Apply due diligence, clear outcomes, ownership and monitoring to strategic relationships.	Business, Legal, Risk and Finance

ACCOUNTABILITY

Performance and reporting cycle



Materiality will be reviewed through the annual strategy and reporting cycle, supported by periodic management monitoring and Board oversight. Significant changes in regulation, risk, stakeholder expectations or the operating environment may trigger an interim reassessment. The Bank will progressively strengthen quantitative indicators and stakeholder feedback so future reporting can demonstrate not only actions taken, but the outcomes created.

Reporting maturity

Several non-financial matters do not yet have complete baseline measures. Management will prioritise data for customer experience, digital availability, employee outcomes, financial inclusion, climate risk and partnership impact, and will avoid presenting estimates as verified performance.



08

Performance Review



Kinyaki Kinyaki
Head of Finance and Strategy

Head of Finance & Strategy's Statement

Explaining the performance, trade-offs and path to sustainable profitability

The 2025 financial results reflect a defining stage in the Bank's transformation from a relatively small operating base into a national institution with a significantly expanded balance sheet, stronger capital position and broader service platform. Accordingly, the comparison with 2024 should be interpreted with care. The prior-year results covered only three months of operations, while 2025 represents a full financial year and incorporates the effects of institutional integration, capital mobilisation, business expansion and investment in the capabilities required to support future growth.

Viewed in this context, the central financial message is one of strong underlying progress. The Bank successfully expanded its assets, grew customer deposits and accelerated lending to productive sectors, while maintaining sound capital buffers and strong asset quality. This growth strengthened the Bank's capacity to serve cooperatives, businesses, institutions and individual customers across a wider market.

The reported loss for the year reflects the timing of investment rather than a weakening of the Bank's financial fundamentals. During 2025, the Bank built operating capacity, strengthened its workforce, invested in technology and infrastructure, expanded its distribution channels and enhanced the systems and controls required to support a larger institution. These costs were incurred before the enlarged platform had reached its full income-generating potential.

The financial priority for the next phase is therefore clear. The Bank must now convert the scale established in 2025 into sustainable earnings, improved operating efficiency and stronger returns for shareholders and other stakeholders. This will require deeper customer activity, disciplined growth in quality earning assets, diversified income streams, improved cost productivity and continued protection of capital, liquidity and asset quality. The foundation has been built; the focus now is on extracting greater value from it.

Balance-sheet expansion

Total assets closed at TZS 176.8 billion, up from TZS 49.3 billion. The asset mix shows where capital and funding were deployed. Net loans and advances represented TZS 101.8 billion, placements with other banks TZS 41.4 billion, and treasury and corporate bonds TZS 16.0 billion. Cash and balances with the Bank of Tanzania stood at TZS 8.6 billion. Together, these balances demonstrate a deliberate combination of customer lending, liquidity management and investment income generation. Property and equipment of TZS 4.7 billion, intangible assets of TZS 0.8 billion and right-of-use assets of TZS 1.3 billion reflect investment in branches, premises, systems and operating infrastructure.



ASSETS		EQUITY AND LIABILITIES	
NON-CURRENT ASSETS		EQUITY	
Property and equipment	1,245,678	Share capital	
Intangible assets	98,765	Reserves	
Investment in subsidiaries	321,456	Other reserves	
Other investments	67,890	Total equity	
Total non-current assets	1,733,789	NON-CURRENT LIABILITIES	
CURRENT ASSETS		CURRENT LIABILITIES	
Loans and advances to customers	4,567,890	Borrowings	
Other assets	345,678	Lease liabilities	
Cash and cash equivalents	678,901	Deferred tax liabilities	
Total current assets	5,592,269	Total non-current liabilities	1,990,000
TOTAL ASSETS	7,449,714	TOTAL EQUITY AND LIABILITIES	7,449,714

Funding growth and liquidity

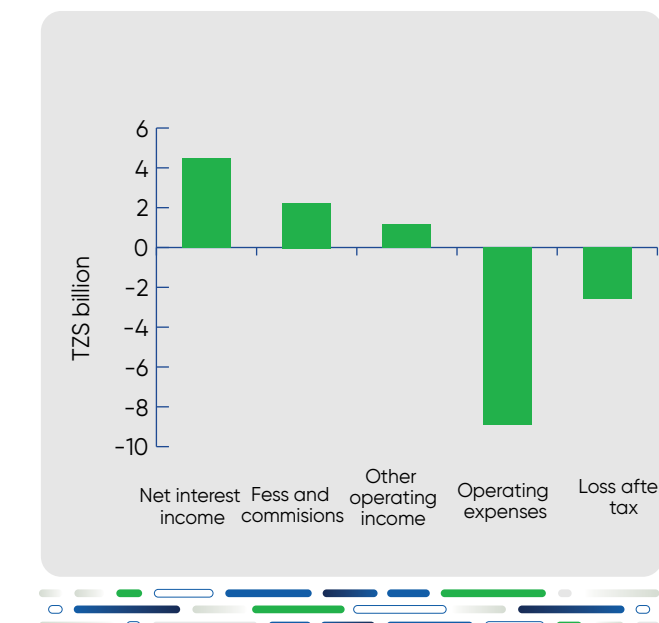
Deposits increased to TZS 114.5 billion from TZS 19.3 billion. Current accounts were the largest component at TZS 83.3 billion, followed by savings accounts at TZS 15.7 billion and fixed deposits at TZS 15.0 billion. This structure is strategically valuable because transactional and savings balances can provide relatively stable funding and deepen customer engagement. The Bank also had borrowings of TZS 13.0 billion. With a gross loans-to-deposits ratio of 89%, the funding base supported rapid loan growth while preserving liquidity. Placements and securities further strengthened the Bank's ability to meet obligations and manage cash flows.

Loan-book growth and quality

Gross loans, overdrafts and advances rose to TZS 102.7 billion, comprising term loans of TZS 72.4 billion, overdrafts of TZS 27.2 billion and staff loans of TZS 3.1 billion, before interest in suspense. After an impairment allowance of TZS 0.9 billion, net loans were TZS 101.8 billion. The non-performing loan ratio of 1.17% is a strong outcome given the speed of expansion and remains comfortably below the 5% regulatory threshold. The loan impairment charge of TZS 0.9 billion reflects the application of IFRS 9 expected credit loss requirements to a much larger portfolio. It is a prudent recognition of risk rather than evidence of broad deterioration in credit quality.

Income performance

Interest income grew to TZS 6.6 billion. Of this, TZS 3.5 billion came from loans and advances to customers and TZS 3.2 billion from placements with other banks, illustrating the contribution of both customer assets and liquidity deployment. Interest expense was TZS 1.3 billion, resulting in net interest income of TZS 5.4 billion. Fee and commission income of TZS 2.2 billion was driven mainly by loan processing and documentation fees, while other operating income of TZS 5 billion included recoveries, foreign-exchange income and miscellaneous operating receipts. Total operating income reached TZS 8.1 billion.



The earnings gap

After the TZS 0.9 billion loan impairment charge, net operating income was TZS 7.2 billion. Operating expenses totalled TZS 9.9 billion, comprising employee benefits of TZS 3.3 billion, general administrative expenses of TZS 6.2 billion and depreciation and amortisation of TZS 0.4 billion. The resulting loss before tax was TZS 2.7 billion and the loss after tax was TZS 2.7 billion. Put simply, the Bank generated meaningful income growth, but not yet enough to absorb the cost of the expanded organisation and its investments. The cost-to-income ratio of 123% expresses this relationship directly.

Why the loss does not tell the whole story

A loss is never the desired outcome, but its quality and context matter. The 2025 loss occurred alongside strong deposit mobilisation, rapid growth in earning assets, low non-performing loans and high capital ratios. It was primarily shaped by timing: staffing, technology, branches, systems, control functions and integration capacity had to be established before the resulting customer activity and recurring revenues could mature. This is different from a loss driven by collapsing income, severe credit impairment or capital weakness. Nevertheless, the investment thesis must now be proven. Future financial performance depends on improving asset yields, increasing low-cost deposits, deepening fee-generating transactions and extracting efficiency from the new platform.

Capital and solvency

Share capital increased to TZS 41.8 billion from TZS 27.5 billion. Total equity reported in the statement of financial position was approximately TZS 37.0 billion after accumulated losses and reserves. Regulatory capital ratios remained strong: Tier 1 capital was 31.85% against a 12.5% requirement, and total capital was 40.46% against a 14.5% requirement. These buffers provide resilience and room for measured growth. However, capital is not free: shareholders reasonably expect it to generate returns. The financial strategy must therefore progressively move from capital accumulation to capital productivity, with pricing and allocation decisions guided by risk-adjusted return.



Cash flow and working balance-sheet dynamics

The statement of cash flows reflects the mechanics of rapid expansion. Customer deposits generated a substantial operating cash inflow, while growth in loans and placements used cash. Net cash used in operating activities was TZS 19.0 billion, reflecting the deployment of newly mobilised funding into earning assets. Investing cash flows included acquisition of property and equipment, consistent with branch and infrastructure development. This pattern is expected in a growth phase, but it reinforces the need for disciplined asset-liability management. Tenor matching, deposit concentration, pricing, liquidity buffers and contingency funding plans must all keep pace with the growth of the balance sheet.

Revenue levers for profitability

The route to profitability has four principal levers. First, the Bank must increase the proportion and yield of quality customer assets without compromising credit standards. Second, it must mobilise more stable, low-cost current and savings deposits, reducing the marginal cost of funding. Third, it must broaden non-interest income through payments, digital transactions, trade services, cash management, foreign exchange, insurance referrals and value-chain solutions. Fourth, it must improve operating leverage by moving routine transactions to digital channels, automating processes, optimising premises and procurement, and linking staffing growth to measurable productivity. These levers are embedded in the Bank's strategic and annual planning process.

Financial discipline and performance management

Finance and Strategy will strengthen the link between strategy, budgeting and execution. Business units will be managed through clearer scorecards covering income, cost, customer activity, asset quality, liquidity, capital use and strategic milestones. Product and segment profitability will become more visible, allowing management to direct resources towards opportunities that create sustainable value. Forecasting will be more dynamic, with regular scenario analysis for interest rates, liquidity, credit quality and operating costs. This discipline is essential because rapid growth can conceal inefficiencies unless performance is measured at a sufficiently granular level.



Risk-adjusted growth

Our financial ambition is not merely to grow the balance sheet; it is to generate resilient returns from it. That requires integrating risk into every financial decision. Credit pricing must reflect probability of default, loss given default, operating cost, funding cost and capital consumption. Deposit strategies must consider stability and concentration, not only volume. Technology investments must be assessed against adoption, revenue, efficiency and control outcomes. Branch expansion must be supported by credible market potential and a path to break-even. This risk-adjusted approach will protect capital and ensure that growth translates into shareholder value.

Outlook

The Bank enters the next phase with a substantially stronger platform than it had at the beginning of 2025. The balance sheet has scale, the deposit franchise has momentum, the loan portfolio is performing, and capital provides resilience. Management's financial objective is to increase operating income faster than operating costs, maintain low credit losses and progressively restore retained earnings. We will continue to report transparently on both progress and gaps. The story we intend the numbers to tell in the coming years is one of a cooperative bank that combines inclusion with commercial strength – a bank that can expand access, remain prudently managed and deliver sustainable returns to its shareholders.

Margins, pricing and funding economics

As the balance sheet matures, margin management will become increasingly important. The Bank must price lending to reflect risk, tenor, operating cost and capital use while remaining competitive and relevant to cooperative customers. On the funding side, the current-account base provides a valuable foundation, but customer activity and retention are critical; inactive accounts do not provide the same strategic benefit as deeply used transaction relationships. Treasury deployment must balance liquidity, yield and counterparty risk. Finance will work closely with business and treasury teams to monitor net interest margin by product and segment, identify repricing opportunities and ensure that growth does not dilute returns. This will be supported by stronger asset-liability committee reporting and forward-looking interest-rate scenarios.

Cost transformation without weakening capability

Improving the cost-to-income ratio will require structural productivity rather than indiscriminate cuts. The Bank has invested in people, premises and technology because these capabilities are necessary for growth and control. The financial challenge is now to increase the output generated by those resources. Digital migration can lower the unit cost of routine transactions. Workflow automation can shorten turnaround times and reduce errors. Centralised procurement and vendor management can improve value for money. Better workforce planning can align staffing with customer volumes and complexity. Branch performance analysis can distinguish locations that require growth support from those needing redesign. Finance and Strategy will track these initiatives through quantified benefits, ownership and delivery timelines, ensuring that efficiency gains are real and sustainable.

Scenario planning and resilience

The operating environment remains exposed to changes in interest rates, inflation, commodity cycles, weather conditions and customer liquidity, all of which can affect a Bank focused on agriculture and cooperative value chains. Our planning process will therefore use scenarios rather than a single-point forecast. We will test the effects of slower deposit growth, higher funding costs, credit migration, delayed projects and operational disruption on profit, liquidity and capital. Management actions will be defined in advance so that the Bank can respond early rather than react after pressure has emerged. This forward-looking approach complements the strong capital position and supports more confident strategic decisions.

From scale to returns

The financial agenda can be summarised as a transition from scale to returns. The assets and liabilities added in 2025 must generate more recurring income, while the infrastructure built must support more customers and transactions without proportional cost growth. We will monitor this transition through net interest margin, fee income, cost-to-income ratio, credit cost, return on assets, return on equity and capital utilisation. Improvement will not be linear, but the direction must be clear. Strong financial governance, credible forecasting and transparent accountability will enable the Bank to make the necessary trade-offs while preserving its purpose and resilience.

Appreciation

I acknowledge the Board, shareholders, management and employees for their support during a technically demanding year of integration and growth. I also thank our external auditors, regulators, banking partners and customers for their engagement. The Finance and Strategy team remains committed to reliable reporting, disciplined planning and clear analysis so that stakeholders can understand not only what the Bank achieved, but why the results changed and how management intends to improve them.

Metric	2025	2024	Comment
Total assets	TZS 176.823bn	TZS 49.260bn	Expanded lending, placements and investments
Customer deposits	TZS 114.477bn	TZS 19.314bn	Strong deposit mobilisation
Net loans and advances	TZS 101.764bn	TZS 14.893bn	Growth with low NPLs
Share capital	TZS 41.824bn	TZS 27.478bn	New capital issued
Interest income	TZS 6.635bn	TZS 1.166bn	Customer loans and bank placements
Fee and commission income	TZS 2.234bn	TZS 0.121bn	Primarily lending-related fees
Total operating income	TZS 8.103bn	TZS 1.115bn	Broader income base
Operating expenses	TZS 9.919bn	TZS 1.092bn	People, infrastructure and operating capacity
Loss after tax	TZS 2.725bn	Profit TZS 0.052bn	Investment phase
Tier 1 capital ratio	31.85%	-	Above 12.5% requirement
Total capital ratio	40.46%	-	Above 14.5% requirement
NPL ratio	1.17%	-	Below 5% regulatory benchmark



ACPA (T) Kinyaki Kinyaki
Head of Finance and Strategy





Kinyaki Kinyaki
Mkuu wa Kitengo cha Fedha na Mkakati

Taarifa ya Mkuu wa Fedha na Mkakati

Muhtasari wa viashiria muhimu vya kifedha

Ndugu Wanahisa,

Matokeo ya kifedha ya mwaka 2025 yanaakisi hatua muhimu katika mageuzi ya Benki kutoka msingi mdogo wa uendeshaji hadi kuwa taasisi ya kitaifa yenye mizania iliyopanuka kwa kiasi kikubwa, nafasi imara zaidi ya mtaji na jukwaa pana la utoaji huduma. Kwa hiyo, ulinganisho na mwaka 2024 unapaswa kufasiriwa kwa uangalifu. Matokeo ya mwaka uliotangulia yalikuwa kipindi cha miezi mitatu pekee, wakati mwaka 2025 unaakisi mwaka mzima wa fedha pamoja na athari za uunganishaji wa taasisi, ukusanyaji wa mtaji, upanuzi wa biashara na uwekezaji katika uwezo unaohitajika kuunga mkono ukuaji wa siku zijazo.

Kwa kuzingatia muktadha huu, ujumbe mkuu wa kifedha ni kwamba Benki ilipiga hatua kubwa katika misingi yake ya utendaji. Benki ilifanikiwa kupanua mali zake, kukuza amana za wateja na kuharakisha utoaji wa mikopo kwa sekta zenye tija, huku ikidumisha kinga imara za mtaji na ubora mzuri wa mali. Ukuaji huu ulimarisha uwezo wa Benki kuhudumia vyama vya ushirika, biashara, taasisi na wateja binafsi katika soko pana zaidi.

Hasara iliyoripotiwa kwa mwaka inaakisi muda ambao uwekezaji ulifanyika, badala ya kudhoofika kwa misingi ya kifedha ya Benki. Katika mwaka 2025, Benki ilijenga uwezo wa uendeshaji, kuimarisha nguvu kazi, kuwekeza katika teknolojia na miundombinu, kupanua njia za utoaji huduma na kuboresha mifumo na udhibiti unaohitajika kuendesha taasisi kubwa zaidi. Gharama hizi zilitumika kabla ya jukwaa lililopanuliwa kufikia uwezo wake kamili wa kuzalisha mapato.

Kwa hiyo, kipaumbele cha kifedha katika hatua inayofuata kiko wazi. Benki sasa inapaswa kubadilisha ukubwa uliojengwa mwaka 2025 kuwa mapato endelevu, ufanisi bora wa uendeshaji na marejesho yenye nguvu zaidi kwa wanahisa na wadau wengine. Hili litahitaji matumizi ya kina zaidi ya huduma za Benki na wateja, ukuaji wenye nidhamu wa mali bora zinazozalisha mapato, vyanzo vya mapato vilivyopanuliwa, tija bora ya gharama na ulinzi unaoendelea wa mtaji, ukwasi na ubora wa mali. Msingi umejengwa; sasa mkazo ni kupata thamani kubwa zaidi kutoka kwake.

Upanuzi wa mizania

Jumla ya mali ilifikia Shilingi bilioni 176.8, kutoka Shilingi bilioni 49.3. Mchanganyiko wa mali unaonesha maeneo ambayo mtaji na fedha zilizokusanywa ziliwekezwa. Mikopo na maduhuli halisi yalikuwa Shilingi bilioni 101.8, fedha zilizowekwa katika benki nyingine Shilingi bilioni 41.4, na hati fungani za hazina na kampuni Shilingi bilioni 16.0. Fedha taslimu na salio katika Benki Kuu ya Tanzania zilifikia Shilingi bilioni 8.6. Kwa pamoja, salio hizi zinaonesha mchanganyiko wa makusudi wa mikopo kwa wateja, usimamizi wa ukwasi na uzalishaji wa mapato ya uwekezaji. Mali na vifaa vya Shilingi bilioni 4.7, mali zisizoshikika za Shilingi bilioni 0.8 na mali za haki ya matumizi za Shilingi bilioni 1.3 zinaakisi uwekezaji katika matawi, majengo, mifumo na miundombinu ya uendeshaji.

Ukuaji wa vyanzo vya fedha na ukwasi

Amana ziliongezeka hadi Shilingi bilioni 114.5 kutoka Shilingi bilioni 19.3. Akaunti za hundi zilikuwa sehemu kubwa zaidi kwa Shilingi bilioni 83.3, zikifuatiwa na akaunti za akiba za Shilingi bilioni 15.7 na amana za muda maalumu za Shilingi bilioni 15.0. Muundo huu una thamani ya kimkakati kwa sababu salio za miamala na akiba zinaweza kutoa chanzo cha fedha kilicho thabiti kwa kiwango kikubwa na kuimarisha ushirikiano wa wateja na Benki. Benki pia ilikuwa na mikopo iliyokopwa ya Shilingi bilioni 13.0. Kwa uwiano wa jumla wa mikopo kwa amana wa asilimia 89, msingi wa fedha uliunga mkono ukuaji wa haraka wa mikopo huku ukihifadhi ukwasi. Fedha zilizowekwa na dhamana pia ziliimarisha uwezo wa Benki kutimiza wajibu wake na kusimamia mtiririko wa fedha.



Utendaji wa Mapato na Matumizi (Kwa Billioni za Tsh)



Ukuaji na ubora wa jalada la mikopo

Jumla ya mikopo, mikopo ya ziada kwenye akaunti na maduhuli iliongezeka hadi Shilingi bilioni 102.7, ikijumuisha mikopo ya muda ya Shilingi bilioni 72.4, mikopo ya ziada kwenye akaunti ya Shilingi bilioni 27.2 na mikopo ya wafanyakazi ya Shilingi bilioni 3.1, kabla ya riba iliyositishwa kutambuliwa. Baada ya akiba ya hasara ya Shilingi bilioni 0.9, mikopo halisi ilikuwa Shilingi bilioni 101.8. Uwiano wa mikopo isiyolipika wa asilimia 1.17 ni matokeo imara kwa kuzingatia kasi ya ukuaji na umeendelea kuwa chini kwa kiwango kikubwa ya ukomo wa kikanuni wa asilimia 5. Gharama ya upungufu wa thamani ya mikopo ya Shilingi bilioni 0.9 inaakisi utekelezaji wa matakwa ya IFRS 9 kuhusu hasara za mikopo zinazotarajiwa kwa jalada kubwa zaidi. Huu ni utambuzi wa tahadhari wa hatari, si ushahidi wa kushuka kwa ubora wa mikopo kwa ujumla.

Utendaji wa mapato

Mapato ya riba yaliongezeka hadi Shilingi bilioni 6.6. Kati ya kiasi hiki, Shilingi bilioni 3.5 zilitokana na mikopo na maduhuli kwa wateja, na Shilingi bilioni 3.2 zilitokana na fedha zilizowekwa katika benki nyingine, hali inayoonesha mchango wa mali za wateja pamoja na uwekezaji wa ukwasi. Gharama za riba zilikuwa Shilingi bilioni 1.3, na kusababisha mapato halisi ya riba ya Shilingi bilioni 5.4. Mapato ya ada na kamisheni ya Shilingi bilioni 2.2 yalichochewa zaidi na ada za uchakataji wa mikopo na nyaraka, huku mapato mengine ya uendeshaji ya Shilingi bilioni 0.5 yakijumuisha marejesho, mapato ya fedha za kigeni na mapato mengine mbalimbali ya uendeshaji. Jumla ya mapato ya uendeshaji ilifikia Shilingi bilioni 8.1.

Pengo la mapato

Baada ya gharama ya upungufu wa thamani ya mikopo ya Shilingi bilioni 0.9, mapato halisi ya uendeshaji yalikuwa Shilingi bilioni 7.2. Gharama za uendeshaji zilifikia Shilingi bilioni 9.9, zikijumuisha gharama za wafanyakazi za Shilingi bilioni 3.3, gharama za jumla za utawala za Shilingi bilioni 6.2 na uchakavu pamoja na upunguzaji wa thamani wa Shilingi bilioni 0.4. Matokeo yake yalikuwa hasara kabla ya kodi ya Shilingi bilioni 2.7 na hasara baada ya kodi ya Shilingi bilioni 2.7. Kwa ufupi, Benki ilizalisha ukuaji mkubwa wa mapato, lakini mapato hayo bado hayakutosha kugharamia taasisi iliyopanuliwa na uwekezaji

wake. Uwiano wa gharama kwa mapato wa asilimia 123 unaonesha uhusiano huu moja kwa moja.

Kwa nini hasara haielezi hali nzima

Hasara si matokeo yanayotarajiwa, lakini ubora na muktadha wake ni muhimu. Hasara ya mwaka 2025 ilitokea sambamba na ukusanyaji mkubwa wa amana, ukuaji wa haraka wa mali zinazozalisha mapato, kiwango cha chini cha mikopo isiyolipika na uwiano mkubwa wa mtaji. Ilisababishwa zaidi na tofauti ya muda: uwekezaji katika wafanyakazi, teknolojia, matawi, mifumo, vitengo vya udhibiti na uwezo wa uunganishaji ulipaswa kufanyika kabla ya shughuli za wateja na mapato ya mara kwa mara kukomaa. Hii ni tofauti na hasara inayotokana na kuporomoka kwa mapato, upungufu mkubwa wa thamani ya mikopo au udhaifu wa mtaji. Hata hivyo, hoja ya uwekezaji lazima sasa ithibitishwe. Utendaji wa kifedha wa siku zijazo unategemea kuboresha mavuno ya mali, kuongeza amana zenye gharama ndogo, kuimarisha miamala inayozalisha ada na kupata ufanisi kutoka katika jukwaa jipya.

Mtaji na uwezo wa kifedha

Mtaji wa hisa uliongezeka hadi Shilingi bilioni 41.8 kutoka Shilingi bilioni 27.5. Jumla ya mtaji wa wanahisa iliyoripotiwa katika taarifa ya hali ya kifedha ilikuwa takribani Shilingi bilioni 37.0 baada ya hasara zilizokusanywa na hifadhi. Uwiano wa mtaji wa kikanuni uliendelea kuwa imara: mtaji wa Daraja la Kwanza ulikuwa asilimia 31.85 dhidi ya hitaji la asilimia 12.5, na jumla ya mtaji ilikuwa asilimia 40.46 dhidi ya hitaji la asilimia 14.5. Kinga hizi zinaimarisha ustahimilivu na kutoa nafasi ya ukuaji wenye tahadhari. Hata hivyo, mtaji una gharama yake: wanahisa wana matarajio halali ya kupata marejesho. Kwa hiyo, mkakati wa kifedha lazima uhamie hatua kwa hatua kutoka ukusanyaji wa mtaji kwenda katika tija ya mtaji, huku maamuzi ya bei na ugawaji wa rasilimali yakiongozwa na marejesho yaliyorekebishwa kwa hatari.



Mtiririko wa fedha na mienendo ya mizania ya uendeshaaji
Taarifa ya mtiririko wa fedha inaonesha mienendo ya upanuzi wa haraka. Amana za wateja zilitengeneza mapato makubwa ya fedha kutoka shughuli za uendeshaaji, huku ukuaji wa mikopo na fedha zilizowekwa ukitumia fedha. Fedha halisi zilizotumika katika shughuli za uendeshaaji zilikuwa Shilingi bilioni 190, zikionesha uwekezaji wa fedha mpya zilizokusanywa katika mali zinazozalisha mapato. Mtiririko wa fedha za uwekezaji ulijumuisha ununuzi wa mali na vifaa, sawia na maendeleo ya matawi na miundombinu. Mwenendo huu unatarajiwa katika hatua ya ukuaji, lakini unaimarisha umuhimu wa usimamizi wenye nidhamu wa mali na madeni. Ulinganifu wa muda wa mali na madeni, mkusanyiko wa amana, bei, kinga za ukwasi na mipango ya dharura ya fedha lazima yote yaende sambamba na ukuaji wa mizania.

Vichocheo vya mapato kuelekea faida

Njia ya kuelekea faida ina vichocheo vinne vikuu. Kwanza, Benki lazima iongeze sehemu na mavuno ya mali bora za wateja bila kuhatarisha viwango vya mikopo. Pili, lazima ikusanye amana zaidi zilizo thabiti na zenye gharama ndogo kupitia akaunti za hundi na akiba, ili kupunguza gharama ya ziada ya fedha. Tatu, lazima ipanue mapato yasiyotokana na riba kupitia malipo, miamala ya kidijitali, huduma za biashara, usimamizi wa fedha, fedha za kigeni, rufaa za bima na suluhisho za minyororo ya thamani. Nne, lazima iboreshe ufanisi wa uendeshaaji kwa kuhamisha miamala ya kawaida kwenda katika njia za kidijitali, kuendesha taratibu kiotomatiki, kuboresha matumizi ya majengo na ununuzi, na kuunganisha ukuaji wa wafanyakazi na tija inayoweza kupimika. Vichocheo hivi vimejumuishwa katika mchakato wa mipango ya kimbakati na ya mwaka wa Benki. Nidhamu ya kifedha na usimamizi wa utendaji
Fedha na Mkakati vitaimarisha uhusiano kati ya mkakati, bajeti na utekelezaji. Vitengo vya biashara vitasimamiwa kupitia kadi za utendaji zilizo wazi zaidi zinazohusisha mapato, gharama, shughuli za wateja, ubora wa mali, ukwasi, matumizi ya mtaji na hatua muhimu za kimbakati. Faida kwa bidhaa na kwa sehemu ya wateja itaonekana kwa uwazi zaidi, na kuiwezesha menejimenti kuelekea rasilimali katika fursa zinazounda thamani endelevu. Utabiri utakuwa wa kubadilika zaidi, ukiambatana na uchambuzi wa mara kwa mara wa hali mbalimbali kuhusu viwango vya riba, ukwasi, ubora wa mikopo na gharama za uendeshaaji. Nidhamu hii ni muhimu kwa sababu ukuaji wa haraka unaweza kuficha kutokuwepo kwa ufanisi endapo utendaji hautapimwa kwa kiwango cha kina kinachotosha.

Ukuaji uliorekebishwa kwa hatari

Dhamira yetu ya kifedha si tu kukuza mizania; ni kuzalisha marejesho yenye ustahimilivu kutoka kwake. Hili linahitaji kuunganisha hatari katika kila uamuzi wa kifedha. Bei ya mikopo lazima iakisi uwezekano wa kutolipa, kiwango cha hasara endapo kutalipwa kutashindikana, gharama za uendeshaaji, gharama za fedha na matumizi ya mtaji. Mikakati ya amana lazima izingatie uthabiti na mkusanyiko, si kiasi pekee. Uwekezaji wa teknolojia lazima upimwe dhidi ya matumizi halisi, mapato, ufanisi na matokeo ya udhibiti. Upanuzi wa matawi lazima uungwe mkono na uwezo halisi wa soko na njia ya kufikia kiwango cha kutolipa wala kupata hasara. Mtazamo huu uliorekebishwa kwa hatari utalinda mtaji na kuhakikisha kwamba ukuaji unatafsiriwa kuwa thamani kwa wanahisa.

Mtazamo wa mbele

Benki inaingia katika hatua inayofuata ikiwa na jukwaa imara zaidi kwa kiasi kikubwa kuliko ilivyokuwa mwanzoni mwa mwaka 2025. Mizania ina ukubwa, msingi wa amana una kasi, jalada la mikopo linafanya vizuri, na mtaji unatoa ustahimilivu. Lengo la kifedha la menejimenti ni kuongeza mapato ya uendeshaaji kwa kasi inayozidi ukuaji wa gharama za uendeshaaji, kudumisha gharama ndogo za mikopo na kurejesha hatua kwa hatua mapato yaliyobaki. Tutaendelea kutoa taarifa kwa uwazi kuhusu maendeleo na mapungufu. Hadithi tunayotaka takwimu zieleze katika miaka ijayo ni ya benki ya ushirika inayounganisha ujumuishaji na nguvu ya kibiashara; benki inayoweza kupanua ufikaji, kusimamiwa kwa tahadhari na kutoa marejesho endelevu kwa wanahisa wake.



Tofauti za riba, upangaji wa bei na uchumi wa vyanzo vya fedha

Kadiri mizania inavyokomaa, usimamizi wa tofauti za riba utazidi kuwa muhimu. Benki lazima ipange bei ya mikopo kwa kuzingatia hatari, muda, gharama za uendeshaaji na matumizi ya mtaji huku ikiendelea kuwa shindani na yenye umuhimu kwa wateja wa ushirika. Kwa upande wa vyanzo vya fedha, msingi wa akaunti za hundi unatoa nguzo muhimu, lakini matumizi na uhifadhi wa wateja ni muhimu; akaunti zisizotumika hazitoi manufaa sawa ya kimbakati kama mahusiano ya miamala yanayotumika kwa kina. Uwekezaji wa hazina lazima uzingatie ukwasi, mavuno na hatari ya upande wa pili wa mkataba. Fedha itafanya kazi kwa karibu na timu za biashara na hazina kufuatilia tofauti halisi ya riba kwa bidhaa na sehemu ya wateja, kubaini fursa za kurekebisha bei na kuhakikisha kwamba ukuaji haupunguzi marejesho. Hili litaungwa mkono na taarifa imara zaidi za Kamati ya Usimamizi wa Mali na Madeni pamoja na hali za riba zinazoangalia mbele.

Mageuzi ya gharama bila kudhoofisha uwezo

Kuboresha uwiano wa gharama kwa mapato kutahitaji tija ya kimuundo, si upunguzaji wa gharama usio na mwelekeo. Benki imeweze katika watu, majengo na teknolojia kwa sababu uwezo huu ni muhimu kwa ukuaji na udhibiti. Changamoto ya kifedha sasa ni kuongeza matokeo yanayotokana na rasilimali hizo. Uhamishaji wa huduma kwenda kidijitali unaweza kupunguza gharama ya kila muamala wa kawaida. Uendeshaaji wa mtiririko wa kazi kiotomatiki unaweza kupunguza muda wa kutoa huduma na makosa. Ununuzi wa pamoja na usimamizi wa wazabuni vinaweza kuboresha thamani ya fedha. Mipango bora ya nguvu kazi inaweza kuoanisha idadi ya wafanyakazi na kiasi pamoja na ugumu wa mahitaji ya wateja. Uchambuzi wa utendaji wa matawi unaweza kutofautisha maeneo yanayohitaji msaada wa ukuaji na yale yanayohitaji usanifu upya. Fedha na Mkakati vitafuatilia mipango hii kupitia manufaa yaliyopimwa, uwajibikaji wa wamiliki wa utekelezaji na muda wa kukamilisha, ili kuhakikisha kwamba faida za ufanisi ni halisi na endelevu.

Mipango ya hali mbalimbali na ustahimilivu

Mazingira ya uendeshaaji yanaendelea kuathiriwa na mabadiliko ya viwango vya riba, mfumuko wa bei, mizunguko ya bei za bidhaa, hali ya hewa na ukwasi wa wateja, mambo ambayo yote yanaweza kuiathiri Benki inayolenga kilimo na minyororo ya thamani ya ushirika. Kwa hiyo, mchakato wetu wa mipango utatumia hali mbalimbali badala ya utabiri wa hali moja. Tutapima athari za ukuaji mdogo wa amana, gharama kubwa za fedha, mabadiliko ya ubora wa mikopo, kuchelewa kwa miradi na kukatika kwa shughuli za uendeshaaji kwa faida, ukwasi na mtaji. Hatua za menejimenti zitaainishwa mapema ili Benki iweze kuchukua hatua kabla ya shinikizo kujitokeza, badala ya kuitikia

Kipimo	2025	2024	Maelezo
Jumla ya mali	Shilingi bilioni 176.823	Shilingi bilioni 49.260	Upanuzi wa mikopo, fedha zilizowekwa na uwekezaji
Amana za wateja	Shilingi bilioni 114.477	Shilingi bilioni 19.314	Ukusanyaji mkubwa wa amana
Mikopo na maduhuli halisi	Shilingi bilioni 101.764	Shilingi bilioni 14.893	Ukuaji wenye kiwango cha chini cha mikopo isiyolipika
Mtaji wa hisa	Shilingi bilioni 41.824	Shilingi bilioni 27.478	Mtaji mpya uliotolewa
Mapato ya riba	Shilingi bilioni 6.635	Shilingi bilioni 1.166	Mikopo kwa wateja na fedha zilizowekwa benki nyingine
Mapato ya ada na kamisheni	Shilingi bilioni 2.234	Shilingi bilioni 0.121	Hasa ada zinazohusiana na mikopo
Jumla ya mapato ya uendeshaaji	Shilingi bilioni 8.103	Shilingi bilioni 1.115	Msingi mpana zaidi wa mapato
Gharama za uendeshaaji	Shilingi bilioni 9.919	Shilingi bilioni 1.092	Watu, miundombinu na uwezo wa uendeshaaji
Hasara baada ya kodi	Shilingi bilioni 2.725	Faida Shilingi bilioni 0.052	Hatua ya uwekezaji
Uwiano wa mtaji wa Daraja la Kwanza	31.85%	-	Juu ya hitaji la 12.5%
Jumla ya uwiano wa mtaji	40.46%	-	Juu ya hitaji la 14.5%
Uwiano wa mikopo isiyolipika	1.17%	-	Chini ya kiwango cha kikanuni cha 5%



ACPA (T) Kinyaki Kinyaki
Mkuu wa Fedha na Mkakati

baada ya changamoto kuanza. Mtazamo huu wa kuangalia mbele unakamilisha nafasi imara ya mtaji na kuunga mkono maamuzi ya kimbakati yenye ujasiri zaidi.

Kutoka ukubwa kwenda katika marejesho

Ajenda ya kifedha inaweza kufupishwa kama mabadiliko kutoka ukubwa kwenda katika marejesho. Mali na madeni yaliyoongezwa mwaka 2025 lazima yazalishe mapato zaidi ya mara kwa mara, huku miundombinu iliyojengwa ikihudumia wateja na miamala mingi zaidi bila ukuaji wa gharama kwa kiwango sawia. Tutafuatilia mabadiliko haya kupitia tofauti halisi ya riba, mapato ya ada, uwiano wa gharama kwa mapato, gharama ya mikopo, marejesho ya mali, marejesho ya mtaji wa wanahisa na matumizi ya mtaji. Maboresho hayatafuata mstari ulionyooka, lakini mwelekeo lazima uwe wazi. Utawala imara wa kifedha, utabiri wa kuaminika na uwajibikaji wa wazi vitaiwezesha Benki kufanya maamuzi yanayohitajika huku ikihifadhi madhumuni na ustahimilivu wake.

Shukrani

Ninatambua mchango wa Bodi, wanahisa, menejimenti na wafanyakazi kwa usaidizi wao katika mwaka uliokuwa na mahitaji makubwa ya kitaalamu ya uunganishaji na ukuaji. Pia ninawashukuru wakaguzi wetu wa nje, wasimamizi wa kikanuni, washirika wa benki na wateja kwa ushirikiano wao. Timu ya Fedha na Mkakati inaendelea kujitolea katika utoaji wa taarifa za kuaminika, mipango yenye nidhamu na uchambuzi wa wazi ili wadau waelewe si tu kile ambacho Benki ilifikia, bali pia sababu za mabadiliko ya matokeo na namna menejimenti inavyokusudia kuyaboresha.



Neema Soka
Relationship Manager

Personalized Banking

Deepening everyday relationships through relevant products, accessible channels and responsible finance

RELATIONSHIPS

Customer growth

The Bank broadened its reach to individual customers, salaried employees, women, youth, micro-enterprises and community groups through its branches and emerging digital channels. Its 2025 reporting materials identify 13,638 active accounts across the Bank. Retail growth was supported by the national launch, wider market visibility, new staff capacity and service points in Dodoma, Moshi, Tabora and Tandahimba.

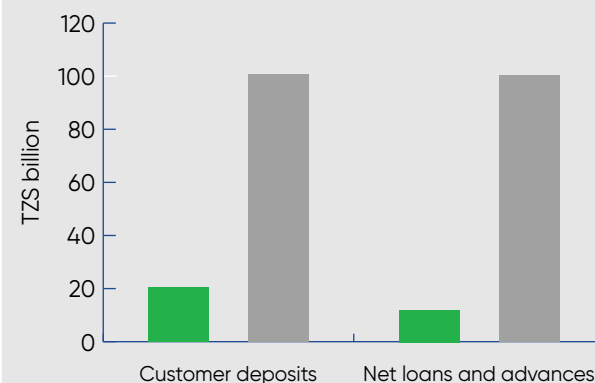
The priority was not only to open relationships, but to position the Bank as an accessible financial partner able to support saving, payments, personal finance and enterprise activity. Products referenced in the Bank's reporting materials include general savings and transaction accounts, salaried-worker facilities, education-related finance, vehicle and transport solutions, group lending and products designed for women, children and students.

FINANCIAL PERFORMANCE

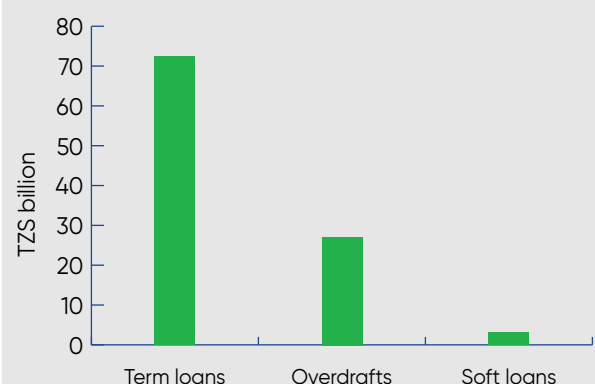
Deposits and lending

Customer deposits increased to TZS 114.477 billion from TZS 19.314 billion, while net loans and advances reached TZS 101.764 billion from TZS 14.893 billion. These are Bank-wide audited figures and reflect the combined contribution of retail, cooperative, business and institutional relationships. Gross loans, overdrafts and advances totalled TZS 102.7 billion, including TZS 72.4 billion in term loans, TZS 27.2 billion in overdrafts and TZS 3.1 billion in staff loans.

Growth in customer funding and lending



Gross loan portfolio by facility type



Responsible growth

The non-performing loan ratio was 1.17%, below the 5% regulatory benchmark. This outcome supports customer and depositor confidence and indicates that rapid lending growth was accompanied by appraisal, monitoring and collection discipline.

CONVENIENCE

Digital banking

COOPesa mobile banking and COOP Net internet banking expanded the ways customers could access account information, transfer funds, make payments and receive transaction alerts. The Bank also advanced connectivity with national payment, clearing, settlement and identity infrastructure. These investments were intended to reduce the cost and distance barriers associated with branch-only banking.

No verified year-end retail digital adoption rate, transaction count or channel-uptime result was provided in the source records. Management's next priority is therefore to strengthen measurement of active usage, availability, transaction success and customer outcomes.

SERVICE

Customer experience



Access

A blended branch and digital model provided more ways to interact with the Bank.



Clarity

Product terms, pricing and repayment obligations must remain understandable and transparent.



Responsiveness

Turnaround times and complaint resolution are central measures of future execution.



Reliability

Customers expect digital and branch services to remain secure and consistently available.



Fair treatment

Products should reflect customer needs, cash flows and repayment capacity.



Relationship depth

Success depends on active use of accounts and services, not account opening alone.

IMPACT

Financial inclusion

Retail and personal banking contributes to financial inclusion by connecting salaried customers, women, youth, groups, micro-enterprises and underserved communities with formal savings, payments and responsible credit. The Bank's cooperative roots create opportunities to reach individuals through societies, SACCOS, employers and value-chain relationships.

In the next phase, inclusion will be measured increasingly through active usage, affordability, customer outcomes and the ability of finance to support livelihoods and productive participation.



Yahya Kiyabo
Head of Business and Cooperative Banking

Business & Cooperative Banking

Turning cooperative relationships into accessible finance, stronger value chains and shared economic progress

Our distinctive mandate

Cooperative banking is central to the Bank's identity and strategic purpose. In 2025, the Bank strengthened relationships with cooperative societies, SACCOS, AMCOS, farmers and connected enterprises, while building partnerships and channels intended to serve complete value chains.

COOPERATIVE BANKING

Support to cooperatives

The official launch of Co-operative Bank Tanzania on 28 April 2025 gave national expression to the cooperative movement's ambition for a dedicated financial institution. During the year, the Business and Cooperative Banking function supported customer acquisition, deposit mobilisation, lending and stakeholder engagement across cooperative and agribusiness markets.

The branch network in Dodoma, Moshi, Tabora and Tandahimba brought banking services closer to important cooperative and agricultural communities. Tabora strengthened the Bank's presence in a major tobacco and agribusiness market, while Tandahimba built on established cooperative relationships in southern Tanzania.

PRODUCTIVE CAPITAL

Cooperative financing

The Bank continued to strengthen its support for Tanzania's productive sectors by expanding financing across agricultural value chains, with a strong strategic focus on the cooperative movement. As at year-end, net loans and advances reached TZS 101.764 billion while maintaining a healthy non-performing loan (NPL) ratio of 1.17%, the quality of the Bank's lending portfolio.

Cooperatives remain the Bank's core market segment, accounting for approximately 60% of the total loan portfolio. This underscores the Bank's commitment to promoting financial inclusion, enhancing cooperative productivity and supporting the growth of member-owned enterprises across the country.

To advance agricultural transformation and improve productivity, the Bank intensified its financing of agricultural mechanization through strategic partnerships with Agricom Africa Limited and GF Trucks & Equipment Limited. These collaborations have expanded access to modern farm machinery, transport equipment and other productive assets for Agricultural Marketing Cooperative Societies (AMCOS), Savings and Credit Cooperative Societies (SACCOS), farmers, agribusinesses, and other cooperative enterprises. By improving access to mechanization, the Bank is contributing to increased agricultural efficiency, higher yields, and improved market competitiveness for cooperative members.

The Bank partnered with the Agricultural Inputs Guarantee Fund (AIGF) to support the implementation of the Mchongo Shambani product under the Building a Better Tomorrow programme. This initiative enhances access to agricultural inputs and affordable financing, enabling cooperative members and smallholder farmers to adopt improved farming practices, strengthen food security, and increase agricultural productivity.

Through these strategic interventions, the Bank continues to reinforce its position as the leading financial partner for Tanzania's cooperative sector, supporting sustainable economic growth, agricultural modernization and the long-term resilience of cooperative enterprises.



INSTITUTIONAL CAPABILITY

Capacity building



Financial management

Support better use of accounts, payments, savings and borrowing.



Governance awareness

Encourage transparent decision-making, records and accountability.



Digital capability

Enable societies and members to use COOPesa, COOP Net and COOP Wakala.



Value-chain understanding

Structure solutions around production seasons and cash-flow cycles.



Risk awareness

Promote responsible borrowing, monitoring and insurance protection.



Market connections

Use partnerships to connect finance with equipment, inputs and other services.

DIALOGUE

Member and society engagement

Engagement occurred through branch relationships, business-development activity, the national launch, cooperative forums and partnership discussions. The Bank's approach recognises that cooperative societies represent both institutional customers and channels through which individual members can access finance and payments.

For stakeholders, effective engagement should result in products that reflect cooperative governance, seasonal income patterns and the needs of members. Management will continue strengthening formal feedback, relationship planning and service-performance measurement.

BROADER CONTRIBUTION

Sector development

MEMBERS

Savings and needs

SOCIETIES

Aggregation

BANK

Finance and payments

PARTNERS

Inputs assets insurance

OUTCOMES

Production income resilience

The Bank's role extends beyond individual transactions. By linking members, societies, suppliers, processors, transporters, insurers and buyers, cooperative banking can improve payment visibility, productive investment and risk management. This creates value for customers and communities while supporting deeper, more stable relationships for the Bank.

ENTERPRISE

SME banking

The Bank served micro, small and medium-sized enterprises requiring working capital, investment finance, payments and transaction support. Its cooperative and agribusiness orientation provides access to enterprises operating around production, trade, transport and service value chains.

The lending portfolio included term finance and overdrafts, which together represented the principal facility types in the Bank's gross loan portfolio. Management's focus was to support growth while maintaining disciplined appraisal, structured disbursement, portfolio monitoring and collections.

RELATIONSHIPS

Corporate and institutional banking

Institutional relationships supported deposit mobilisation and broadened the Bank's transaction base. The Business and Cooperative Banking report states that cooperative and corporate deposits reached TZS 43.7 billion, compared with TZS 28.3 billion in the prior period; this is a management figure and is presented separately from the audited total customer-deposit balance.

The Bank also strengthened engagement with government institutions and other organisations requiring accounts, payment services, financing and relationship support. These relationships can provide stable funding, transaction activity and opportunities to connect institutions with cooperative and enterprise value chains.



Chomoka na Mkopo wa Bajaji



Mkopo wa Bajaji

Ongeza maokoto kupitia mkopo wa bajaji wenye riba nafuu



CASH FLOW

Trade and working capital solutions



Term finance

Supports investment and productive assets over an agreed period.



Overdrafts

Provide short-term flexibility for working-capital cycles.



Payments and collections

Improve transaction control and cash-flow visibility.



Asset finance partnerships

Support equipment and vehicle acquisition through collaborative solutions.



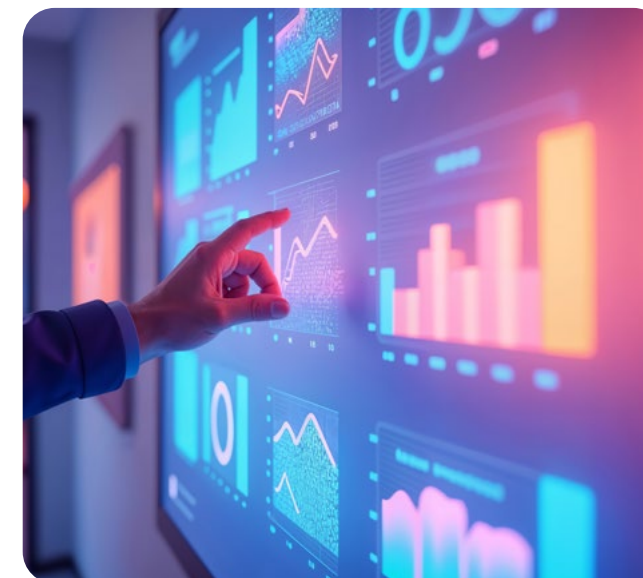
Foreign exchange

Supports eligible customer requirements and treasury-related transactions.



Bancassurance

Helps protect assets, enterprises and livelihoods through insurance access.



PORTFOLIO QUALITY

Sector performance

Gross loans, overdrafts and advances reached TZS 102.7 billion. The portfolio was diversified across agricultural value chains, cooperatives, MSMEs, trade and investment, staff and personal lending, transport and logistics and other productive sectors. The non-performing loan ratio of 1.17% remained below the regulatory benchmark, while the expected-credit-loss allowance was approximately TZS 0.9 billion.

This performance indicates that the Bank expanded credit while maintaining asset quality. Continued diversification, pricing discipline, collateral management and early-warning monitoring will remain important as sector exposures grow.

EXTENDING CAPABILITY

Partnerships

Partner or initiative	Purpose	Stakeholder value
Agricom Africa Limited	Productive asset financing	Access to agricultural equipment and productivity-enhancing assets.
GF Trucks & Equipment Limited	Vehicle and equipment finance	Support transporters, agribusinesses and cooperative members.
Agricultural Inputs Guarantee Fund	Support for Mchongo Shambani under BBT	Improve youth access to agricultural finance and inputs.
National Insurance Corporation	Bancassurance collaboration	Broaden access to protection for members, businesses and individuals.

Next performance focus

The Bank will deepen transaction activity, strengthen stable institutional deposits, improve working-capital turnaround times and measure profitability by customer segment and product. Growth must translate into sustainable income and demonstrable customer value.



Hakim Sheikh
Manager Treasury and Investments

Treasury and Investments

Protecting liquidity, deploying funds responsibly and supporting balance-sheet resilience

Treasury and investment activities supported the Bank's rapid balance-sheet growth by managing liquidity, deploying surplus funds, diversifying income and maintaining the capacity to meet customer and regulatory obligations.

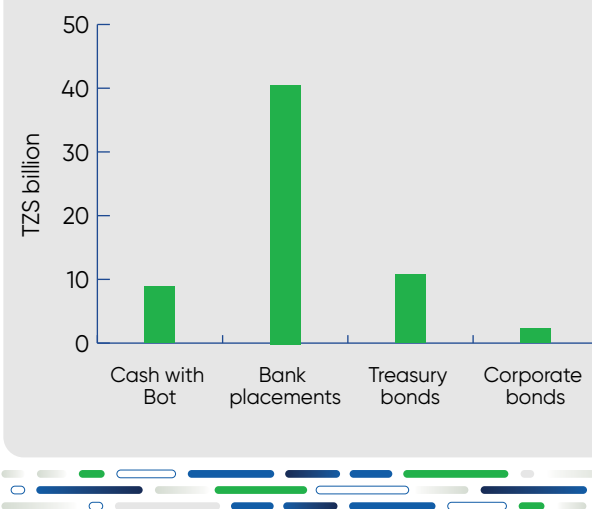
RESILIENCE

Liquidity management

At 31 December 2025, cash and balances with the Bank of Tanzania were TZS 8.617 billion and placements with other banks were approximately TZS 41.4 billion. These balances provided readily available resources to support settlement obligations, deposit withdrawals and the Bank's expanding operating requirements.

Customer deposits increased to TZS 114.477 billion and borrowings stood at TZS 13.0 billion. The gross loans-to-deposits ratio was approximately 89%, indicating that customer funding supported the enlarged loan book while placements and securities provided additional liquidity capacity.

Liquidity and investment portfolio



INCOME AND DIVERSIFICATION

Investment portfolio

Treasury and corporate bonds had a net carrying amount of TZS 15.962 billion. The underlying portfolio included treasury bonds of TZS 13.462 billion and corporate bonds with a gross carrying amount of TZS 3.0 billion, subject to the applicable impairment allowance. The Bank's reporting materials also identify investment in a CRDB Green Bond and the Samia Infrastructure Bond as part of its sustainability and investment activities.

The portfolio supported income generation and diversification while preserving a prudent balance between yield, liquidity, tenor and counterparty risk.

DISCIPLINE

Market risk management



Interest-rate risk

Monitor repricing, yields, maturities and the effect of market-rate changes.



Foreign-exchange risk

Manage open currency positions and customer-driven foreign-exchange activity within approved limits.



Liquidity risk

Maintain buffers, monitor cash flows and prepare contingency funding actions.



Counterparty risk

Place funds with approved institutions and monitor credit quality.



Concentration risk

Diversify funding sources and investment exposures.



Governance

Use approved limits, management committees and Board oversight to guide decisions.

CAPACITY

Funding and capital management

Ordinary share capital increased to TZS 41.824 billion from TZS 27.478 billion. Regulatory capital remained strong, with a Tier 1 capital ratio of 31.85% and a total capital ratio of 40.46%, compared with minimum requirements of 12.5% and 14.5%, respectively.

These buffers provide resilience and capacity for measured growth. The financial priority is now to improve capital productivity by allocating funding towards assets and activities that generate appropriate risk-adjusted returns while preserving liquidity and regulatory compliance.

Stakeholder value

Depositors benefit from strong liquidity and disciplined balance-sheet management. Borrowers benefit from the Bank's capacity to provide finance. Shareholders benefit when capital and funding are deployed efficiently, while regulators and the wider financial system benefit from resilience and prudent risk management.





Hemed Nassor
Head of ICT and Innovation

Digital and Alternative Channels

Extending access through secure, connected and increasingly seamless banking

Digital transformation in 2025

Technology and alternative channels were central to the Bank's national expansion. The Bank introduced COOPesa, COOP Net and COOP Wakala, strengthened its infrastructure and advanced connectivity with national payment and identity systems.

ACCESS

Mobile and internet banking

COOPesa mobile banking and COOP Net internet banking enabled customers to access account information, make and receive payments, transfer funds and track transactions without relying exclusively on branches. SMS alerts and one-time-password controls supported customer information and authentication.

For cooperative societies, businesses and individual customers, these services can reduce travel time and transaction costs, improve record-keeping and provide greater visibility over payments and balances.



REACH

Agency banking

COOP Wakala was launched as the Bank's agency-banking channel. Its purpose is to extend access beyond the physical branch network, particularly in communities where distance and operating hours can limit conventional banking access.

A verified year-end agent count was not disclosed in the source records. Management's next phase should therefore include clear reporting on active agents, transaction volumes, liquidity availability, service quality and geographic coverage.



CONNECTIVITY

Cards and payments

The Bank advanced integration with the Government Electronic Payment Gateway, electronic funds transfer and cheque clearing, the Tanzania Interbank Settlement System or real-time gross settlement, the Tanzania Instant Payment System, the Retail Transfer System, SWIFT and the National Identification Authority. These connections support government payments, interbank settlement, instant transfers, customer verification and preparations for wider domestic and international transaction capability.

TRUST

Cybersecurity and service reliability



Infrastructure

Strengthened servers, networks, endpoints and branch connectivity.



Access controls

Enhanced user management, maker-checker controls and authentication.



Monitoring

Improved system and service oversight to identify issues earlier.



Backup and recovery

Strengthened backup arrangements and disaster-recovery planning.

Incident response

Improved coordination and response practices for operational events.



Governance

Aligned technology investment with security, reliability and business priorities.

FUTURE-READY PLATFORM

Technology investments

Investment area	2025 contribution	Expected stakeholder benefit
Core banking environment	Supported branch and transaction operations	Reliable and scalable banking services.
COOPesa and COOP Net	Expanded digital customer access	Greater convenience and reduced distance barriers.
COOP Wakala	Established the agency-banking platform	Access closer to cooperative and community markets.
National integrations	Connected the Bank with payment, settlement and identity infrastructure	Faster and more interoperable transactions.
Cyber and resilience controls	Strengthened security, monitoring, backup and access management	Protection of customer funds, data and service continuity.
Future capabilities	Prepared for digital lending, process automation, data and AI use	Faster decisions, efficiency and more relevant services.

CONNECT

Channels and networks

AUTHENTICATE

Identity and access

TRANSACTION

Payments and transfers

PROTECT

Security and resilience

LEARN

Data and improvement

2026 performance priority

The focus will move from channel deployment to active usage, reliability and value realisation. Management should measure channel availability, successful transaction rates, active customers, agent productivity, complaint resolution, fraud losses and the cost and income impact of digital migration.



Immaculatha Maro
Head of Credit

Credit Report

Expanding responsible finance while protecting asset quality and stakeholder value

2025 performance perspective

The Bank substantially expanded its lending capacity while maintaining disciplined credit governance and strong asset quality. This growth enabled greater support for cooperatives, SACCOS, micro, small and medium-sized enterprises, agribusinesses, women, youth and other customers whose financing needs have historically been underserved.

PORTFOLIO GROWTH

Strong growth in responsible lending

Net loans and advances reached TZS 101.764 billion at 31 December 2025, compared with TZS 14.893 billion at the end of 2024. Gross loans, overdrafts and advances stood at approximately TZS 102.7 billion before impairment allowances. This expansion reflects the Bank's growing capacity to direct funding towards customers and productive sectors while deepening its role within Tanzania's cooperative and agricultural economy.

The scale achieved is significant when viewed against the earlier operating base. The Credit Department reported that the portfolio had increased from approximately TZS 13 billion in October 2024 to about TZS 101 billion by May 2026. The May 2026 figure is presented as a post-reporting-period update and demonstrates that the larger portfolio established during 2025 was broadly sustained into the following year.

Portfolio growth from October 2024 to May 2026, with the audited 31 December 2025 position shown separately.



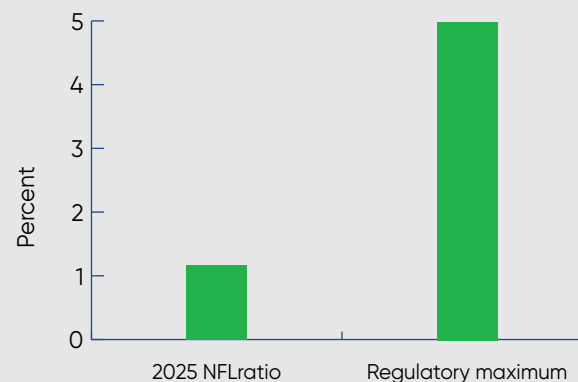
CREDIT DISCIPLINE

Strong asset quality

The Bank maintained a non-performing loan ratio of 1.17% at 31 December 2025, comfortably below the Bank of Tanzania regulatory benchmark of 5%. The expected credit loss allowance was approximately TZS 0.9 billion, reflecting prudent recognition of credit risk under IFRS 9.

This result is particularly important given the speed of portfolio expansion. It demonstrates the value of disciplined credit appraisal, structured approval and disbursement processes, regular portfolio monitoring and timely collection activity. By protecting asset quality, the Bank safeguards depositors' funds, preserves shareholder capital and maintains its capacity to continue financing customers responsibly.

Asset quality remained within the regulatory benchmark



PORTFOLIO COMPOSITION

A diversified portfolio serving productive sectors

Agriculture and cooperative financing remained central to the Bank's mandate. These sectors support food security, employment, rural incomes and broader economic development. At the same time, portfolio diversification across several customer groups and sectors helps reduce excessive concentration and enables the Bank to serve a wider range of stakeholder needs.



Agricultural value chains

Finance supporting production, inputs, aggregation, processing and related activities.



Cooperatives

Facilities for AMCOS, SACCOS and other cooperative organisations and their members.



MSMEs

Working capital and investment finance for micro, small and medium-sized enterprises.



Trade and investment

Credit supporting commercial activity, expansion and productive investment.



Employees and individuals

Staff and personal lending structured around customers' repayment capacity.



Transport and logistics

Finance supporting mobility, distribution and the movement of goods.



Transport and logistics

Finance supporting mobility, distribution and the movement of goods.

CONTROLS

Credit governance and regulatory compliance

Credit activities were conducted within the Bank's approved policies, risk appetite and regulatory requirements. The Bank maintained oversight of sector limits and single-borrower exposures, applied IFRS 9 expected credit loss requirements and continued to update credit policies and procedures in response to regulatory developments and banking-industry practices.

Governance was supported through the Management Credit Committee, Branch Credit Committees, Loan Collection Committees and Board oversight. These structures provide challenge, accountability and escalation across origination, approval, monitoring and recovery. Their role is to ensure that growth remains consistent with the Bank's capital, liquidity and risk-management capacity.

LOOKING AHEAD

Strategic direction

The next phase of the credit strategy will focus on expanding the portfolio without compromising asset quality. The Bank will continue to increase access to finance for cooperatives, women, youth, small and medium-sized customers and productive value chains, while strengthening data-led credit decisions, early-warning monitoring, collateral management and post-disbursement follow-up.

Technology and analytics will play a larger role in improving customer assessment, decision speed and portfolio visibility. The Bank will also strengthen collections and recovery processes and continue to operate within regulatory limits and its approved risk appetite.

For customers, this direction means more relevant and timely access to responsible finance. For shareholders, it means growth that is supported by risk-adjusted returns and capital protection. For depositors and regulators, it means continued emphasis on portfolio quality, compliance and resilience. For communities and the economy, it means directing finance towards productive activity, employment and inclusive growth.



09

Our People and Culture

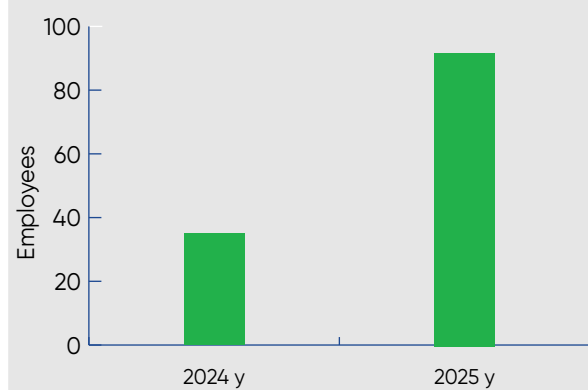


Mwita Chacha
Human Resource Manager

People and Culture

Building the capability, accountability and shared purpose required for sustainable growth

Workforce growth



The workforce expanded as the Bank strengthened its market presence and operating capability.

Our people in a year of transformation

The Bank's people were central to the institutional integration, official launch and business expansion achieved in 2025. Employees maintained customer service while learning new systems, establishing common processes, supporting new locations and strengthening the control environment. Our responsibility is to ensure that the larger workforce is equipped, engaged and aligned to create sustainable value for customers, shareholders and communities.

92 employees

The year-end workforce increased from 35 employees in 2024.

58 men

Representing 63.0% of the workforce.

34 women

Representing 37.0% of the workforce.

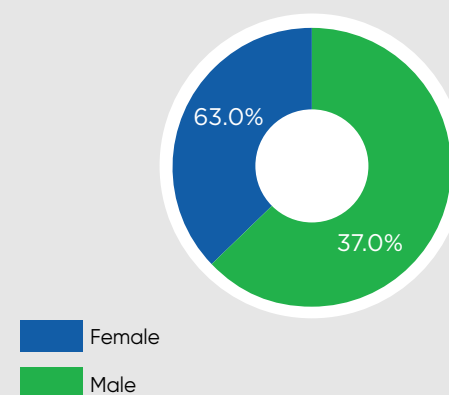
163% growth

Workforce expansion supported the Bank's wider operating platform.

Four service locations

Teams supported operations in Dodoma, Moshi, Tabora and Tandahimba.

Workforce composition by gender



Gender composition at 31 December 2025

TALENT AND DEPLOYMENT

Building capability for a larger institution

The Bank expanded and repositioned its workforce to support new growth centres and strengthen specialist capability. Experienced employees were strategically redeployed across Dodoma, Tabora, Tandahimba and Head Office, allowing institutional knowledge to support new teams and locations. Recruitment from the wider market complemented this experience with additional capability in business development, credit, finance, risk, technology and operations.

This approach supported continuity during integration while improving the Bank's ability to serve customers and manage a materially larger balance sheet. As the institution grows, workforce planning will continue to focus on ensuring that the right skills are available in the right functions and locations, without creating unnecessary organisational layers or cost.

EMPLOYEE VALUE PROPOSITION

Investment in our people

Employee benefit expenses were TZS 3.302 billion in 2025, compared with TZS 284.2 million in 2024. The increase reflects the larger workforce, a full year of operations and the capabilities required to support the Bank's transformation. Gross salaries accounted for TZS 1.996 billion, while the Bank also contributed to employee social security, health insurance, welfare and other employment-related obligations.

The Bank incurred TZS 10.9 million in direct staff training fees and TZS 116.1 million in broader training and workshop expenses. These investments supported technical knowledge, operational readiness and organisational alignment during a demanding year of change.

People investment area	2025 amount	Stakeholder significance
Gross salaries	TZS 1.996 billion	Attracting and retaining capability required to serve customers and manage growth.
Employer NSSF contribution	TZS 189.2 million	Supporting employees' long-term social security.
National Health Insurance Fund	TZS 92.6 million	Supporting access to healthcare and employee well-being.
Staff welfare	TZS 118.2 million	Supporting employee welfare during transformation.
Staff recruitment	TZS 21.4 million	Adding skills required for the enlarged institution.
Direct staff training fees	TZS 10.9 million	Building role-specific knowledge and technical capability.
Training and workshop expenses	TZS 116.1 million	Supporting broader learning, alignment and institutional development.

CULTURE

A performance-led and cooperative culture

The Bank's culture is anchored in agility, accountability, innovation, teamwork, lifetime learning and concern for community. These values define how employees are expected to serve customers, work across functions, manage resources and protect the Bank's reputation.

In 2025, the integration of teams from different institutional backgrounds made cultural alignment particularly important. The focus was on building one organisation with

common standards, shared performance expectations and a customer-centred way of working. Leaders were expected to model ethical conduct, communicate priorities clearly and remove barriers that affected execution.

A performance-led culture does not mean pursuing short-term results at the expense of people or controls. It means setting clear objectives, providing employees with the tools and guidance to deliver, recognising contribution and addressing performance gaps fairly and promptly.

PURPOSE
Why we exist

VALUES
How we behave

CAPABILITY
What we can deliver

PERFORMANCE
What we achieve

IMPACT
Value for stakeholders

FUTURE CAPABILITY

Learning leadership and succession

The Bank's people strategy recognises that long-term resilience depends on a dependable pipeline of technical and leadership talent. Succession planning is intended to identify critical roles, potential successors and development actions that reduce disruption when employees move or exit.

The forward agenda includes role-based technical training, leadership development, talent forums, performance calibration, e-learning and clearer career and succession pathways. Particular attention will be given to credit, risk, regulatory requirements, digital banking, customer experience and people-management capability.

Progress will be measured through stronger evidence on training participation, skills development, succession coverage, retention, performance outcomes and internal mobility. These measures will enable stakeholders to assess whether people investment is improving organisational capability and service quality.



RESPONSIBLE WORKPLACE

Employee well-being inclusion and fair treatment



Health and well-being

Medical cover, welfare support and safe working conditions are central to sustained performance.



Fair reward

Compensation is governed through approved salary structures, benefits and performance principles.



Employee voice

Management engagement and trade-union dialogue support fairness and employee relations.



Equal opportunity

Recruitment and development should be based on merit, capability and business need.



Ethics and conduct

Employees are expected to uphold integrity, confidentiality and fair dealing.



Respectful workplace

Mutual respect, openness and accountability strengthen collaboration and trust.

The Bank engages the Tanzania Union of Industrial and Commercial Workers as part of its approach to collective dialogue and employee welfare. Policies governing conduct, discipline, remuneration, grievances and whistleblowing provide the framework for fair and consistent employment practices. The 2025 workforce included 34 women and 58 men. As the Bank expands, it will continue to strengthen inclusive recruitment, development and leadership opportunities, while improving the quality of workforce data used to monitor representation and progression.

Governance and accountability

People and culture matters are overseen through management and the Board Governance, Nomination and Human Resources Committee. Oversight includes organisational structure, remuneration, benefits, staff retention, succession, conduct and workforce capability.

The Bank's Code of Conduct and Ethics establishes minimum expectations for integrity and professional behaviour. Employees are required to act in the Bank's best interests, treat customers and colleagues fairly and protect confidential information. Whistleblowing and disciplinary mechanisms support accountability and provide channels for concerns to be raised and addressed.

LOOKING AHEAD



Creating value through our people

For customers, capable and engaged employees provide faster, more dependable and more personal service. For shareholders, a productive workforce supports income growth, efficiency and sound risk management. For employees, the Bank seeks to provide fair reward, development and a workplace in which contribution is recognised. For regulators and communities, a strong ethical culture supports trust, compliance and responsible banking.

Our people priorities



Strengthen productivity

Align workforce capacity with customer volumes, income and service requirements.



Deepen technical skills

Prioritise credit, risk, compliance, technology and customer-experience capability.



Build leadership depth

Advance succession planning and development for critical roles.



Embed performance management

Cascade clear objectives and improve feedback and accountability.



Improve engagement

Strengthen two-way communication, recognition and employee involvement.



Advance inclusion

Improve representation, development access and workforce-data quality.



Support well-being

Maintain a safe, ethical and enabling working environment.



Measure outcomes

Track retention, training, succession, engagement and productivity consistently.



10

**Sustainability and
Impact**

Economic Impact

Mobilising capital, financing productive activity and creating value across the economy

Our economic role

The Bank creates economic value by mobilising savings and shareholder capital, directing funds towards customers and productive sectors, providing payment services and sustaining employment and supplier relationships. In 2025, the Bank substantially expanded its balance sheet and operating platform, strengthening its capacity to support cooperatives, businesses, institutions and individuals.

13 Board members

Twelve non-executive directors and the Managing Director as an ex-officio member.

3 Board committees

Governance, Nomination and Human Resources; Credit; and Audit, Risk and Compliance.

3,902 shareholders

A broad ownership base comprising individuals, cooperatives, unions and corporate entities.

TZS 41.824 billion

Ordinary share capital represented by 83,648,963 ordinary shares.

Annual evaluation framework

Board, committee and key governance-role performance is subject to annual assessment.

Ethical accountability

Conflict-of-interest, conduct and whistleblowing requirements support trust and integrity.

ACCOUNTABILITY

Governance Framework

The Bank's governance framework defines how authority is exercised, decisions are made and performance is overseen. Shareholders exercise their rights through general meetings and approve matters reserved for owners. The Board provides strategic leadership, approves major policies and holds management accountable for performance, risk management and compliance. Management, led by the Managing Director, executes the approved strategy and operates the Bank within delegated authority, the risk appetite and applicable laws and regulations.

The Board Charter is the principal governance instrument for Board operations. It sets out the roles and powers of the Board and its committees, the separation of responsibilities between the Board and management, standards of conduct and the processes through which oversight is exercised. The framework is supported by the Bank's memorandum and articles, committee charters, policies, codes, delegated authorities and regulatory requirements.

For stakeholders, effective governance means that capital is used responsibly, customer and depositor interests are protected, strategic decisions receive appropriate challenge, and risks are identified and addressed before they threaten the Bank's resilience or reputation.

SHAREHOLDERS

Ownership and reserved decisions

BOARD

Strategy and oversight

COMMITTEES

Focused review and challenge

MANAGEMENT

Execution and performance

ASSURANCE

Risk compliance and audit

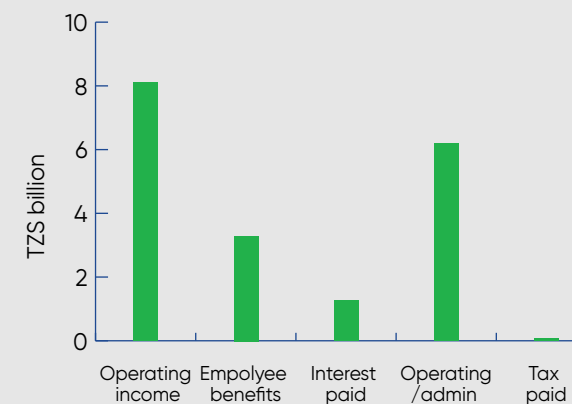
ECONOMIC VALUE

Value generated and distributed

Total operating income reached TZS 8.103 billion in 2025. This included net interest income of TZS 5.366 billion, fee and commission income of TZS 2.234 billion and other operating income of TZS 503.5 million. The income generated supported employees, providers of funding, suppliers, government obligations and continued investment in the Bank's operating capacity.

Employee benefit expenses were TZS 3.302 billion and interest paid to depositors and other funding providers was TZS 1.270 billion. General administrative expenses were TZS 6.203 billion and tax paid during the year was TZS 75.0 million. The Bank incurred a loss after tax of TZS 2.725 billion because investment in people, technology, premises and controls was made ahead of mature income. No dividend was declared for 2025.

Selected economic value flows in 2025



Reporting note The chart presents selected financial flows and is not a formal GRI economic value generated and distributed reconciliation. Amounts are rounded and some categories overlap with the accounting income statement structure.

PRODUCTIVE FINANCE

Support to businesses and cooperatives

Net loans and advances reached TZS 101.764 billion at 31 December 2025. The portfolio supported agricultural value chains, AMCOS, SACCOS, micro, small and medium-sized enterprises, trade and investment, transport and logistics, employees and other productive sectors. The non-performing loan ratio remained low at 1.17%, demonstrating that expanded access was supported by credit discipline.

The Bank also advanced partnerships intended to improve access to agricultural equipment, trucks, productive assets, agricultural inputs and insurance. These relationships help connect finance with the wider capabilities customers require to grow and manage risk.

TZS 101.764bn

Net loans and advances supporting customers and productive activity.

TZS 114.477bn

Customer deposits mobilised into the formal financial system.

1.17% NPL ratio

Responsible credit growth and strong asset quality.

13,638 active accounts

A broader platform for savings, payments and financing.

Four service locations

Dodoma, Moshi, Tabora and Tandahimba.

Digital access

COOPesa, COOP Net and COOP Wakala extended service reach.

SUPPLIER RELATIONSHIPS

Local procurement

Suppliers support the Bank through technology, security, premises, professional services, communications, maintenance, transport, stationery and other operational requirements. The Bank engages suppliers through structured procurement processes, transparent communication, timely settlement of valid obligations and a focus on value for money.

A verified 2025 measure of expenditure with Tanzanian-owned or locally based suppliers was not available. The Bank will strengthen supplier classification and procurement data so that future reports can show local spend, supplier diversity, payment performance and sustainability considerations more clearly.

NATIONAL VALUE

Contribution to national development

The Bank contributes to national development by widening formal financial participation, financing agriculture and enterprises, facilitating payments and supporting employment. Its cooperative model is particularly relevant to rural and agriculture-dependent communities, where societies and value chains can connect many members to finance and markets. The Bank maintained TZS 1.0 billion in the CRDB Green Bond and invested TZS 500 million in the Samia Infrastructure Bond. Its wider corporate bond portfolio also included TZS 500 million in NMB Jamii Bond and TZS 1.0 billion in Tanzania Commercial Bank Stawi Bond. These investments diversify the Bank's portfolio while supporting instruments associated with environmental, social, infrastructure and economic-development objectives.

OUTCOMES

Stakeholder value

Customers and cooperatives gain access to savings, payments and productive finance. Employees receive income, benefits and development opportunities. Suppliers participate in the Bank's operating value chain. Shareholders benefit from a larger platform with future earnings potential, while government and communities benefit from formal economic activity, employment and investment.

Customers and members

Access to savings, payments, responsible credit and protection.

Shareholders

A larger platform, protected capital and a pathway to sustainable returns.

Employees

Employment, remuneration, benefits and development opportunities.

Suppliers

Transparent procurement, business opportunities and timely settlement of valid obligations.

Government and regulators

Formal economic activity, taxes, compliance and financial-sector resilience.

Communities

Finance for productive activity, inclusion, livelihoods and employment.

Social Impact

Expanding access, strengthening financial resilience and supporting inclusive participation

Our social contribution

The Bank's social impact is delivered primarily through its core business: connecting cooperatives, enterprises, institutions and individuals with formal savings, payments, responsible credit and protection. This approach links social value with the Bank's long-term financial sustainability.

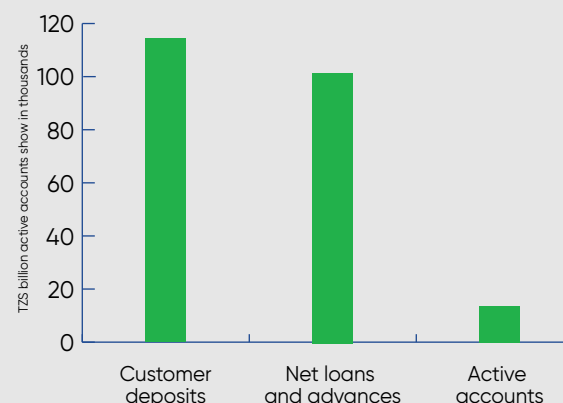
ACCESS

Financial inclusion

The Bank expanded access through branches in Dodoma, Moshi, Tabora and Tandahimba and through COOPesa mobile banking, COOP Net internet banking and COOP Wakala agency banking. These channels are designed to reduce the distance and time barriers associated with branch-only banking and to serve customers across cooperative, agricultural, enterprise and retail markets.

Customer deposits reached TZS 114.477 billion, net loans and advances reached TZS 101.764 billion and the Bank reported 13,638 active accounts. These figures show the growing scale through which the Bank can connect customers with formal financial services.

Scale supporting financial and economic participation



CORE-BUSINESS IMPACT

Community investment

The Bank did not make political or charitable donations during 2025. Its principal community contribution was therefore delivered through financial inclusion, cooperative financing, branch and digital access, employment and partnerships supporting productive activity.

This approach recognises that sustainable community impact is created when customers can save securely, receive and make payments, invest in productive assets, access appropriately structured credit and protect livelihoods. The Bank will develop a clearer community-investment framework to distinguish commercial inclusion activity from future philanthropic or community programmes and to measure beneficiaries and outcomes consistently.

CAPABILITY

Customer financial education

Customer understanding is essential to responsible banking. The Bank supports customers through product explanations, onboarding, relationship engagement and information on account use, repayment obligations, transaction security and digital services. Clear information helps customers make informed choices and reduces the risk of unsuitable borrowing, fraud and service disputes.

A standalone, quantified financial-education programme was not reported for 2025. The Bank will formalise its approach by defining priority audiences, learning content, delivery channels and indicators such as participants reached, knowledge improvement and changes in product usage or repayment behaviour.

INCLUSIVE ENTERPRISE

Support to women and youth

Women and youth are priority groups within the Bank's financial-inclusion and market-expansion agenda. The Bank's products and cooperative relationships provide routes through which women entrepreneurs, youth groups, farmers, salaried customers and micro-enterprises can access savings, payments and finance.

The Bank partnered with the Agricultural Inputs Guarantee Fund to support the Mchongo Shambani product under the Building a

Better Tomorrow programme, an initiative intended to improve youth participation in agriculture and access to financial services. Verified 2025 beneficiary totals and lending balances for women and youth were not available, and no unsupported figures have been presented.

TRUST

Responsible banking



Fair products

Solutions should reflect customer needs, cash flows and repayment capacity.



Transparent information

Pricing, terms and obligations should be communicated clearly.



Responsible credit

Appraisal, monitoring and collections protect customers, depositors and capital.



Customer protection

Complaints and service concerns should be addressed fairly and promptly.



Privacy and security

Customer information and transactions require secure systems and disciplined access.



Inclusive channels

Physical and digital access should remain usable, reliable and affordable.

Responsible banking also requires careful management of social risks. Income instability, agricultural market conditions, low financial literacy and affordability constraints can affect customer outcomes and portfolio quality. The Bank integrates these considerations into credit assessment, product design, customer engagement and risk management.

OUTCOMES

Stakeholder outcomes

For customers, the intended outcome is greater financial control, convenience and access to opportunities. For communities, it is broader economic participation and resilient livelihoods. For regulators and shareholders, responsible banking strengthens trust, asset quality and the durability of the Bank's business model.



Access

More customers connected to formal savings, payments and finance.



Capability

Greater understanding of products, security and responsible borrowing.



Opportunity

Finance supporting enterprise, agriculture and productive assets.



Protection

Fair treatment, secure transactions and appropriate insurance access.



Resilience

Stronger household, cooperative and business financial capacity.



Trust

Transparent conduct, service reliability and responsible credit management.

Environmental Responsibility

Managing climate-related exposure and building a more resource-efficient banking model

Our environmental context

The Bank's most significant environmental exposure arises indirectly through financing, particularly in agriculture, cooperatives and small businesses that depend on weather, natural resources and resilient infrastructure. The Bank is progressively integrating environmental and climate considerations into risk management, lending and investment decisions.

OPERATIONS

Environmental footprint

The Bank's direct environmental footprint arises from electricity and fuel use, travel, premises, equipment, paper, water and waste. Digital channels and process automation can reduce reliance on physical travel, cash and paper-based processes while improving access and efficiency.

Comprehensive 2025 measures for greenhouse-gas emissions, electricity consumption, fuel use, water, paper and waste were not available. The Bank therefore does not present estimated environmental totals. Establishing reliable baselines and data ownership is a priority for future reporting.

EFFICIENCY

Energy and resource use

During 2025, the Bank invested in technology infrastructure, digital services and improved premises. COOPesa, COOP Net and COOP Wakala support more remote transactions, which can reduce customer travel and paper-based processing. The Bank also incurred TZS 45.3 million in electricity costs, TZS 110.9 million in fuel and lubricants including generator and motorcycle fuel, and TZS 9.3 million in water charges. These accounting expenses indicate areas requiring stronger consumption data and efficiency management.

Future actions will include metering and tracking energy and water use by location, setting resource-efficiency expectations for premises and equipment, and assessing opportunities for renewable energy and lower-carbon operations.

CIRCULAR PRACTICES

Waste management

The Bank generates paper, packaging, obsolete electronic equipment, printer consumables and general office waste. Responsible handling is important because electronic waste may contain hazardous materials and customer documents require secure disposal.

A verified 2025 waste inventory or recycling rate was not available. The Bank will strengthen procedures for waste segregation, secure document destruction, responsible e-waste disposal and supplier evidence. Future indicators should include waste generated, recycled or recovered and the number of electronic assets disposed of through approved channels.

RESILIENCE

Climate-related risks

CLIMATE EVENT

Drought floods rainfall change

CUSTOMER IMPACT

Lower output disrupted trade

FINANCIAL EFFECT

Cash-flow stress and credit risk

BANK RESPONSE

Assessment monitoring and support

RESILIENCE

Capital liquidity and portfolio quality

Physical risks include droughts, floods, extreme weather and changes in rainfall patterns that can affect agricultural productivity, business activity and borrower repayment capacity. Transition risks include new environmental regulation, technological change, changing market preferences and rising stakeholder expectations.

The Bank is progressively incorporating environmental factors into credit assessments, monitoring exposure to climate-sensitive sectors and strengthening risk identification and reporting. Formal climate-scenario analysis and stress testing remain under development.

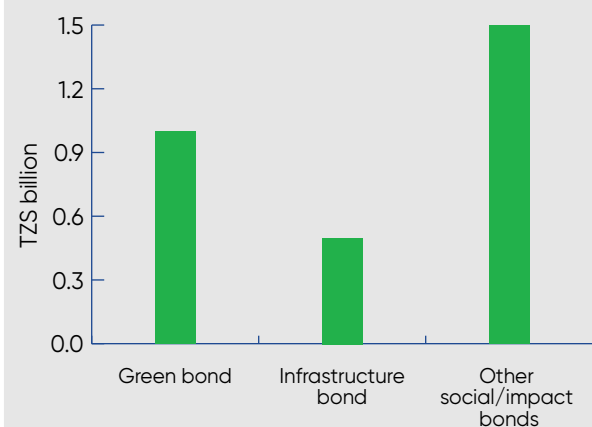
OPPORTUNITIES

Sustainable finance

Sustainable finance creates an opportunity to support renewable energy, sustainable agriculture, climate-resilient investments and infrastructure while diversifying the Bank's portfolio. At 31 December 2025, the Bank held TZS 1.0 billion in the CRDB Green Bond and TZS 500 million in the Samia Infrastructure Bond. It also held TZS 500 million in NMB Jamii Bond and TZS 1.0 billion in Tanzania Commercial Bank Stawi Bond.

The next stage is to develop clearer definitions, eligibility criteria, due diligence and performance indicators for green and social financing. This will help stakeholders distinguish sustainable-finance activity from the wider portfolio and understand the environmental and social outcomes associated with funded projects.

Corporate bond investments with sustainability and development relevance



NEXT STEPS

Environmental priorities

The Bank will establish operational baselines, strengthen environmental and social screening in lending, monitor climate-sensitive sectors, develop scenario analysis, improve e-waste controls and expand sustainable-finance capability with credible definitions and outcome measures.



Measure

Establish energy, water, fuel, paper, waste and emissions baselines.



Screen

Integrate environmental and social factors into credit assessment.



Monitor

Track climate-sensitive sectors and emerging transition risks.



Prepare

Develop climate scenarios, stress tests and response actions.



Improve operations

Strengthen efficiency, e-waste controls and responsible disposal.



Finance solutions

Define and grow credible green and social finance products.

Sustainable Development Goals

Connecting the Bank's purpose and performance with Tanzania's development priorities

Our approach to the SDGs

The Bank contributes to the Sustainable Development Goals through financial inclusion, cooperative and enterprise finance, employment, digital access, responsible banking and selected sustainable investments. The mapping below identifies areas of alignment; it does not represent certification or endorsement by the United Nations.

ALIGNMENT

Contribution to priority SDGs

Priority SDG	How the Bank contributes	2025 evidence and indicator
SDG 1 No Poverty	Savings, payments and responsible finance can strengthen household and enterprise resilience.	TZS 114.477bn customer deposits; 13,638 active accounts.
SDG 2 Zero Hunger	Agricultural and cooperative finance supports production, inputs, aggregation and rural value chains.	Agriculture and cooperatives remained core lending priorities; specific sector balances were not disclosed.
SDG 5 Gender Equality	Women are a priority group within the Bank's inclusion and enterprise agenda.	34 women employees; women-customer beneficiary and financing totals require improved tracking.
SDG 8 Decent Work and Economic Growth	The Bank finances businesses and productive activity and provides direct employment.	92 employees; TZS 101.764bn net loans and advances.
SDG 9 Industry Innovation and Infrastructure	Digital platforms and infrastructure investments improve access and transaction capability.	COOPesa, COOP Net and COOP Wakala; TZS 500m Samia Infrastructure Bond.
SDG 10 Reduced Inequalities	Cooperative and digital channels can reach rural and underserved communities.	Four service locations and alternative channels; beneficiary geography requires stronger measurement.
SDG 13 Climate Action	Climate-risk integration and green finance support a more resilient transition.	TZS 1.0bn CRDB Green Bond; climate scenario analysis under development.
SDG 17 Partnerships for the Goals	Partnerships extend equipment, agricultural inputs, insurance and market solutions.	Collaborations with equipment, agricultural guarantee and insurance partners.



PERFORMANCE DASHBOARD

Key outcomes and indicators

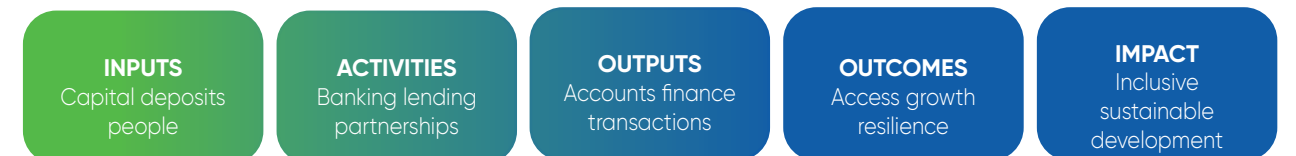


NEXT STEPS

Strengthening impact measurement

The current indicators show the scale of the Bank's financial and operational contribution, but they do not fully measure changes in livelihoods, enterprise growth, agricultural productivity, jobs supported, emissions avoided or community resilience. The Bank will progressively strengthen impact measurement by defining baselines, data owners, methodologies and outcome indicators for priority customer groups and sustainable-finance activities.

Priority improvements include tracking financing and beneficiaries by cooperative, enterprise size, gender, age and location; measuring financial-education reach and outcomes; recording local procurement; establishing operational environmental baselines; and measuring the use and impact of green and social finance.



ACCOUNTABILITY

Accountability to stakeholders

The Bank will use SDG alignment as a strategic lens rather than a substitute for performance evidence. Future reporting will focus increasingly on measurable outcomes, transparent methodologies and the relationship between development impact, risk and sustainable financial returns.

Measurement priority	Illustrative future indicator	Primary SDG link
Inclusive finance	Active customers and financing by gender, age, location and segment	SDGs 1, 5 and 10
Enterprise and jobs	Businesses financed, jobs supported and enterprise survival or growth	SDG 8
Agriculture	Farmers, cooperatives and agricultural value chains financed	SDG 2
Digital inclusion	Active digital users, transaction success and geographic access	SDGs 9 and 10
Climate and environment	Green finance, emissions, energy, water and waste measures	SDG 13
Partnerships	Programmes, co-financing and beneficiaries reached through partners	SDG 17





11

Governance



Adv. Hassan Herith
Head of Legal and Company Secretary

Governance

Stewarding stakeholder trust through accountable leadership, effective oversight and ethical conduct

Stewarding stakeholder trust through accountable leadership, effective oversight and ethical conduct

Governance in a year of transformation

The transition to a national public limited banking institution required governance arrangements capable of supporting rapid growth while protecting depositors, shareholders and the Bank's wider purpose. During 2025, the Board focused on capitalisation, business growth, regulatory compliance, organisational capability, credit quality, risk oversight and the institutional foundations required for sustainable performance.

13 Board members

Twelve non-executive directors and the Managing Director as an ex-officio member.

3,902 shareholders

A broad ownership base comprising individuals, cooperatives, unions and corporate entities.

Annual evaluation framework

Board, committee and key governance-role performance is subject to annual assessment.

3 Board committees

Governance, Nomination and Human Resources; Credit; and Audit, Risk and Compliance.

TZS 41.824 billion

Ordinary share capital represented by 83,648,963 ordinary shares.

Ethical accountability

Conflict-of-interest, conduct and whistleblowing requirements support trust and integrity.

ACCOUNTABILITY

Governance Framework

The Bank's governance framework defines how authority is exercised, decisions are made and performance is overseen. Shareholders exercise their rights through general meetings and approve matters reserved for owners. The Board provides strategic leadership, approves major policies and holds management accountable for performance, risk management and compliance. Management, led by the Managing Director, executes the approved strategy and operates the Bank within delegated authority, the risk appetite and applicable laws and regulations.

The Board Charter is the principal governance instrument for Board operations. It sets out the roles and powers of the Board and its committees, the separation of responsibilities between the Board and management, standards of conduct and the processes through which oversight is exercised. The framework is supported by the Bank's memorandum and articles, committee charters, policies, codes, delegated authorities and regulatory requirements.

For stakeholders, effective governance means that capital is used responsibly, customer and depositor interests are protected, strategic decisions receive appropriate challenge, and risks are identified and addressed before they threaten the Bank's resilience or reputation.

SHAREHOLDERS
Ownership and reserved decisions

BOARD
Strategy and oversight

COMMITTEES
Focused review and challenge

MANAGEMENT
Execution and performance

ASSURANCE
Risk compliance and audit

LEADERSHIP

Board of Directors

The Board brought together experience in banking, finance, economics, cooperative development, rural development, law, technology, insurance, public administration and institutional leadership. This diversity supports informed consideration of the Bank's commercial performance, cooperative mandate, regulatory obligations and long-term impact.

At 31 December 2025, the Board comprised twelve non-executive directors and one ex-officio member, the Managing Director. The Chairperson and Vice Chairperson were Dr. Joseph Ochien'g Witts and Prof. Gervas Mathias Machimu, respectively.

Director	Board position	Capacity
Dr. Joseph Ochien'g Witts	Chairperson	Non-executive
Prof. Gervas Mathias Machimu	Vice Chairperson	Non-executive
Prof. Geraldine Arbogast Rasheli	Member	Non-executive
Dr. Aikande Clement Kwayu	Member	Non-executive
Mr. Peter Situmbeko Nalitolela	Member	Non-executive
Mr. Mohamed Nassoro Mwinguku	Member	Non-executive
Mr. Pius Noel Killo	Member	Non-executive
Adv. Silvanus Benedict Mlola	Member	Non-executive
CPA Lucy Samson Chacha	Member	Non-executive
Dr. John Marato Sausi	Member	Non-executive
CPA Mwamimi Jafari Mussa	Member	Non-executive
Mr. Godfrey Joel Ng'urah	Managing Director	Ex-officio

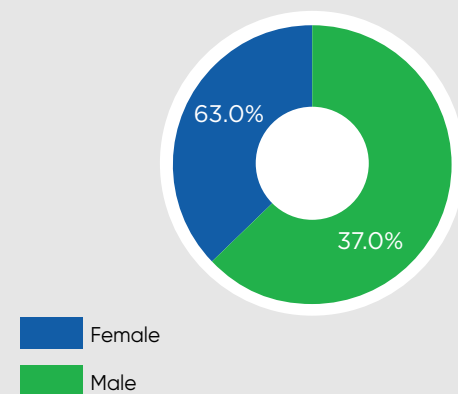
BALANCE

Board Composition

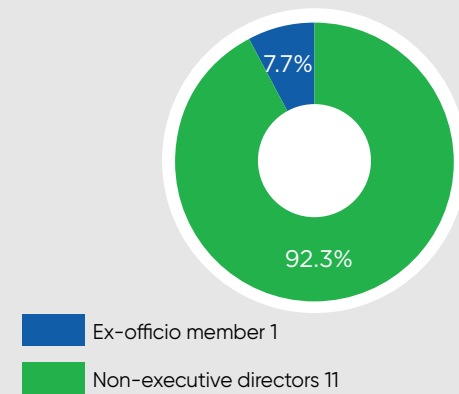
The Board's composition reflects the Bank's need for both cooperative-sector insight and wider commercial, professional and governance capability. The twelve non-executive directors included eight men and four women. The Managing Director participated as an ex-officio member, connecting Board oversight with management execution while preserving the distinction between governance and day-to-day management.

The Bank will continue to consider skills, experience, diversity, regulatory suitability and succession needs when Board appointments and renewals are considered.

Workforce composition by gender



Board composition by role



STEWARDSHIP

Board Responsibilities

Strategy

Approve the Bank's strategic direction, priorities and annual plans.

Performance

Review financial, operational and strategic performance and require corrective action.

Risk oversight

Approve risk appetite and oversee credit, liquidity, market, operational and emerging risks.

Capital and liquidity

Protect solvency and ensure resources remain aligned with growth.

Governance

Maintain effective Board, committee, policy and accountability arrangements.

People and leadership

Oversee organisational structure, senior appointments, succession and remuneration.

Financial reporting

Oversee integrity of reporting, accounting judgements, audit and internal controls.

Technology

Oversee ICT investment, cybersecurity, resilience and contribution to strategy.

Stakeholders

Promote fair outcomes, transparent reporting and constructive shareholder engagement.

FOCUSED OVERSIGHT

Board Committees

Committee	Principal oversight responsibilities	2025 focus
Board Governance, Nomination and Human Resources Committee	Board governance, nominations, organisational structure, senior appointments, succession, remuneration and people matters.	Organisational enhancements, recruitment and succession, senior appointments, benefits and retention, and stronger Board evaluation practices.
Board Credit Committee	Credit policies, large exposures within delegated authority, portfolio quality, credit risk appetite and non-performing loans.	Term and working-capital facilities, credit frameworks, portfolio monitoring and continued focus on asset quality.
Board Audit, Risk and Compliance Committee	Financial reporting, internal and external audit, enterprise risk, regulatory compliance, internal controls and fraud risk.	Financial statements and accounting treatments, audit findings, risk frameworks, regulatory requirements and control enhancements.

OVERSIGHT IN ACTION

Board Activities in 2025

The Board's agenda reflected the priorities of a bank moving from establishment to national scale. Directors considered business and financial performance, capital mobilisation, strategic partnerships, governance arrangements and the annual budget. The Board also provided oversight of organisational capability, credit growth, risk management, regulatory compliance and the systems required to support a larger operating platform.

Board processes were supported by prepared agendas, papers, resolutions and minutes. Secure digital tools were provided to directors to improve access to Board materials and reduce reliance on paper-based documentation. Directors also participated in structured learning covering corporate governance, regulatory developments and fiduciary responsibilities.



Capitalisation

Oversight of capital mobilisation and the Bank's stronger capital base.



Governance transition

Support for the public limited company and shareholder-governance framework.



Risk and compliance

Oversight of credit, controls, audit and regulatory requirements.



Business growth

Review of customer, deposit, lending and market-expansion priorities.



Budget and performance

Approval of plans and review of 2025 performance.



Capability

Consideration of organisational structure, recruitment and succession needs.



OBJECTIVE JUDGEMENT

Director Independence

The Board Charter requires a combination of non-executive and independent non-executive directors in line with regulatory requirements. Directors are expected to exercise sound and objective judgement, act in the best interests of the Bank and avoid relationships or interests that could impair their decision-making.

Each director is required to disclose outside directorships, business relationships and actual, potential or perceived conflicts of interest. A director who is conflicted on a matter must declare the interest at the beginning of the relevant meeting, withdraw from further discussion and refrain from voting.

The year-end governance information identifies directors by executive or non-executive capacity but does not provide a formal director-by-director independence classification. The Bank will continue strengthening disclosure of independence assessments as its governance reporting matures.

Protecting objective oversight

Independence is supported not only by designation, but by transparent declarations, recusal from conflicted decisions, Board challenge, committee scrutiny and the maintenance of a conflict-of-interest register.

FAIR AND ACCOUNTABLE REWARD

Remuneration Governance

The Board establishes remuneration policies and procedures for directors and senior management. Director remuneration is subject to shareholder approval at the Annual General Meeting. Board members are remunerated through approved sitting allowances and end-of-year honoraria and may not receive other material benefits unless expressly approved through the appropriate governance process.

Employee salary scales are approved by the Board and administered through the Bank's scheme of service. Salary progression is linked to approved scales, business performance and individual performance. This governance approach is intended to balance fairness, affordability, talent retention and accountability for results.

For shareholders, remuneration governance provides assurance that reward decisions are transparent and aligned with performance. For employees and directors, it provides a clear and consistently applied framework.

Governance level	Decision or oversight	Approval
Directors	Sitting allowances and honoraria	Annual General Meeting
Senior management	Remuneration policies and arrangements	Board
Employees	Salary scales and remuneration framework	Board, administered by management
Performance-related progression	Subject to business and individual performance	Applicable appointing and governance authority

EFFECTIVENESS

Board Evaluation

The Board's governance framework provides for an annual assessment of the Board, the Chairperson, Board committees, individual directors, the Managing Director, the Head of Internal Audit and the Company Secretary. Evaluation is intended to assess the quality of oversight, decision-making, meeting effectiveness, strategic contribution and the achievement of agreed performance expectations.

Evaluation results are expected to inform training, development and governance-improvement priorities. During 2025, the Board strengthened evaluation practices and director development as part of the wider governance transition. The Bank's future reporting will continue to improve the disclosure of completed evaluation processes, key themes and resulting actions while respecting appropriate confidentiality.

ASSESS

Board and individual performance

DISCUSS

Findings and effectiveness

IDENTIFY

Skills and training needs

ACT

Governance improvements

MONITOR

Progress and accountability

INTEGRITY

Ethics and Conduct

The Bank's Code of Conduct and Ethics sets minimum standards for professional behaviour and ethical business practice. Directors and employees are expected to act honestly, protect confidential information, treat customers and colleagues fairly and avoid conduct that could damage the Bank's reputation.

The governance framework is reinforced by policies addressing fraud, anti-corruption, risk management, conflicts of interest and workplace conduct. Whistleblowing mechanisms are intended to enable employees and other stakeholders to raise concerns that may assist the Bank in identifying misconduct or weaknesses in governance.

Ethical conduct is essential to the Bank's licence to operate. Depositors trust the Bank to protect their funds, customers expect fair treatment, shareholders expect responsible stewardship, and regulators expect compliance and timely disclosure.



Integrity

Act honestly and in the Bank's best interests.



Confidentiality

Protect customer, employee and institutional information.



Fair dealing

Treat customers and stakeholders consistently and respectfully.



Conflict management

Declare interests and withdraw from conflicted decisions.



Speak-up culture

Provide channels through which concerns can be raised.



Accountability

Investigate breaches and apply appropriate corrective action.

TRANSPARENCY

Related-Party Governance

Related parties include individuals or entities able to control or significantly influence the Bank's financial and operating decisions, together with key management personnel and entities connected to them. Related-party transactions are required to be conducted in the ordinary course of business on terms comparable to those available to other clients.

The management agreement with CRDB Bank Plc remained in force during 2025 and provided six key management personnel covering the Managing Director and the heads of ICT and Innovation, Risk and Compliance, Finance and Strategy, Credit, and Business and Cooperative Banking. Related-party dealings included payments to directors and key management and interest earned on deposits placed with CRDB Bank Plc.

Five directors were connected to cooperative societies that held shares in the Bank at year-end. These interests were disclosed as part of the Bank's governance arrangements. Directors must declare relevant interests, and conflicted directors may not participate in the related discussion or decision.

Governance safeguards

Related-party governance combines disclosure, conflict declarations, recusal, Board assessment, maintenance of registers and transparent financial reporting. These safeguards protect minority shareholders and reinforce confidence that decisions are made in the Bank's interests.



OWNERSHIP AND DIALOGUE

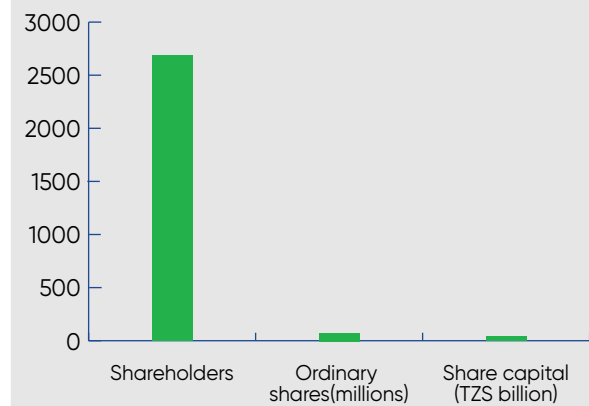
Shareholder Engagement

At 31 December 2025, the Bank had 2,692 shareholders and 83,648,963 ordinary shares in issue, representing ordinary share capital of TZS 41.824 billion. Ordinary shares rank equally in relation to voting, declared dividends and the residual assets of the Bank.

The Bank engaged shareholders through general meetings, regional forums, share-register services and direct support on ownership records and certificates. During 2025, the share register was updated and cooperative records were verified, including shareholder services provided in Mtwara. The Bank also addressed shareholder queries and strengthened the processes through which owners receive information and exercise their rights.

Shareholder engagement is particularly important because the ownership base includes individuals, cooperatives, unions and corporate entities with different information and service needs. The Bank's responsibility is to communicate transparently, maintain accurate records and provide inclusive opportunities for participation.

Shareholder base and issued capital at 31 December 2025



Shareholder base and issued capital at 31 December 2025

LOOKING AHEAD

Governance Priorities

Board effectiveness

Deepen evaluation, succession and development.

Independence disclosure

Strengthen director-by-director independence reporting.

Committee oversight

Continue focused review of people, credit, audit, risk and compliance.

Digital governance

Enhance cyber, data and technology oversight.

Ethics and conduct

Reinforce declarations, whistleblowing and accountability.

Shareholder services

Improve records, communication and regional engagement.

Sustainability governance

Embed climate, environmental and social oversight.

Transparent reporting

Provide clearer evidence of governance activities and outcomes.

Our governance commitment

The Board will continue to support responsible ambition while remaining uncompromising on governance, risk management and ethical conduct. The objective is to ensure that the Bank's cooperative purpose and commercial growth are underpinned by accountability, transparency and decisions that create sustainable value for all stakeholders.



Brief Directors' Profiles



Dr. Joseph O. Witts
Board Chairperson

Dr. Joseph O. Witts is an accomplished finance and business leader with over 30 years of experience spanning banking, entrepreneurship, consulting and education. He is currently the Director and Chief Executive Officer of Witts Consulting. His extensive banking career includes senior executive roles at CRDB Bank, where he served as Chief Commercial Officer, Director of Strategy and Director of Alternative Banking Channels. He also held leadership positions at Citibank as Head of Internal Control and Branch Manager.

Dr. Witts holds a PhD in Business Administration from Walden University and a Master's degree in Entrepreneurship from the University of Dar es Salaam. He is a Certified Public Accountant CPA-T and holds an Advanced Diploma in Certified Accountancy from IDM Mzumbe.

He brings to the Board a strong track record in strategic leadership, financial management, alternative banking channels, financial inclusion and enterprise growth. His extensive experience will support the Board in strengthening governance, shaping strategic direction and advancing the Bank's long-term impact and stakeholder value creation.



Mr. Godfrey Ng'urah
Ex-officio Member

Godfrey Joel Ng'urah possesses nearly two decades of wealth of banking experience spanning over 17 years in the financial services sector. He worked with CRDB Bank Plc (2008-2020) Kilimanjaro Cooperative Bank (2020-2024) and Pride Tanzania (2025-2007) with a strong track record in Retail and business banking, change management, digital transformation acumen, and executive leadership. Prior to his current role as MD- Coop bank Tanzania, he served as General Manager & CEO for Kilimanjaro Co-operative Bank (2020- 2024) where he executed strategic change leadership and transformation initiatives that led to the birth and formation of Co-operative Bank Tanzania Plc (Coop Bank)

Mr. Ng'urah holds Master of Business Administration Degree (MBA-Finance) from the University of Dar es salaam and Executive Leadership Certification from Strathmore Business School. He is also a Certified Professional Banker (CPB) with specialized and professional competencies in SME banking, Agribusiness Value Financing. Mr. Ngurah is digital fanatic with certified SAP Digital Enterprise Systems and track record in digital executions and transformation. He is currently holding a notable governance role, including Council Board Member for Tanzania Institute of Bankers (TIOB), Board member of the Industrial Advisory Committee of Moshi Co-operative University (MoCU) and had previously held the role of commissioner and Board Member for Tanzania Cooperative Development Commission (TCDC)

Mr. Ng'urah is passionate, result-oriented and has changed leadership acumen. Over the past one year, he has aggressively executed Bank strategic vision for unconventional, digital first and inclusive banking solutions with sense of purpose and vision. Leveraging his digital acumen, global technology insights and commitment to cooperative driven financial inclusion agenda, his change leadership philosophy is in pursuit of excellence while embracing innovative digital banking technologies, fostering inclusive banking solutions for everyone.



Prof. Gervas M. Machimu
Board Vice Chairperson

Prof. Gervas M. Machimu is an Associate Professor at Moshi Co-operative University (MoCU), specializing in rural development, contract farming, gender, and co-operative governance. He holds a PhD and Master's Degree in Rural Development from Sokoine University of Agriculture, along with advanced certifications from Erasmus University (Netherlands) and the Pontifical Urbaniana University (Italy)

Prof. Machimu has led numerous national and international consultancy and community development assignments with organizations including TFC, ICA-Africa, ACCOSCA, ActionAid Tanzania, and AGPAHI.

He has held prominent governance roles, serving as Chairperson of Kilimanjaro Co-operative Bank (2019-2024), Wazalendo SACCOS, and SCCULT 1992 Ltd, and currently chairs the Interim Board of the Co-operative Bank of Tanzania. At MoCU, he served as Dean of Students (2012-2020) and currently directs the Institute of Continuing Co-operative Education.

Prof. Machimu brings to the Board deep expertise in cooperative leadership and inclusive finance, reinforcing Coop Bank's mission to empower Tanzania's rural and cooperative communities through sustainable, member-focused financial services.



Mr. Mohamed N. Mwinguku
Board Member

Mr. Mohamed N. Mwinguku is a seasoned cooperative leader and finance professional with over 25 years of experience in cooperative management, accounting, and rural economic development. He currently serves as General Manager of Tandahimba Newala Cooperative Union (TANECU) Ltd and as Secretary and General Manager of Korosho Cooperative Joint Enterprise Ltd, representing major cashew cooperatives in southern Tanzania.

He previously chaired the Board of Tandahimba Cooperative Bank (2019-2024) and played a key role in sector reforms, including serving as Secretary of the national Joint Procurement Committee for cashew cooperatives.

Mr. Mwinguku holds an MBA in Finance from the Open University of Tanzania, an Advanced Diploma in Accountancy from the Tanzania Institute of Accountancy, and directorship certification from IODT. His early career includes roles in logistics, NGO management, and cooperative development.

A strong advocate for cooperative financial inclusion, he brings deep grassroots experience, strategic leadership, and sector-wide influence to the Board, reinforcing the Bank's mission to support inclusive economic growth through the cooperative movement.



Mr. Pius N. Killo
Board Member

Mr. Pius N. Killo is an experienced cooperative leader with over 25 years in cooperative management, rural development, and institutional leadership. He currently serves as General Manager of Lake Tanganyika Co-operative Union Ltd (LATCU), where he has led efforts to strengthen agricultural marketing and grassroots cooperative support since 2003 and a member of Board of Directors to the Tobacco Research Institute of Tanzania (TORITA), for two consecutive terms (from 2018-2025).

He holds a Master's Degree in Project Management and a Bachelor's in Business Administration (Marketing) from The Open University of Tanzania, along with a Diploma in Cooperative Management and Accounting from Sokoine University of Agriculture. His professional training includes certifications in leadership, accounting, and cooperative governance.

Mr. Killo is deeply committed to community empowerment and cooperative values. His sector expertise and inclusive development approach bring strong value to the Board.



Lt. Col. CPA(T) Lucy S. Chacha
Board Member

Lt. Col. CPA(T) Lucy S. Chacha is a seasoned finance and cooperative sector executive with over 20 years of experience in financial management, public administration, and institutional leadership. She currently serves as General Manager of Ngome SACCOS Ltd, where she has enhanced financial sustainability, expanded member outreach and aligned operations with national cooperative goals.

She holds a Master of Arts in Defence and Security Studies, an MBA in Finance, and a Bachelor of Commerce in Accounting from the University of Dar es Salaam. She is also a Certified Public Accountant (CPA-T) and is pursuing a Postgraduate Diploma in SACCOS Management at MoCU.

Previously, Ms. Chacha held senior financial roles within the Tanzania People's Defence Forces (TPDF), covering strategic planning, budget management, pensions, and intergovernmental coordination. She brings to the Board deep expertise in budgeting, governance, cooperative development, and strategic project execution—making her a valuable asset to the Bank's leadership.



Dr. Aikande C. Kwayu
Board Member

Dr. Aikande C. Kwayu is an accomplished leader in international relations, strategic development and organizational management. She currently serves as the Managing Director of Bumaco Life Insurance Company Limited, a role she has held since 2019 and has over a decade of experience in development research and consulting through her long-standing work with Bumaco Limited and other international institutions.

Dr. Kwayu holds a PhD in Politics and International Relations from the University of Nottingham in the United Kingdom, a Master's and Bachelor's Degree in International Relations from United States International University in Kenya, and has studied Asian Studies and Japanese Language at Kansai Gaidai University in Japan.

Dr. Kwayu brings global insight and a strong foundation in policy, research, and leadership skills that will add immense value to the Board's work. Her recent training with the World Bank on cyber resilience in the age of AI further complements her forward-looking perspective.



Adv. Silvanus B. Mlola
Board Member

Adv. Silvanus B. Mlola is a seasoned legal professional with over 25 years of experience in corporate law, governance, and regulatory compliance. He is currently a Partner at K & M Advocates, a law firm providing legal and consultancy services, where he has served since 2006.

His previous roles include serving as Company Secretary and Head of Legal at Azania Bank Limited, and Principal Legal Officer at Tanzania Postal Bank. His career reflects a strong track record in advising financial institutions on legal frameworks, company law, and capital markets operations.

Adv. Mlola holds a Master of Laws (LL.M) and Bachelor of Laws (LL. B) from the University of Dar es Salaam. He has also undertaken extensive professional training in areas such as commercial law, dispute resolution, corporate governance, and capital markets through institutions in Tanzania, Kenya, the United Kingdom and Italy.

With his depth of expertise and commitment to ethical governance, Adv. Mlola brings valuable legal insight and strategic leadership to the Board.



Mr. Peter S. Nalitolela
Board Member

Mr. Peter S. Nalitolela is a dynamic and accomplished executive with a strong background in financial markets, investment management and leadership within the banking and capital markets sector. He currently serves as the Chief Executive Officer of the Dar es Salaam Stock Exchange (DSE), bringing with him over 17 years of progressive experience across leading institutions in banking, finance, and energy.

His previous roles include serving as Director of Treasury and Financial Markets at National Bank of Commerce, Country Treasurer at Absa Bank Tanzania and holding senior leadership positions at Songas, Airtel, Unit Trust of Tanzania and LAPF Pension Fund.

Mr. Nalitolela holds a Master of Science and Bachelor of Science from Trent University in Canada. He has also completed executive training through the CEO Apprenticeship Programme at Strathmore University and specialized training in Corporate Protocol and Government Relations from the Tanzania Mozambique Centre for Foreign Relations.

His extensive leadership, strategic insight and deep understanding of financial systems will be instrumental in strengthening the Board's oversight and advancing its mission.



Prof. Geraldine A. Rasheli
Board Member

Prof. Geraldine A. Rasheli is a seasoned leader with a distinguished career in public procurement, academia and logistics. She currently serves as the Chief Executive Officer of the Government Procurement Services Agency (GPSA), where she oversees strategic procurement, distribution and supply operations across the public sector. Chairperson to the Warehouse Receipts Regulatory Board (WRRB)

Before joining GPSA, she held several academic and leadership positions at Mzumbe University, including Associate Professor, Director of Undergraduate Studies and Senior Lecturer, contributing significantly to education and research in supply chain and materials management.

Prof. Rasheli holds a PhD from Sokoine University of Agriculture, a Master's degree in Supply Chains and Logistics from the University of Salford - UK and an Advanced Diploma in Materials Management from IDM-Mzumbe.

With a rich blend of academic rigor and practical experience, Prof. Rasheli brings valuable expertise to the Board, particularly in procurement governance, institutional development, and operational efficiency.



CPA Mwamimi Jafari Musa
Board Member

CPA Mwamini J. Musa is a seasoned finance professional and Associate Certified Public Accountant with extensive experience in financial management, accounting, and taxation. She currently serves as Finance and Accounts Manager at Tanzania Airports Authority (KIA), a role she assumed in March 2024, following her tenure in the same position at Kilimanjaro Airports Development Company (KADCO) from 2018 to 2024.

She holds a Master of Science in Finance and Investments, a Bachelor of Arts in Cooperative Management (majoring in Accounting), and a Certified Public Accountant (CPA) qualification.

With over a decade of professional experience, CPA Mwamini has developed strong expertise in IFRS-compliant financial reporting, tax management, budgeting, internal controls, and audit coordination. Her key competencies include the preparation of financial statements, tax compliance oversight, payroll management, team leadership, and the enhancement of revenue collection systems.

She is recognized for her integrity, leadership capabilities, and ability to design and implement robust financial policies and control frameworks. She is proficient in accounting systems and advanced Excel.



Dr. John Marato Sausi
Board Member

Dr. John M. Sausi is a leading figure in Tanzania's digital transformation efforts, currently serving as the Director of Government Financial Information Systems at the Ministry of Finance. With over 20 years of experience in government, telecommunications, banking, and international technology, Dr. Sausi has played a central role in designing and implementing critical national systems—including the Government e-Payment Gateway (GePG), Treasury Single Account, and the Government Financial Data Warehouse—that have significantly improved public financial management and transparency.

Dr. Sausi holds a PhD in Information Systems Management from the University of Dar es Salaam, a Master's degree in Computer Science from the United States, and a Bachelor's degree in Computer Science. He is also a Board Member of Airtel Tanzania and a contributor to the National Artificial Intelligence Strategy and the Digital Tanzania Project, where he helps shape the country's digital policy and innovation agenda.

Recognized for his visionary leadership and technical expertise, Dr. Sausi is widely regarded as a key driver of financial digital innovation and public sector modernization in Tanzania. He holds a PhD in Information Systems Management, a Master's degree in Computer Science, and a Bachelor's degree in Computer Science.



Adv. Hassan S. Herith
Board Secretary

Adv. Hassan S. Herith is an accomplished legal expert with over 15 years of experience in academia, legal consultancy, institutional governance, and board secretariat roles. A registered Advocate of the High Court of Tanzania, Notary Public, and Commissioner for Oaths since 2011, he was appointed Senior State Attorney in 2021.

He currently serves as Head of Legal Services and Company Secretary at the Co-operative Bank of Tanzania. Previously, he held similar roles at Moshi Co-operative University (MoCU), supporting key governance bodies including the Council and Senate. His legal expertise spans corporate governance, legal drafting, policy development, and dispute resolution.

Adv. Herith has provided legal advisory services to cooperative institutions such as Kilimanjaro Co-operative Bank, SCCULT, and Wazalendo SACCOS Ltd, where he also serves as a board member. He played an instrumental role in the establishment of the Co-operative Bank of Tanzania and contributes to national-level technical committees.

He holds a Postgraduate Diploma in Legal Practice and an LL.B. from Tumaini University, is a member of the Tanganyika and East Africa Law Societies, and has completed executive leadership training at Uongozi Institute. His career is marked by a strong commitment to legal excellence, cooperative development, and public service.





12

Strategic Risk Management

Risk Management

Protecting stakeholder value while enabling responsible growth

Jackline Muro
Head of Risk and Compliance

Risk management in a year of accelerated growth

The Bank's rapid expansion in 2025 increased its capacity to serve customers and finance productive activity, while also increasing the importance of disciplined risk management. Our approach is to identify and manage risks early, maintain strong capital and liquidity, protect asset quality and ensure that growth remains consistent with the Bank's purpose, risk appetite and regulatory obligations.

31.85% Tier 1 ratio
Above the regulatory minimum of 12.5%.

40.46% total capital ratio
Above the regulatory minimum of 14.5%.

1.17% NPL ratio
Below the 5% regulatory benchmark.

89% loans-to-deposits ratio
Deposit growth supported lending while preserving liquidity capacity.

TZS 41.4bn bank placements
Supported liquidity management and income diversification.

TZS 16.0bn securities
Treasury and corporate bonds supported liquidity and returns.

ACCOUNTABILITY

Risk Governance Framework

Risk management is integrated into governance, strategy, business decisions and day-to-day operations. The Board is accountable for approving the risk appetite and overseeing the effectiveness of risk management and internal control. The Board Audit, Risk and Compliance Committee provides focused oversight of enterprise risks, compliance, financial reporting and assurance, while the Board Credit Committee oversees credit risk, large exposures and portfolio quality.

Management is responsible for identifying, assessing and managing risks within approved limits. The Risk and Compliance function provides independent oversight, challenge, monitoring and advice. Internal Audit provides independent assurance on the effectiveness of governance, risk management and internal controls.

This structure is designed to ensure that business teams own the risks arising from their activities, control functions maintain independent oversight and the Board receives timely information to support informed decisions.

BOARD AND COMMITTEES
Direction and oversight

FIRST LINE
Business and operations own risk

SECOND LINE
Risk and compliance oversee

THIRD LINE
Internal Audit assures

BOUNDARIES FOR RESPONSIBLE AMBITION

Risk Appetite

The risk appetite defines the nature and level of risk the Bank is prepared to accept in pursuing its strategy. It supports consistent decisions by linking business growth with capital strength, liquidity, asset quality, operational capacity and stakeholder outcomes.

The Bank seeks growth in quality earning assets, stable deposits, digital access and cooperative value chains while maintaining prudent capital and liquidity buffers, disciplined credit quality and full regulatory compliance. Risk appetite is translated into limits, thresholds and management indicators covering areas such as capital adequacy, non-performing loans, liquidity, funding concentration, single-borrower and sector exposure, operational incidents, system availability and compliance breaches.

Where indicators approach approved thresholds, management is expected to investigate the cause, define corrective actions and escalate material matters to the appropriate committee or the Board.

Risk appetite dimension	2025 evidence	Stakeholder significance
Capital adequacy	Tier 1 31.85%; total capital 40.46%	Strong buffers protect depositors and support measured growth.
Asset quality	NPL ratio 1.17%	Credit growth remained supported by strong portfolio quality.
Funding and liquidity	Customer deposits TZS 114.477bn; loans-to-deposits ratio about 89%	Funding supported lending while preserving liquidity capacity.
Credit concentration	Sector and single-borrower limits monitored	Diversification protects capital from excessive exposure.
Operational resilience	Technology, backup, monitoring and access controls strengthened	Customers depend on secure and available services.
Compliance	Policies, reporting and monitoring aligned with regulatory requirements	Compliance protects trust and the Bank's licence to operate.

RISK UNIVERSE

Principal Risks



FORWARD-LOOKING AWARENESS

Emerging Risks

The Bank monitors risks that may develop rapidly or whose full impact is not yet established. In 2025, these included increasing cyber threats, dependence on digital and third-party infrastructure, climate and weather variability affecting agricultural value chains, changes in interest rates and funding costs, evolving sustainability and consumer-protection requirements, and the execution demands associated with rapid institutional growth.

The Bank's cooperative and agricultural focus creates particular exposure to seasonal cash flows, commodity cycles and weather-related disruption. At the same time, greater digital adoption increases the importance of cybersecurity, fraud prevention, data protection and service continuity. Scenario analysis, management information and early-warning indicators will continue to evolve to improve preparedness.

Emerging risk	Potential stakeholder impact	Management focus
Climate and weather variability	Reduced production, borrower stress and community disruption	Scenario analysis, portfolio monitoring and climate-risk integration.
Cybercrime and fraud	Customer losses, service disruption and reputational damage	Security controls, authentication, monitoring and incident response.
Third-party and infrastructure dependency	Operational interruption and service-quality risk	Vendor due diligence, contracts, resilience testing and contingency plans.
Rapid growth and integration	Control gaps, service inconsistency and execution pressure	Clear accountability, staffing, process standardisation and assurance.
Regulatory change	Increased compliance and reporting requirements	Horizon scanning, implementation plans, training and Board oversight.
Economic and market volatility	Funding cost, liquidity, margin and credit-quality pressure	Stress testing, pricing discipline and balance-sheet management.

RESPONSIBLE LENDING

Credit Risk

Credit risk was the Bank's most significant financial risk because loans and advances represented the largest component of customer-facing assets. Gross loans, overdrafts and advances reached approximately TZS 102.7 billion at year-end, while net loans and advances were TZS 101.764 billion after impairment allowances.

Credit risk is managed through customer assessment, approval authorities, sector and single-borrower limits, collateral and documentation requirements, structured disbursement, portfolio monitoring, expected credit loss measurement and collection activity. Oversight is supported by management and branch credit committees, loan collection committees, the Board Credit Committee and the Board.

The non-performing loan ratio was maintained at 1.17%, below the 5% regulatory benchmark. The expected credit loss allowance was approximately TZS 0.9 billion. These outcomes indicate strong asset quality, while the pace of lending growth requires continued investment in data-led underwriting, early-warning indicators, collateral management and post-disbursement monitoring.

The Bank maintained asset quality comfortably within the regulatory benchmark.

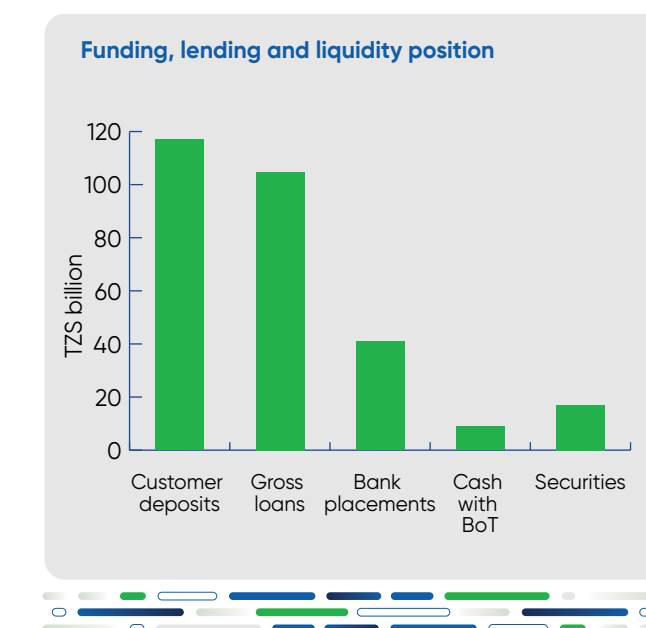


MEETING OBLIGATIONS

Liquidity Risk

Liquidity risk is managed by maintaining an appropriate balance between customer lending, liquid assets, stable deposits, borrowings and capital. At year-end, customer deposits were TZS 114.477 billion and borrowings were TZS 13.0 billion. Cash and balances with the Bank of Tanzania stood at TZS 8.617 billion, placements with other banks were approximately TZS 41.4 billion and treasury and corporate bonds had a net carrying amount of approximately TZS 15.962 billion.

The gross loans-to-deposits ratio of about 89% shows that deposit mobilisation supported the expanded loan portfolio while the Bank retained material liquidity through cash, placements and securities. Liquidity management includes cash-flow forecasting, maturity analysis, funding concentration monitoring, liquidity buffers and contingency funding planning.



MANAGING PRICE AND RATE MOVEMENTS

Market Risk

Market risk arises from changes in interest rates, foreign exchange rates and the value of financial instruments. The Bank's treasury activities balance the objectives of liquidity, income generation and capital protection.

Interest-rate risk is managed through pricing, maturity and repricing analysis and the monitoring of the relationship between funding costs and asset yields. Foreign-exchange risk is managed within approved open-position limits and is linked primarily to customer transactions and treasury activity. Investment decisions consider tenor, liquidity, yield, counterparty quality and concentration.

As the balance sheet matures, more granular monitoring of net interest margin, repricing gaps and forward-looking rate scenarios will support stronger risk-adjusted returns.

RELIABLE EXECUTION

Operational Risk

Operational risk includes losses or disruption arising from people, processes, systems and external events. The scale and pace of transformation in 2025 increased operational complexity as the Bank integrated teams, expanded lending, mobilised deposits, opened and renovated premises, strengthened systems and launched new channels.

Management responded through stronger coordination, maker-checker controls, access management, procedure development, monitoring, staff deployment, incident response and business-continuity practices. Operational risk management will continue to focus on process ownership, segregation of duties, reconciliations, transaction controls, staff capability, fraud prevention and the timely resolution of incidents and audit findings.

People

Capability, conduct and segregation of duties.

Processes

Clear procedures, approvals, reconciliations and monitoring.

Systems

Secure, reliable and appropriately controlled technology.

Third parties

Due diligence, service standards and contractual safeguards.

Physical assets

Protection of premises, records, cash and equipment.

External events

Preparedness for disruption, disasters and security events.

DIGITAL TRUST

Cyber and Technology Risk

Technology supports the Bank's core operations and its COOPesa, COOP Net and COOP Wakala channels. Greater dependence on digital services increases exposure to cyberattack, unauthorised access, fraud, data loss, system failure and third-party disruption.

During 2025, the Bank strengthened server infrastructure, connectivity, endpoint security, backup, monitoring, access controls and support arrangements. Maker-checker controls, authentication and user-access management were important safeguards for transactions and sensitive information.

The next phase will place greater emphasis on security monitoring, vulnerability management, staff and customer awareness, incident-response readiness, third-party risk, recovery testing and measurable service availability. Protecting customer funds and information is central to maintaining trust.

IDENTIFY

Assets and threats

PROTECT

Controls and awareness

DETECT

Monitoring and alerts

RESPOND

Contain and communicate

RECOVER

Restore and learn



LICENCE TO OPERATE

Compliance Risk

Compliance risk arises when the Bank fails to meet legal, regulatory, prudential, financial-crime, consumer-protection or conduct requirements. The Risk and Compliance function supports regulatory interpretation, policy implementation, monitoring, reporting, training and advice.

Key areas include prudential requirements, capital and liquidity, anti-money laundering and counter-terrorist financing, customer due diligence, sanctions, data and consumer protection, complaints handling, sustainability-related reporting and regulatory submissions. Compliance is supported by business ownership, independent monitoring, Board oversight and Internal Audit assurance.

A strong compliance culture protects customers, reduces legal and reputational exposure and maintains the confidence of regulators, shareholders and banking partners.

CONVERTING SCALE INTO RETURNS

Strategic Risk

Strategic risk arises when the Bank's business model, strategic choices or execution fail to produce the intended results. In 2025, the Bank achieved substantial growth in capital, deposits, assets and lending but recorded a loss after tax of TZS 2.725 billion and a cost-to-income ratio of 123%.

The principal strategic challenge is to convert the platform established in 2025 into sustainable income and returns. Management's response includes increasing active customer relationships, improving asset yields, diversifying fee income, accelerating digital adoption, automating processes, managing costs and directing resources towards activities with measurable customer and financial value.

Strategic risk is managed through planning, budgeting, scorecards, scenario analysis, performance reviews and Board challenge. Capital allocation and investments are expected to reflect risk-adjusted return and a credible path to benefits realisation.

RESPONSIBLE IMPACT

Environmental and Social Risk

Environmental and social risk can affect borrowers, communities, the Bank's reputation and the long-term quality of the loan portfolio. The Bank's focus on agriculture and cooperative value chains creates exposure to weather variability, climate-related production risk, land and resource issues, labour and community impacts and the resilience of rural livelihoods.

The Bank is progressively integrating environmental, social and climate considerations into governance, credit processes, product development and reporting. Its investment portfolio included exposure to green and infrastructure bonds, while partnerships supported agricultural production and access to productive assets.

Quantitative operational emissions, energy, waste and financed-emissions measures were not established as verified 2025 outcomes. Strengthening these data systems and implementing the Bank of Tanzania's sustainability and climate-risk expectations remain priorities.

Environmental screening

Identify material environmental impacts and regulatory requirements.

Social safeguards

Consider labour, community, health, safety and inclusion factors.

Climate risk

Assess physical and transition risks affecting customers and portfolios.

Sustainable finance

Support activities that improve resilience and productive capacity.

Monitoring

Track conditions and emerging risks after financing.

Disclosure

Improve reliable sustainability and climate-related information.

PREPAREDNESS

Business Continuity and Resilience

Business continuity and resilience are designed to maintain critical services during technology failure, physical disruption, cyber incidents, utility interruption, natural hazards and other emergencies. Resilience depends on people, processes, facilities, technology, communication and timely decisions.

The Bank strengthened backup, monitoring, connectivity, support and incident-response arrangements during 2025. Business-continuity planning includes the identification of critical services, recovery priorities, alternative operating arrangements, escalation responsibilities and communication with customers, regulators and other stakeholders.

The next stage will strengthen disaster-recovery and continuity testing, recovery-time measurement, third-party resilience and lessons learned from incidents and exercises.

PREPARE

Critical services and plans

PREVENT

Controls and redundancy

RESPOND

Decisions and escalation

RECOVER

Restore priority services

IMPROVE

Test and learn

2026 PRIORITIES

Risk Outlook

The Bank enters the next phase with strong capital, a larger deposit franchise, a substantially expanded loan portfolio and strengthened operating capacity. The external environment remains supportive, but interest rates, funding costs, weather conditions, commodity cycles, cyber threats, customer liquidity and regulatory developments may affect performance.

Risk management priorities will be to maintain asset quality, strengthen portfolio analytics and early-warning indicators, deepen liquidity and interest-rate scenario analysis, improve cybersecurity and technology resilience, embed sustainability and climate risk and strengthen the quality of risk data and reporting.

The Bank will also focus on ensuring that growth in customers, channels and products remains matched by people, processes and controls. This disciplined approach will support customers and communities while protecting depositors' funds, shareholder capital and the Bank's long-term sustainability.

Credit quality

Protect the low NPL ratio as the portfolio grows.

Liquidity

Maintain stable funding, buffers and contingency options.

Capital productivity

Use strong capital to generate responsible risk-adjusted returns.

Cyber resilience

Strengthen security, monitoring, awareness and recovery.

Operational discipline

Standardise processes, resolve control gaps and improve assurance.

Compliance

Embed new regulatory, conduct and sustainability requirements.

Climate resilience

Improve assessment of agricultural and environmental risks.

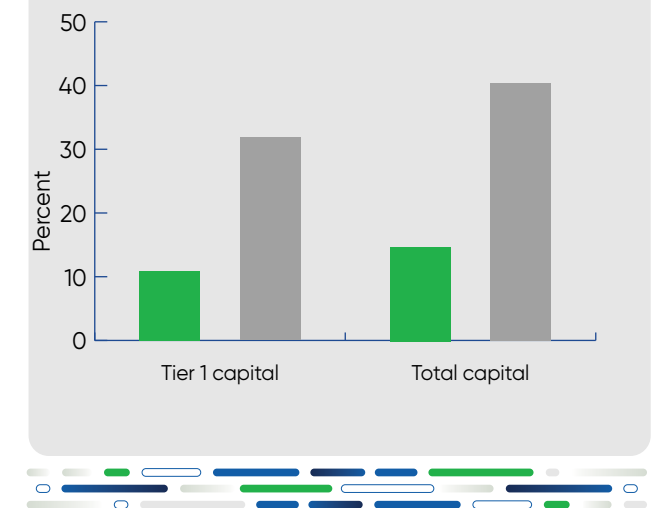
Risk data

Strengthen metrics, dashboards, stress testing and early escalation.

Our commitment to stakeholders

Risk management enables the Bank to pursue opportunity responsibly. We will continue to protect customer and depositor interests, preserve shareholder capital, comply with regulatory expectations and direct finance towards activities that support inclusive and sustainable economic progress.

Capital adequacy buffers





13

**Internal Control and
Assurance**



Hossein Simba
Head of Internal Auditor

Internal Control and Assurance

Strengthening accountability, protecting stakeholder interests and supporting reliable execution

FOUNDATION

Internal Control Framework

The internal control framework brings together governance, policies, delegated authorities, procedures, systems, people and assurance activities. Its purpose is to provide reasonable assurance that the Bank's strategic, operational, reporting and compliance objectives are achieved.

Control ownership begins within the business. Managers and employees are responsible for applying approved processes, maintaining appropriate documentation, safeguarding assets, completing reconciliations and escalating issues. Control functions provide independent monitoring and challenge, while Internal Audit assesses whether the overall framework is appropriately designed and operating effectively.

Key control principles include segregation of duties, maker-checker arrangements, approval limits, access controls, reconciliations, exception monitoring, physical and information-security safeguards, incident escalation and timely remediation of identified weaknesses.

IDENTIFY
Critical dependency

OPERATE
Daily execution

MONITOR
Exceptions and compliance

ASSURE
Independent review

IMPROVE
Corrective action

Control and assurance in a year of transformation

The Bank's rapid growth in 2025 increased the importance of clear accountability, reliable processes and independent assurance. The internal control and assurance framework is designed to protect customer funds and information, support accurate reporting, prevent misconduct, maintain regulatory compliance and provide the Board with confidence that material risks are being managed.

Board oversight

The Board Audit, Risk and Compliance Committee provides focused oversight.

Management ownership

Business and support functions are responsible for operating effective controls.

Independent challenge

Risk and Compliance monitors adherence to policies and regulatory requirements.

Internal assurance

Internal Audit independently assesses governance, risk management and controls.

External assurance

The external auditor expresses an independent opinion on the financial statements.

Speak-up mechanisms

Whistleblowing and escalation channels support early identification of concerns.

INDEPENDENT ASSURANCE

Internal Audit

Internal Audit provides independent and objective assurance on governance, risk management and internal controls. The function reports functionally to the Board Audit, Risk and Compliance Committee, supporting its organisational independence from the activities it reviews.

The audit approach is risk-based and is intended to direct attention towards areas with the greatest potential impact on customers, financial performance, regulatory compliance and institutional resilience. Reviews may cover branches, credit, finance, treasury, technology, procurement, human resources, governance, compliance and other operational processes. Internal Audit communicates findings, agrees management actions and follows up implementation. The value of internal audit lies not only in identifying weaknesses, but also in supporting sustainable improvement while preserving its independence and objectivity.

Risk-based planning

Audit attention is directed towards material and changing risks.

Independent reporting

The function has access to the Board committee responsible for audit oversight.

Control assessment

Audits examine both control design and operating effectiveness.

Issue tracking

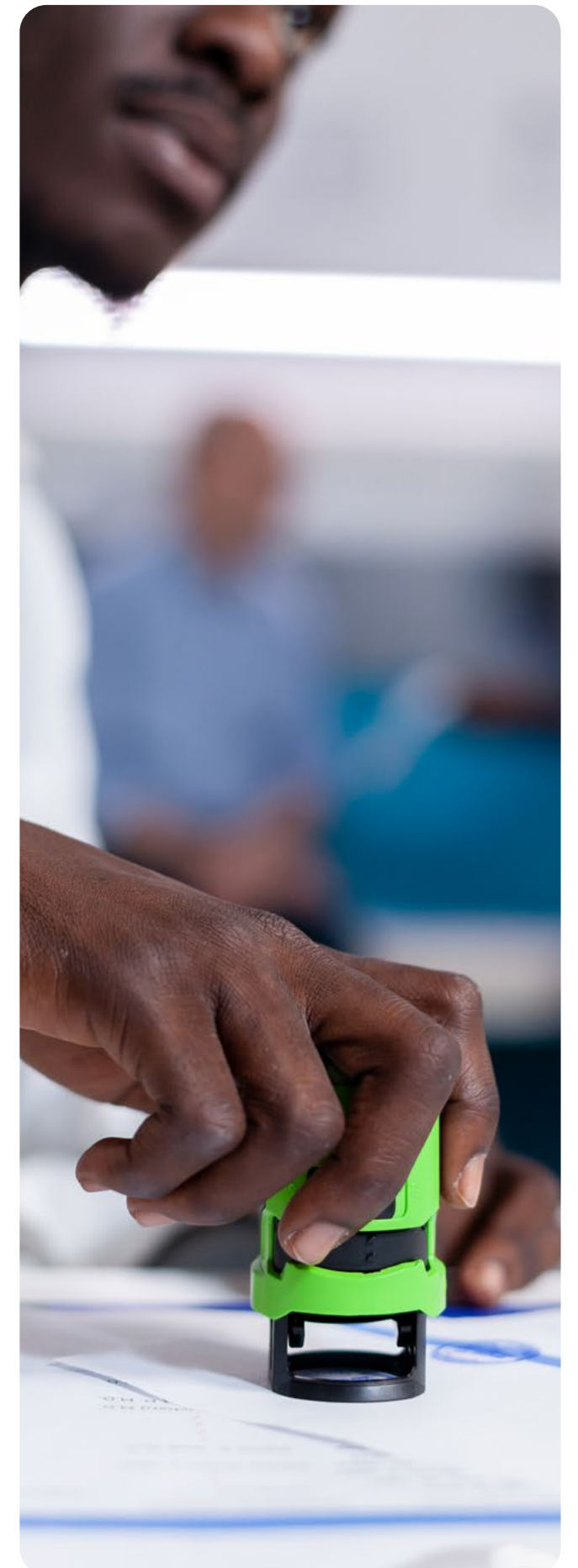
Management actions are assigned, monitored and escalated when overdue.

Advisory insight

Lessons from reviews can improve processes without transferring control ownership.

Continuous improvement

Themes are used to strengthen governance and organisational learning.



LICENCE TO OPERATE

Compliance and Regulatory Oversight

Compliance and regulatory oversight support the Bank's adherence to prudential, conduct, financial-crime, consumer-protection and reporting requirements. The Risk and Compliance function interprets regulatory changes, advises management, monitors adherence and reports significant matters to senior management and the Board.

Business units remain accountable for compliance within their activities. This includes customer due diligence, product and customer treatment, regulatory reporting, record keeping, data protection, complaints handling and adherence to approved policies and limits.

For stakeholders, effective compliance means fairer customer outcomes, greater protection of deposits and personal information, timely regulatory reporting and a lower risk of penalties, disruption or reputational damage.

Oversight area	Control focus	Stakeholder protection
Prudential compliance	Capital, liquidity, large exposures and regulatory returns	Protects financial stability and depositor interests.
Conduct and consumer protection	Clear terms, fair treatment and complaints handling	Supports transparent and responsible customer relationships.
Financial crime	Customer due diligence, transaction monitoring and reporting	Protects the Bank and financial system from abuse.
Data and confidentiality	Access, use, storage and disclosure controls	Protects customer and employee information.
Regulatory change	Horizon scanning, implementation and training	Reduces compliance gaps as requirements evolve.
Board reporting	Escalation of material issues and remedial actions	Supports informed oversight and accountability.

INDEPENDENT FINANCIAL REPORTING ASSURANCE

External Audit

The external auditor provides an independent opinion on whether the financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework. This independent assurance supports shareholders, regulators, depositors and other stakeholders in assessing the reliability of the Bank's reported financial position and performance.

The external-audit process includes consideration of material financial-statement risks, accounting judgements, disclosures and the control environment relevant to the audit. The Board Audit, Risk and Compliance Committee oversees the external-audit relationship, reviews the audit plan and findings and monitors management's response to matters raised.

External audit does not replace management's responsibility for preparing accurate financial statements or maintaining effective internal controls. It provides an additional independent layer of assurance over financial reporting.



COORDINATED CONFIDENCE

Combined Assurance

Combined assurance brings together the work of management, control functions, Internal Audit and external assurance providers so that the Board receives a more complete view of material risks and controls. The objective is to reduce unnecessary duplication, close assurance gaps and direct limited resources towards the areas of greatest stakeholder importance.

Management provides the first level of assurance by operating controls and certifying performance. Risk and Compliance provide monitoring and challenge. Internal Audit provides independent assurance across the enterprise, while the external auditor provides an independent opinion on financial reporting. As the Bank grows, the combined-assurance approach will continue to mature through clearer assurance mapping, coordinated plans, shared issue tracking and consolidated reporting to the Board.

Assurance is strongest when control ownership, oversight and independent review operate together.

Four complementary sources of assurance



PROTECTING ASSETS AND TRUST

Fraud Prevention

Fraud risk is managed through preventative, detective and responsive controls. Preventative controls include segregation of duties, delegated authorities, customer verification, employee screening, transaction limits, system-access controls and maker-checker arrangements. Detective controls include reconciliations, exception reporting, transaction monitoring, supervisory review and audit activity.

Suspected fraud or misconduct is expected to be escalated promptly for investigation. Confirmed control weaknesses are addressed through corrective action, disciplinary measures where appropriate, recovery efforts and improvements to systems and procedures.

The available 2025 information does not provide a verified consolidated fraud-loss or case-volume figure. No unsupported incident statistics have therefore been included. The reporting priority is to strengthen consistent recording, root-cause analysis and Board-level trend reporting while preserving confidentiality and legal due process.



Prevent

Design controls that reduce opportunity and access.



Detect

Use monitoring, reconciliations and employee vigilance.



Report

Escalate concerns through protected channels.



Investigate

Assess facts independently and preserve evidence.



Respond

Recover losses, apply consequences and close control gaps.



Learn

Use trends and root causes to prevent recurrence.

FINANCIAL SYSTEM INTEGRITY

Anti-Money Laundering

The Bank is committed to preventing its products, channels and relationships from being used for money laundering, terrorist financing, proliferation financing or other illicit activity. The AML framework is risk-based and includes customer identification and verification, beneficial-ownership assessment, customer risk classification, ongoing due diligence, sanctions screening, transaction monitoring and the reporting of suspicious activity to the appropriate authority.

Enhanced due diligence is applied where customers, transactions, geographies or products present higher risk. Employees are expected to understand escalation requirements and to avoid informing customers of confidential reviews or reports.

AML effectiveness depends on reliable customer data, appropriately configured systems, trained employees, management oversight and timely regulatory reporting. The Bank will continue strengthening data quality, monitoring, staff awareness and governance as customer and transaction volumes grow.

KNOW
Identify the customer

ASSESS
Classify risk

MONITOR
Review activity

ESCALATE
Investigate alerts

REPORT
Meet legal obligations

SPEAKING UP SAFELY

Whistleblowing

Whistleblowing arrangements provide employees and other stakeholders with a channel to raise concerns about suspected misconduct, fraud, corruption, conflicts of interest, regulatory breaches or other actions that may harm the Bank or its stakeholders.

Reports should be handled confidentially, assessed objectively and escalated to the appropriate governance authority. Individuals who raise concerns in good faith should be protected from retaliation, while deliberately false allegations remain subject to the Bank's conduct requirements.

The effectiveness of whistleblowing depends on trust. Employees and stakeholders must understand how to raise concerns, who receives them and how matters are investigated and resolved. Future reporting will continue to strengthen governance over case classification, investigation timelines, themes and remedial action without compromising confidentiality. Our assurance commitment

The Bank will continue to strengthen control ownership, independent oversight and assurance coordination. Our objective is to ensure that customers can bank with confidence, shareholders receive reliable information, regulators are supported by timely compliance and employees operate within a clear and ethical control environment.



STRENGTHENING ASSURANCE MATURITY

Priorities for the Next Phase

Assurance mapping

Identify overlaps and gaps across management, compliance, audit and external assurance.

Issue remediation

Improve ownership, ageing analysis and escalation of overdue actions.

Control automation

Use technology to reduce manual errors and improve exception monitoring.

Financial-crime analytics

Strengthen customer-risk and transaction-monitoring capability.

Fraud data

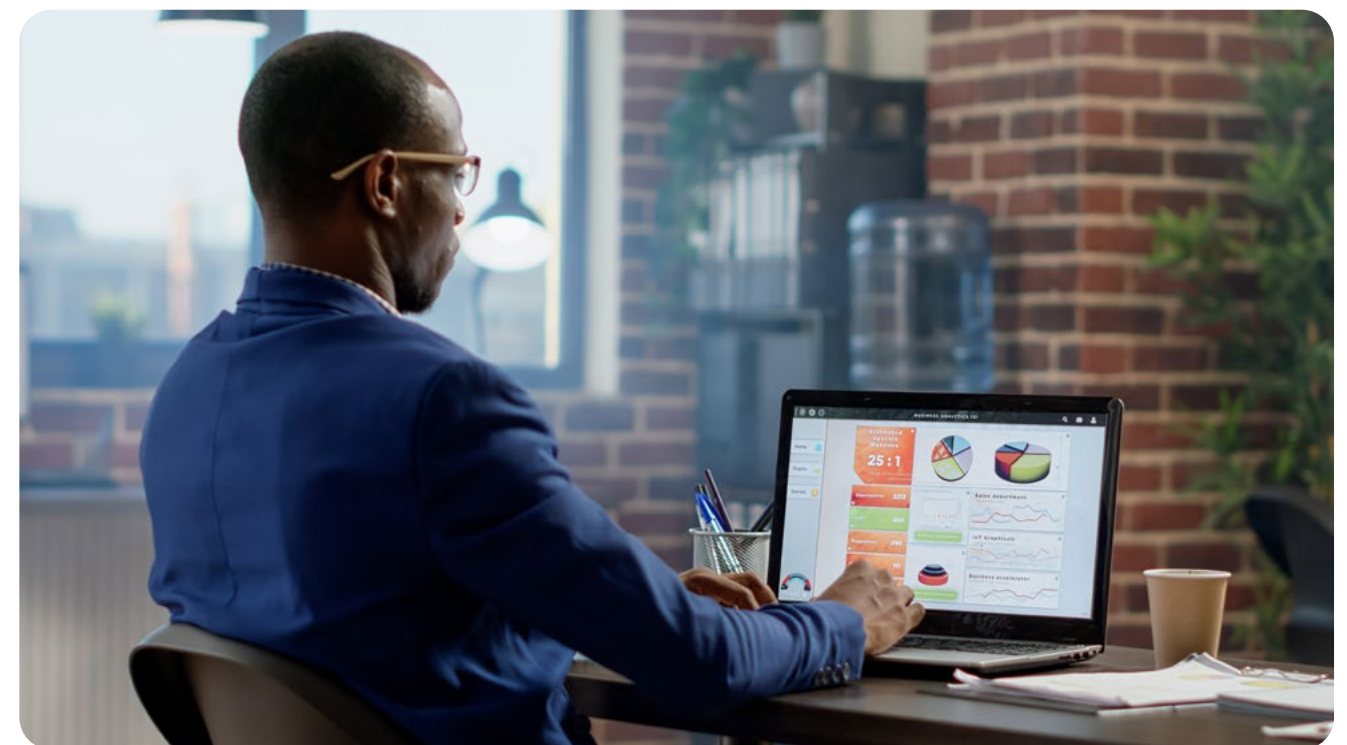
Improve consistent case, loss and recovery reporting.

Regulatory horizon scanning

Prepare earlier for new and evolving requirements.

Board insight

Provide clearer themes, trends and forward-looking assurance information.





14

**Audited Financial
Statements**

TABLE OF CONTENTS

List of abbreviation	189
Bank information	190
The Report by Those Charged with Governance	191-214
Declaration of the Head of Finance	215
Statement of Directors' Responsibilities	216
Independent Auditor's Report	217-221
Statement of profit or loss and other comprehensive income	222-223
Statement of financial position	224-225
Statement of changes in equity	226-227
Statement of cash flows	228-229
Notes to the financial statements	230-267

LIST OF ABBREVIATIONS

ACPA	Associate Certified Public Accountant
ALCO	Asset and Liability Committee
AMCOS	Agricultural Marketing Cooperative Society
ATM	Automated Teller Machine
BOT	Bank of Tanzania
CBS	Core Banking System
CPA	Certified Public Accountant
CSM	Contractual Service Margin
CSR	Corporate Social Responsibility
EAD	Exposure at Default
ECL	Expected Credit Loss
EIR	Effective Interest Rate
ELR	Employees Labour Relation
FVOCI	Fair Value Through Other Comprehensive Income
FVPL	Fair Value Through Profit and Loss
FX	Foreign Exchange
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IBOR	Interbank Offered Rate
ICT	Information and Communications Technology
IESBA	International Ethics Standards Board for Accountants
IFRS	International Financial Reporting Standards
ISA	International Standards on Auditing
Coop Bank	Co-operative Bank Tanzania Plc
KIA	Kilimanjaro International Airport
KPI	Key Performance Indicator
LGD	Loss Given Default
LIBOR	London Interbank Offered Rate
LTECL	Lifetime Expected Credit Losses
MSc	Master of Science
MSE	Medium and Small Enterprises
NBAA	National Board of Accountants and Auditors
NHIF	National Health Insurance Fund
NMB	NMB Bank Plc
NSSF	National Social Security Fund
OCI	Other Comprehensive Income
PAYE	Pay As You Earn
PD	Probability of Default
PhD	Doctor of Philosophy
PLC	Public Limited Company
PMS	Performance Management System
SACCOS	Saving and Credit Cooperative Societies
SDL	Skills and Development Levy
SICR	Significant Increase in Credit Risk
SME	Small and Medium Enterprises
SMT	Senior Management Team
SPPI	Solely Payments of Principal and Interest
SWIFT	Society for Worldwide International Financial Telecommunication
TCDC	Tanzania Development Cooperative Commission
TFRS	Tanzania Financial Reporting Standards
TUICO	Tanzania Union of Industrial and Commercial Workers
TZS	Tanzania Shillings
VAT	Value Added Tax

BANK INFORMATION

Registered office	Co-operative Bank Tanzania Plc Kuu Street PO Box 201 Dodoma, Tanzania
Principal officer	Mr. Godfrey J. Ng'urah – Managing Director
Principal bankers	Bank of Tanzania 16 Jakaya Kikwete Road 40184 Head Office PO Box 3043 Arusha CRDB Bank PLC Nyerere Road Moshi Branch PO Box 1302 Moshi, Kilimanjaro
Auditors	INNOVEX Auditors Certified Public Accountants 8 Kilimani Road, 14110 Kinondoni Ada Estate PO Box 75297 Dar es Salaam Email: info@innovexdc.com Web: www.innovexdc.com

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

1. INTRODUCTION

Those charged with governance are pleased to submit their report to the shareholders together with the audited financial statements for the year ended 31 December 2025, which disclose the state of affairs of Co-operative Bank Tanzania Plc (here in referred to as "the Bank" or "COOP BANK") as at that date.

The Co-operative Bank of Tanzania was established through the cooperative amalgamation of Tandahimba Cooperative Bank Ltd and Kilimanjaro Cooperative Bank Ltd, with a cut-off date of 30 September, 2025. Following this date, all assets, liabilities, and affairs of the two banks were fully transferred to the Co-operative Bank of Tanzania.

This financial report covers a financial year and reflects the inherited assets and liabilities from Tandahimba Cooperative Bank Ltd and Kilimanjaro Cooperative Bank Ltd. The integration process was conducted in alignment with regulatory requirements and strategic objectives to ensure a seamless transition and continued financial stability.

Coop Bank's 2025 Success Story: A Year of Transformation and Resilience

2025 marked a significant milestone in the transformation journey of Coop Bank as the first financial year after its inauguration by her excellence, the president of United Republic of Tanzania, Her Excellence Dr. Samia Suluhu Hassan, characterized by strategic expansion, infrastructure enhancements, and operational optimization. Despite the challenges associated with major changes, the bank remained resilient, demonstrating its commitment to growth, customer service, and operational excellence.

Expanding Our Presence in Tabora. Coop Bank marked its first-ever presence in Tabora with the establishment of a new branch, underscoring the Bank's commitment to inclusive growth and regional economic empowerment. Strategically positioned to serve the region, the Tabora branch is expected to support key economic activities, particularly tobacco farming, which is the major cash crop and a primary source of income for households and cooperatives in the area. Through tailored financial solutions, the Bank enhanced access to credit, savings, and transaction services for farmers, traders, and agribusiness value chains.

Revitalizing Bank-Owned Premises in Tandahimba. Furthering its strategic infrastructure development, Coop Bank embarked on the renovation of its bank-owned premises in Tandahimba to serve as a fully operational branch. This initiative not only optimized the utilization of bank assets but also ensured better accessibility to financial services for the local community. At the same time, renovation work began on the Tabora branch, furthering the bank's commitment to providing high-quality banking facilities in key locations.

Optimizing Human Capital Through Strategic Reallocation. To enhance operational efficiency and service delivery across the branch network, Coop Bank strategically reallocated staff from Tandahimba and Moshi, Dodoma and Tabora to various locations, including Dodoma, Tandahimba, Tabora, and the Head Office in Dodoma. This workforce realignment ensured optimal staffing levels across all branches while leveraging the expertise of experienced employees in new growth areas.

Recruiting Top Talent for a Stronger Future. In parallel with the staff reallocation, Coop Bank actively sought out and recruited talented professionals from the market. This infusion of fresh expertise complemented the existing workforce, enabling the bank to strengthen its service capabilities, improve customer experience, and drive innovation in financial solutions.

Resilience Amidst Transformation. The transformative initiatives undertaken in 2025 came with increased staffing and capital expenses. However, Coop Bank remained steadfast in navigating these challenges, showcasing resilience and strategic foresight. By carefully managing costs, optimizing resource allocation, and maintaining a customer-centric approach, the bank continued to thrive despite the financial pressures associated with expansion and operational enhancements.

A Vision for Sustainable Growth. Looking ahead, Coop Bank remains committed to sustainable growth, financial inclusion, and delivering value to its customers and stakeholders. The investments made in 2025 have positioned the bank for long-term success, ensuring a stronger, more competitive, and resilient institution that continues to serve the cooperative and business communities effectively.

Through innovation, strategic planning, and unwavering dedication, Coop Bank has successfully navigated a year of transformation, emerging stronger and more prepared for future opportunities. The journey continues, with an unwavering focus on growth, operational excellence, and enhanced financial services for all.

2. INCORPORATION

During the year 2025, on 23rd April 2025, the Bank was incorporated as a Public Limited Company in accordance with the Companies Act, Cap. 212 [R.E. 2002], following a restructuring from its previous legal form of a Cooperative Society. In the same year, the bank changes its name from Co-operative Bank of Tanzania to Co-operative Bank Tanzania Ltd.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)



3. THE PURPOSE OF EXISTENCE

COOP Bank exists to drive socio-economic transformation of our members through financial inclusion initiatives and AI-powered digital innovations to empower and impact 10 million families by 2030.

4. BANK'S VISION

To be a leading high-end technology and member-centered Coop Bank, driving financial inclusion.

5. BANK'S MISSION

Provide tailored financial solutions, powered by innovation and technology, to deliver financial inclusion, exceptional member experience, and sustainable stakeholder value.

6. NATURE OF THE OPERATION

Co-operative Bank Tanzania is a financial institution with a commercial bank license operating in the Banking industry serving as a financial intermediary for receiving funds from the public and institutions and allocating financial resources in the economy across the country to drive growth and financial inclusion.

Co-operative Bank of Tanzania operations are customized in a way they meet customers' needs through customized and innovative products such as Kilimotija, Mama Africa, Msomi account, Pamoja Account, Mtoto Account, Student Boom loan, Bajaji Loan, Agri business Loan, Salaried workers loans for government and non-government staff, Group loans, and Certificate of discount, forex operations and Mobile banking. All these not only give our esteemed customers remarkable customer experience while banking with COOP Bank, but also attract more business and help the bank implement its five years strategy.

7. ASPIRATIONS

The overriding strategic objective of the Bank for the next five years 2025–2029 is to achieve network growth to drive mass financial inclusion in Agribusiness-value chain for Co-operatives, MSEs and SMEs through diversified and seamless delivery channels offering customized and innovative financial solutions to attain at least 14% return on equity.

The Bank aspirations and overarching strategic objective is anchored on three pillars as listed below:

- * Strategic Pillar 1: Capitalization and Business Growth
- * Strategic Pillar 2: Digital Transformation & AI Banking Capabilities
- * Strategic Pillar 3: Cooperatives Driven Financial Inclusion
- * Strategic Pillar 4: Planet, People and Sustainability

While looking into customers as the reason for COOP Bank's existence, during the financial year 2025 the bank launched Coopesa, Coop Net, and Coop Wakala as bank's remarkable channels that can help accessibility of its service at any point across the world, this marks a significant milestone for the bank and customer experience.

THE OFFICIAL LAUNCH OF A CO-OPERATIVE BANK TANZANIA IN 2025

The Co-operative Bank of Tanzania was officially launched on 28 April 2025 by Her Excellency the President of the United Republic of Tanzania Dr. Samia Suluhu Hassan, marking a historic milestone for the cooperative movement and the national financial sector. This high-level launch signified strong Government endorsement and confidence in the Bank as a strategic vehicle for advancing financial inclusion, cooperative financing, and socio-economic transformation.

The launch fulfilled a long-standing aspiration of Tanzanian cooperatives to establish and own a dedicated financial institution tailored to their unique operational models, value chains, and development needs. In the immediate term, the transformation has strengthened the Bank's credibility, visibility, and stakeholder confidence, enabling it to attract broader membership, partnerships, and capital. Looking ahead, the Bank is well positioned to play a catalytic role in financing agriculture, SMEs, and cooperative enterprises, thereby deepening the cooperative sector's contribution to sustainable economic growth and national development.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)



8. KEY ACHIEVEMENT DURING THE YEAR

The following are the bank's key achievements during the year

1. Structural and Institutional Developments

- * Successfully transformed from a Co-operative Society to a Public Limited Company.
- * Strengthened the Bank's legal, governance, and ownership framework to support sustainability.

2. Capital and Financial Strength

- * Increased share capital to TZS 42 billion.
- * Admitted the Government of Tanzania as a strategic shareholder, enhancing capital adequacy and confidence.

3. Market Expansion and Footprint

- * A new branch opened in Tabora Region, improving access to financial services in a key agricultural zone.
- * Undertook reallocation of the Tandahimba branch to enhance operational efficiency and market coverage.

4. Business Growth and Performance Drivers

- * Expanded the customer base across retail, cooperative, and SME segments.
- * Increased deposit mobilization and loan disbursements to customers.

5. Digital Transformation and Systems

- * Rolled out and enhanced Coopesa (mobile banking).
- * Implemented CoopNet (internet banking) for retail and corporate customers.
- * Expanded Coop Wakala (agency banking) to deepen outreach and inclusion.

6. Human Capital and Operating Model

- * Undertook strategic hiring to strengthen leadership and technical capacity.
- * Implemented capacity-building initiatives to support growth and sustainability.

9. CORE VALUES

The Bank undertook a strategic review of its core values, streamlining them from seven (7) to three (3) to strengthen clarity, focus, and alignment with its strategic direction. The revised core values are summarized under the acronym TAA, which anchors the Bank's desired culture and way of working.

These values define the Bank's professional and ethical standards, guiding behavior, decision-making, and interactions with stakeholders. The Bank recognizes that the achievement of its strategic objectives and long-term aspirations is dependent on consistently living these values, as they embody who we are, our belief system, our code of conduct, and how we conduct business at Coop Bank.

Team Player : Collaborate openly, support others, listen actively and show respect.

Agility : Embrace change, adopt quickly, stay flexible and drive innovation.

Accountability : Own our actions, show integrity, be transparent, and keep learning.

10. PRINCIPAL ACTIVITIES

Bank's principal activity is the provision of banking services and serves the co-operative societies and the general public in Tanzania. The bank's targeted customers are Co-operatives, SMEs, MSEs and Retail.

11. CORPORATE GOVERNANCE

11.1 Corporate governance statement

Good Corporate Governance practice is an important ingredient in creating and sustaining shareholder value and ensuring that behavior is ethical, legal and transparent. The Board Charter that was approved by the Board is an important component of the framework that defines our Corporate Governance practice within Bank and is designed to provide guidance to directors and external audiences as to how we approach this critical issue within Bank.

The Bank's corporate governance approach is focused on a set of values and behavior that underpin the bank's operations, and are designed to promote integrity, fair dealing, discipline and the protection of stakeholders' interests, including our customers, shareholders, employees, and our community. It includes striving for the highest standards of corporate governance, which the Bank regards as critical to the long-term viability and performance of our business. The Board strives at its best to ensure transparency, integrity and professionalism, avoidance of conflict of interest through approved Board charter and Board Audit and Risk Management committee charter.

11. CORPORATE GOVERNANCE (CONTINUED)

11.1 Corporate governance statement (CONTINUED)

The Bank's Board of Directors is composed of twelve (12) non-executive Directors and one Ex Officio. The Board is committed to the principles of effective corporate governance. The Directors also recognize the importance of integrity, transparency and accountability. During the year, the Board of Directors of the Bank had three Board sub-committees Audit and Risk Committee, Credit Committee, Human resource and Governance Committee.

11.2 Board operation and control

The Board meets quarterly and has annual meeting calendar of at least four (4) times a year. For 2025, the Board met seven times for the period ended 31 December 2025 including special Board meeting for Budget approval every end of the year. The Board delegates the day-to-day management of the business to the Managing Director assisted by Senior Management Team (SMT). SMT is 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.

11.2.1 Principal appointment of Board Members

The Banks' By-Law provides that the Annual General Meeting shall appoint Board of Directors and under special circumstances, the Registrar of Cooperative societies may appoint special Director/s of the Board representing Cooperatives in accordance with the Cooperative Societies Act of 2013 and for the best interest of the Bank. The Chairman of the Board shall be appointed amongst the members elected. The Managing Director is the ex-officio member of the Board.

11.2.2 Responsibility of the Board

The Board takes overall responsibility for the Bank, including responsibility for identifying key risk areas, considering, and monitoring investment decisions, considering significant financial matters, and reviewing the performance of management business plans and budgets. The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles.

11.2.3 Independence of the Board Members

The Board considers the following criteria and the issue of independence on an annual basis to determine the independence of non-executive Directors. The Board has also concluded that the following behaviors are essential for the Board to consider a director to be independent and will assess non-executive Directors against these criteria:

- * Provides objective challenge to management.
- * Is prepared to challenge others' assumptions, beliefs or viewpoints as necessary for the good of the bank.
- * Questions and debates matter in a constructive manner.
- * Is willing to stand up to defend their own beliefs and viewpoints in order to support the ultimate good of the bank; and
- * Has a good understanding of the bank's businesses and affairs to enable them to properly evaluate information and responses provided by management.

11.2.4 Principal for the age limit of the Board Members

The Governing Act, Regulations and these By-Laws of the Bank stipulates the removal of membership on limitation of age and is provided accordingly. The board has adopted the age mix of directors as provided under the Companies Act, 2002 where the minimum age for a person to serve as a director, both Executive directors and non-Executive directors is twenty-one years of age.

11.2.4 Principal for the age limit of the Board Members

To give a wider spectrum of experience and knowledge the board has not limited the maximum age one can serve as a director, rather focus is on their ability to suit the directors' role.

11.2.5 Governance and audit

The Board is also responsible for ensuring that management maintain a system of internal control which provides assurance of effective and efficient operations, internal financial controls and compliance with law and regulation. In addition, the Board is responsible for ensuring that management maintains an effective risk management and oversight process. In carrying out these responsibilities, the Board must have regard to what is appropriate for COOP Bank business and reputation, the materiality of the financial and other risks inherent in the business and the relative costs and benefits of implementing specific controls.

The Board is the decision-making body for all other matters of such importance as to be of significance to COOP Bank as a whole because of their strategic, financial or reputational implications or consequences. Delegation to committees or to management in no way mitigates or dissipates the discharge by the Board and its Directors of their responsibilities.

11.2.6 Rights of the Government and other stakeholders

The Board ensures that the relationship with the government and its agencies is well maintained. The board ensures that the tax and other deductions due to the government are calculated and remitted accordingly.

11. CORPORATE GOVERNANCE (CONTINUED)

11.2 Board operation and control (Continued)

11.2.7 Stakeholders' relations

The Board of Directors acts in a way they consider, in good faith, would promote the success of the Bank for the benefit of the shareholders and other stakeholders as a whole and, in doing so, have regard (amongst other matters) to the: -

- * Likely consequences of any decision in the long-term.
- * Interests of Bank employees.
- * Need to foster Bank business relationships with suppliers, customers, and others.
- * Impact of Bank operations on the community and the environment.
- * Desirability of Bank in maintaining a reputation for high standards of business conduct; and
- * Need to act as between shareholders of the Bank.

11.2.8 Ethics and social responsibility (responsibility, accountability, fairness, and transparency)

The Board has a duty to act in accordance with its powers and Directors must not use the position of director, or any information obtained while acting in the capacity of a director; to gain an advantage for the director, or for another person other than COOP Bank or to knowingly cause harm to COOP Bank. A director must communicate to the Board at the earliest practicable opportunity any information that comes to the director's attention, unless the director reasonably believes that the information is immaterial to COOP Bank or generally available to the public or known to the other directors; or is bound not to disclose that information by a legal or ethical obligation of confidentiality.

The Bank Directors owe both duty of care, duty of loyalty and general duties of reasonable care, skill and diligence to the bank as a whole. The duties of Directors include:

- * Only exercising powers within the authority given and acting in accordance with the bank's by law.
- * At all times acting not only in good faith and honesty, but also in the bank's best interests and to promote the success of the bank for all its members, whilst having regard to the likely consequences of any decision in the long-term, the interests of employees, the need to further relationships with suppliers and customers, the impact on the community and the environment, and the need to act fairly as between members of the bank;
- * Exercising independent judgment in carrying out their duties.
- * Exercising reasonable care, skill and diligence in carrying out their duties commensurate with their knowledge and experience.
- * Avoiding conflict of interest between their personal interests and their duties to the bank.

11.2.9 Risk Management and Internal Control

The Board accepts final responsibility for the risk management and internal control system of the Bank. It is the task of management to ensure that adequate internal, financial and operational control systems are developed and maintained in an on-going basis in order to provide reasonable assurance regarding:

- * Effectiveness and efficiency of operations.
- * Safeguarding of the Bank's assets.
- * Compliance with applicable laws and regulations.
- * Reliability of accounting records.
- * Business sustainability under normal as well as adverse conditions: and
- * Responsible behaviors towards all stakeholders.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance to such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the Bank's systems are designed to provide the Board with a reasonable assurance that procedures in place are operating effectively.

The Board assessed the Bank's internal control systems throughout the financial period ended 31 December 2025 and is of the opinion that they met the generally accepted banking industry criteria.

11. CORPORATE GOVERNANCE (CONTINUED)**11.2 Board operation and control (Continued)****11.2.10 Board charter**

COOP Bank Board is governed by Board charter that ascribes to set of values, code of conduct, principles and practices that need to be maintained by every board member. The charter provides the specific responsibilities of the Board and how it shall operate within applicable legal and regulatory framework; it clearly specifies the powers of the Board and its Committees, separation of roles between the Board and Management in line with the principles of corporate governance.

The charter defines the roles and key functions of the Board. The Board is the ultimate decision-making body, and its key role is to provide strategic leadership and guidance to the management and effective oversight of risk management. The Board is accountable to the shareholders for the performance of the businesses. According to COOP Bank Board charter, specific roles and responsibility of the Board is as follows.

- * The Board shall consist of both Non-Executive Members and Independent Non-Executive Members as shall be determined from time to time and subject to regulatory requirements.
- * The number of Board members shall be as determined by the Bank's by laws and regulatory requirements.
- * A Board Member i.e., Director elected/appointed by shareholders shall not attend board meetings or be assigned any responsibility until he/she obtains approval of the Bank of Tanzania.
- * All Directors must disclose outside directorships business and conflict of interest on annual basis and shall inform the Board Secretary of any changes to such directorships and conflict of interest within 30 days.
- * Every director shall, before assuming his duties, make a written declaration of fidelity and secrecy, which shall be witnessed by the Secretary of the bank.
- * The Board shall establish and approve remuneration policies and procedures for Board members.
- * Directors' remuneration package shall be adequately disclosed in the Director's remuneration report and shall retroactively be approved by shareholders in an Annual General Meeting.
- * Board members shall not receive any other material benefits from the Bank other than those explicitly approved by the Board as appropriate remuneration for Board and/or Committee service.
- * In an event that the position of a serving Director falls vacant either through dismissal, resignation, and incapacitation or for any other reason leading for that person ceasing to hold such position, the Bank shall in writing and within seven days following the position been vacant notify the Bank of Tanzania.
- * Board members' tenure will coincide with their terms in the Board as guided by the by laws, subject to re-appointment.

11.2.11 Training and Development of the Members of the board

- * Each new Board member shall participate in an induction program that is tailored to effectively orient the member to the Bank's business and organization structure including roles/responsibilities of the Board and its various committees, strategy, objectives, policies, procedures, operations, senior management, and the business environment. The induction package shall also include all the necessary information that shall be required by a member for effective performance in the Board (including all policies, charters, recent financial reports and governing laws and regulations). The Board members shall also be introduced to their fiduciary duties and responsibilities as well as any other aspects that are unique to the business.
- * Board members should have a clear understanding of their role in corporate governance and be able to exercise sound and objective judgment about the affairs of the Bank.
- * The Board shall ensure adequate Board development through continuous training to keep the Board well informed on critical information pertinent to the business and corporate governance environment.
- * The Board shall conduct an annual review to identify training needs for each member on a regular basis and facilitate up skilling as well as continuous development.

11.2.12 Board Evaluation

- * For improved Board effectiveness, COOP Bank Board carry out annual assessment of its performance, the performance of the Chairperson, that of its committees, individual members, the General Manager, Head of Internal Audit and the board Secretary.
- * The Board also discuss the results of the evaluation exercise which also inform the Board on the training needs for its members.
- * The Board discloses whether evaluation of the Board, the chairperson, the General Manager, Head of Internal Audit and board secretary has been undertaken in the annual report and financial statements of the Bank.

Board Evaluations is carried out once annually to assess Board effectiveness in providing oversight role to management performance and ensure agreed performance targets are met and any deviation and variances are met.

11. CORPORATE GOVERNANCE (CONTINUED)**11.2 Board operation and control (Continued)****11.2.13 Succession Plan**

COOP Bank succession plan is a strategic planning to ensure talent retention, acquisitions and operational backups and sustainability in case of talent gap or exit of employee. The succession plan is a rigorous process involving Identification of critical roles and gaps in those roles, Identifications of successors, approval of a succession plan and Development of successors.

I. Identification of critical roles

A critical role is a position that will cause the unit /business/ department suffer consequence in case of its absence by either or all of the following ways (i) regulatory noncompliance (ii) loss of strategic focus (iii) takes too long to fill a vacancy in this position more than financial years to fill (iv) only a few of such roles existing in market for example custody services, business continuity (v) Inability of a position/role to be outsourced

II. Identification of successors

Line managers will be required to identify their appropriate successors and set up development plans for them. A successor identification template will be provided for this purpose by the human resources team.

III. Approval of a succession plan

The approval of a succession plan shall be guided by the Human Resources Business Partner in collaboration with the respective department head. A signed off document shall be produced and filed.

IV. Development of Successors

Developmental gaps for the successors depending on their readiness shall be identified and documented for prioritized delivery by the learning and development team.

11.2.14 Conflict of Interest and related party transactions

- * COOP Bank Board members and staff are expected to avoid any action, position or interest that conflicts with the interest of the Bank or gives the appearance of a potential conflict. In this regard, all directors are required to:
 - a) Declare any interests that may give rise to potential or perceived conflict for example multiple directorships, business relationships or other circumstances that could interfere with exercise of objective judgment.
 - b) Declare as soon as they become aware that a subject to be discussed at a Board or committee or management meeting may give rise to a conflict of interest at the outset of the applicable meeting. The conflicted director shall not participate further in the discussion of that subject, nor vote on it.
 - c) Board member(s) or senior management members with a continuing material conflict of interest should consider resigning from Board.

- * Board members shall inform the board Secretary of any changes with respect to directorships and conflict of interest within 30 days.
- * The Board shall evaluate all potential or perceived conflict of interest as declared and shall approve such transactions with the bank as may be appropriate.
- * The Board Secretary and management shall maintain a register of declared Conflicts of Interest.

11.2.15 ICT Governance

ICT governance comprises of several policies and guidelines that enable the Bank to ensure governance, security and risk mitigation is adhered. ICT Governance is defined by COOP Bank ICT policy and guidelines on password management, change management, backup and restoration, business continuity, Anti- malware, removable device and IT asset management, patch management and mobile device. The bank has established a robust awareness session to equip staff who are doers with adequate knowledge to proactively sense, predict and mitigate risks before they happen. Knowing the paradigm shifts in technology and the need to integrate with other third parties, the bank has forethought the pre-requisites to ensure there is no compromise in handling its information with other entities. To ensure that there is 360 view of ICT activities in line with bank's strategy, ICT issues and its performance in contribution to the strategy are presented and discussed in the board quarterly.

11.2.16 Code of Conduct, ethics and organization standard values

The Bank considers the work rules, and Code of Conduct, Ethics, anti-corruption, fraud and risk policy as very important and necessary for guiding employees to conduct themselves in a manner designed to promote the interests, good image and well-being of the Bank as per its Mission, Vision, Business Strategy and Corporate Culture Factors. The Code of Conduct and Ethics statement have been developed to define the bank's minimum standards for ethical business practice and behaviours.

All employees therefore are required to become familiar with these Codes and policies must be faithful and fair in all aspects of the Bank's Business. They must uphold the Bank's good reputation with customers and encourage mutual respect, openness and integrity in the workplace. Any deviation from these Codes will be taken as a serious breach, which may constitute corrective action or severe disciplinary penalty up to and including termination from employment

11. CORPORATE GOVERNANCE (CONTINUED)

11.2 Board operation and control (Continued)

11.2.16 Code of Conduct, ethics and organization standard values (Continued)

At corporate governance, the Board code of conduct and minimum behaviours is defined by the Board charter. Board members are required to display ethical and higher moral values as follows;

- * Board members are expected to observe the highest standard of ethical behaviour.
- * The Board supports and encourages policies which require Directors and all employees to observe high standard of integrity and display honesty in their dealings.
- * The Board shall adopt a Code of Conduct for all Directors and employees that addresses, among other things, conflict of interest and which shall be reviewed and updated regularly.
- * The Bank shall adopt effective whistle blowing mechanisms that encourage staff and other stakeholders to bring out information helpful in enforcing good corporate governance practices.

12. COMPOSITION OF BOARD OF DIRECTORS

The current Board comprises of twelve (12) non-executive members and one (1) ex-officio member. Below are details of members who served during the period:

S/n	Name	Position	Age	Qualifications	Nationality	Date of appointment
1	Dr. Joseph Ochien'g Witts	Chairperson	65	Doctor of Business Administration (DBA), Executive Management Development Programme, Master of Entrepreneurship and Enterprise Development, Certified Public Accountant - CPA (T), Advanced Diploma in Certified Accountancy, National Book-keeping Certificate	Tanzanian	17/10/2025
2	Prof. Gervas Mathias Machimu	Vice Chairperson	48	Doctor of Philosophy in Rural Development, Master's degree in Rural Development, Postgraduate Diploma in Poverty Analysis, Bachelor's Degree in Philosophy.	Tanzanian	17/10/2025
3	Prof. Geraldine Arbogast Rasheli	Member	53	Doctor of Philosophy in Rural Development, Master's degree in Rural Development, Postgraduate Diploma in Poverty Analysis, Bachelor's Degree in Philosophy.	Tanzanian	17/10/2025
4	Dr. Aikande Clement Kwayu	Member	42	PhD, Politics and International Relations, Master of Arts in International Relations, Bachelor of Arts in International Relations.	Tanzanian	17/10/2025
5	Mr. Peter Situmbeko Nalitoleta	Member	44	MSc. Applications of Modelling, BSc. (Hons) Mathematics with a minor in Computer Science, Certificate in Directorship, Executive Leadership & Mentorship session.	Tanzanian	17/10/2025
6	Dr. Anthony Francis Mveyange	Member	46	PhD-Economics, Master of Arts- Economics, Post Graduate Diploma in Poverty Analysis for Social, Economic and Development, Bachelor of Arts, Accounting and Finance.	Tanzanian	17/10/2025
7	Mr. Mohamed Nassoro Mwinguku	Member	46	Master of Business Administration in Finance, Advanced Diploma in Accountancy, Certificate in Directorship (CiDir) Course.	Tanzanian	17/10/2025

S/n	Name	Position	Age	Qualifications	Nationality	Date of appointment
8	Mr. Pius Noel Killo	Member	54	Master of Project Management (MPM), Bachelor of Business Administration-Marketing, Diploma in Cooperative Management and Accounting.	Tanzanian	17/10/2025
9	Mr. Silvanus Benedict Mlola	Member	54	LL.M Program- Commercial and Banking Law, Bachelor of Law Degree, Certified Director on Corporate Governance in Commonwealth Countries, Certificate on Commercial Law and Practice, Certificate on Alternative Dispute Resolution and Negotiation.	Tanzanian	17/10/2025
10	CPA. Lucy Samson Chacha	Member	46	Master of Arts in Defense and Security Studies, Master of Business Administration (MBA)- Finance, Bachelor of Commerce -Accounting, Certified Public Accountant-CPA (T),	Tanzanian	17/10/2025
11	Dr. John Marato Saus	Member	47	PhD in Information Systems Management, Master's degree in Computer Science, Bachelor's degree in Computer Science	Tanzanian	25/04/2025
12	CPA Mwamimi Jafari Mussa	Member	39	Master of Science in Finance and Investments, Bachelor of Arts in Cooperative Management (Major in Accounting), and Certified Public Accountant (CPA)	Tanzanian	17/06/2025
13	Mr. Godfrey Joel Ng'urah	Ex Official Members	47	Master of Business Administration, Certified Professional Banker (CBP), Certified SME & Agri-Value Chain Financing	Tanzanian	17/10/2025

12. COMPOSITION OF BOARD OF DIRECTORS (CONTINUED)

11.1 Attendance of the board meetings

The Board held three meetings during the year ended 31 December 2025 under review. The attendance to these meetings by Those charged with Board in 2025 is tabulated below:

S/N	Name	Position	23/04/2025	25/04/2025	19&20/05/2025	02&03/07/2025	30/07/2025	14/11/2025	01&02/12/2025	29/01/2026
1.	Dr. Joseph Ochien'g Witts	Chairperson	✓	✓	✓	✓	✓	✓	✓	✓
2.	Prof. Gervas Mathias Machimu	V/Chairperson	✓	✓	✓	✓	✓	✓	✓	✓
3.	Prof. Geraldine Arbogast Rasheli	Member	X	X	✓	✓	✓	✓	✓	X
4.	Dr. Aikande Clement Kwayu	Member	✓	✓	✓	✓	✓	✓	✓	✓
5.	Mr. Peter Situmbeko Nalitolela	Member	✓	✓	✓	✓	✓	X	X	X
6.	Dr. Anthony Francis Mveyange	Member	✓	✓	X	X	✓	✓	✓	✓
7.	Mr. Mohamed Nassoro Mwinguku	Member	X	X	✓	✓	X	✓	✓	✓
8.	Mr. Pius Noel Killo	Member	✓	✓	X	X	X	✓	X	✓
9.	Mr. Silvanus Benedict Mlola	Member	✓	✓	✓	✓	✓	✓	✓	✓
10.	CPA. Lucy Samson Chacha	Member	✓	✓	✓	✓	✓	✓	X	✓
11.	Dr. John Marato Saus	Member	N/A	N/A	N/A	✓	X	X	✓	✓
12.	CPA Mwamimi Jafari Mussa	Member	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓
13.	Mr. Godfrey Joel Ng'urah	Ex Official Member	✓	✓	✓	✓	✓	✓	✓	✓

Together with other resolutions, for 2025 the Board discussed and made resolutions on key strategic and priority areas related to capitalization, business growth and governance as listed below:

- * The Board discussed and passed the performance for 2025.
- * The Board discussed and made resolutions on Capital mobilization strategies.
- * The Board discussed and engaged stakeholders and strategic partner for business growth, bank capitalization and transformation to a Coop Bank of Tanzania
- * The Board passed the 2025 budget.

12. COMPOSITION OF BOARD OF DIRECTORS (CONTINUED)

11.1 Attendance of the board meetings(continued)

BOARD GOVERNANCE, NOMINATION AND HUMAN RESOURCES COMMITTEE (OLD)

S/N	Name	Position	24/04/2025	28/07/2025	12/11/2025
1.	Prof. Gervas Mathias Machimu	Chairperson	✓	✓	✓
2.	Prof. Geraldine Arbogast Rasheli	Member	X	✓	✓
3.	Dr. Aikande Clement Kwayu	Member	✓	✓	✓
4.	Mr. Mohamed Nassoro Mwinguku	Member	X	X	✓

BOARD GOVERNANCE, NOMINATION AND HUMAN RESOURCES COMMITTEE (NEW)

S/N	Name	Position	24/04/2025	28/07/2025	12/11/2025	26/01/2026
5.	Prof. Gervas Mathias Machimu	Chairperson	N/A	N/A	N/A	✓
6.	Prof. Geraldine Arbogast Rasheli	Member	N/A	N/A	N/A	✓
7.	Dr. Aikande Clement Kwayu	Member	N/A	N/A	N/A	✓
8.	Mr. Silvanus Benedict Mlola	Member	N/A	N/A	N/A	✓

BOARD CREDIT COMMITTEE (OLD)

S/N	Position	Position	24/04/2025	28/07/2025	29/09/2025	12/11/2025	18/11/2025
1.	Mr. Mohamed Nassoro Mwinguku	Chairperson	X	X	✓	✓	X
2.	Prof. Gervas Mathias Machimu	Member	✓	✓	X	X	✓
3.	Mr. Pius Noel Killo	Member	✓	✓	✓	✓	✓
4.	Mr. Silvanus Benedict Mlola	Member	✓	✓	✓	X	✓

12. COMPOSITION OF BOARD OF DIRECTORS (CONTINUED)

11.1 Attendance of the board meetings(continued)

BOARD CREDIT COMMITTEE (NEW)

S/N	Name	Position	24/04/2025	28/07/2025	29/09/2025	12/11/2025	18/11/2025	30/12/2025	26/01/2026
1.	Mr. Mohamed Nassoro Mwinguku	Chairperson	N/A	N/A	N/A	N/A	N/A	X	√
2.	Dr. Anthony Francis Mveyange	Member	N/A	N/A	N/A	N/A	N/A	√	√
3.	Mr. Pius Noel Killo	Member	N/A	N/A	N/A	N/A	N/A	√	√
4.	Mr. Silvanus Benedict Mlola	Member	N/A	N/A	N/A	N/A	N/A	√	√

BOARD AUDIT, RISK AND COMPLIANCE COMMITTEE (OLD)

S/N	Name	Position	24/04/2025	05/06/2025	28/07/2025	27/10/2025	10/11/2025
1.	CPA. Lucy Samson Chacha	Chairperson	√	√	√	√	√
2.	Mr. Peter Situmbeko Nalitolela	Member	√	√	√	√	√
3.	Dr. Anthony Francis Mveyange	Member	√	√	√	X	X

BOARD AUDIT, RISK AND COMPLIANCE COMMITTEE (NEW)

S/N	Name	Position	24/04/2025	05/06/2025	28/07/2025	27/10/2025	10/11/2025	27/01/2026	12/02/2026
1.	Mr. Peter Situmbeko Nalitolela	Chairperson	N/A	N/A	N/A	N/A	N/A	√	√
2.	CPA. Lucy Samson Chacha	Member	N/A	N/A	N/A	N/A	N/A	√	√
3.	Dr. John Marato Saus	Member	N/A	N/A	N/A	N/A	N/A	√	√
4.	CPA Mwamimi Jafari Mussa	Member	N/A	N/A	N/A	N/A	N/A	√	√

Key:

√	Attended
X	Absent with apology

KEY DECISIONS/RECOMMENDATIONS OF THE COMMITTEES

1. Board Governance, Nomination and Human Resources Committee

- * Approved organizational structure enhancements to support strategic growth.
- * Endorsed recruitment, succession planning, and key appointments for senior management roles.
- * Provided guidance on remuneration, benefits, and staff retention strategies.
- * Strengthened Board governance practices, including Board and Committee evaluations.

2. Board Credit Committee

- * Approved credit facilities (term loans and working capital) within delegated authority.
- * Reviewed and guided on credit risk appetite and portfolio quality management.
- * Approved credit policies, procedures, and lending frameworks.
- * Directed monitoring and reduction of non-performing loans (NPLs).

3. Board Audit, Risk and Compliance Committee

- * Reviewed and recommended financial statements for Board approval.
- * Endorsed key accounting treatments in compliance with IFRS standards.
- * Reviewed internal and external audit findings and directed timely resolution.
- * Strengthened oversight on enterprise risk management frameworks.
- * Monitored regulatory compliance and adherence to Bank of Tanzania requirements.
- * Directed enhancement of internal controls and fraud risk management systems.

13. REMUNERATION POLICY

COOP Bank staff salary scales are determined by the Management and is revised from time to time as per "Scheme of Service."

- * The Board approves and revise salary scales for COOP Bank staff.
- * Salaries will be paid monthly.
- * Revision of salaries may be necessitated by statute or Bank performance.

13.3.1 Entry point of salary

Normally employees will enter at the minimum of the applicable scale on appointment or promotion. The Appointing Authority may however award a higher level within the scale.

13.3.2 Annual salary increments and incremental dates

Annual salary increments will be stipulated in the approved salary scales for different staff cadres in the Bank.

- * Annual Salary Increments will be subject to Business performance and Individual Performance.
- * If an employee becomes promoted, the incremental date will change as per provision/regulation above.
- * The Appointing Authority may award more than two increments at a time for exemplary performance by a staff.
- * Salary arrears will be paid arising from change in staff salary scale.
- * Monthly remuneration payment will be on every 21st day of the month.
- * Staff members are to receive their salary slips which are drawn to indicate gross salary, allowances, and deductions towards NSSF, P.A.Y.E. etc., and net pay which is credited into a bank account. In executing the above, the employer will be guided by sections 26 – 28 of the ELR Act 2004. COOP Bank has established salary scales for its employees and the Bank shall pay each employee per his/her entitlement on every 21st of each month by crediting his/her account at the bank. The Bank may pay advance salary mid-way the month for the period an employee has worked, and such advance will attract interest of 5% upfront. The employee in need of advance salary will apply in writing to the General Manager for approval. Reductions from the employee's remunerations will be Statutory or by court attachment otherwise the employee will have consented to in writing. In compensating for the loss or damage caused by the employee in the course of employment and accordingly justifiable. In the case of bankruptcy or winding up of the Bank's business an employee or legal representative will be entitled to claim what had accrued to the employee in respect of the 26 weeks immediately preceding the date on which the declaration of bankruptcy or winding up was made.

13.3.3 Directors' remuneration

The Board establishes and approves remuneration policies and procedures for Board members and senior management team, however, for the Board, the final approval is granted by the Annual General Meeting. Accordingly with Co-operatively Board members are only remunerated through sitting allowances and end honoraria that must be approved by Annual General Meeting. Board members shall not receive any other material benefits from the Bank other than those explicitly approved by the Annual General Meeting as appropriate remuneration for Board and/or Committee service.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)



14. DIRECTOR'S INTEREST IN THE SHARES OF THE BANK

Below are details of Directors with their Co-operative Societies holding shares at the Bank as at 31st December 2025:

Name of Director	Position in Co-operative Society	Name of the Co-operative Society	Amount Invested by the Co-operative Society	No. of shares
Prof. Gervas Mathias Machimu	Member	WAZALENDU SACCOS LTD	13,695,000.00	27,390.00
CPA Lt. Col. Lucy Samson Chacha	General Manager	NGOME SACCOS LTD	1,005,644,816.00	2,011,289.63
Mr Pius Noel Killo	General Manager	LAKE TANGANYIKA COOPERATIVE UNION (LATCU)	61,225,012.00	122,450.02
Mr. Mohamed Nassoro Mwinguku	General Manager	TANDAHIMBA NEWALA COOPERATIVE UNION (TANECU)	427,721,569.00	855,443.14
CPA. Mwamini Mussa	Member	KIA SACCOS LTD	211,740,000.00	423,480.00

15. CAPITAL STRUCTURE AND SHAREHOLDING OF THE BANK

The Bank's capital structure is disclosed under Note 29 to the financial statements. Details of capital management and regulatory capital are disclosed under Note 4 of the financial statements.

As at 31 December 2025, the Bank had 2,692 shareholders. The capital structure and shareholding as at 31 December 2025 was as follows:

Shareholder	2025		2024	
	No. of shares	% Shareholding	No. of shares	% Shareholding
Cooperatives	37,578,333	45%	25,087,360	46%
Companies	15,278,302	18%	18,745,670	34%
Government	10,000,000	12%	-	-
Individuals	20,792,328	25%	11,048,500	20%
Total	83,648,963	100%	54,881,530	100%

16. RESULTS AND DIVIDENDS

The Bank recorded a loss before tax of TZS 2.7 billion. The Directors do not recommend payment of dividend for the financial year period ended 31 December 2025.

17. MANAGEMENT

For the financial year 2025, the Management Agreement entered into in 2024 between Coop Bank and CRDB Bank Plc remained in force through to the end of 2025. Under this agreement, CRDB Bank Plc continued to provide managerial, business development, and strategic planning support, including assistance in developing sound policies and frameworks to guide the conduct of the Bank's affairs and operations.

The Management of the Bank is under the Managing Director. The management structure is organized in the following departments:

- * Finance and Strategy
- * Business and Co-operative Banking
- * Risk and Compliance
- * Credit
- * ICT and Innovation
- * Internal Audit – Direct employee of Coop Bank Tanzania
- * Legal and Company Secretary – Direct employee of Coop Bank Tanzania

18. RELATED PARTY TRANSACTIONS AND BALANCES

Transactions during the period with related parties were conducted at terms and conditions similar to those offered to other clients and in the normal course of business. Details of transactions and balances with related parties are included in Note 31 to the financial statements.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)



19. KEY PERFORMANCE INDICATOR

The following Key Performance Indicators (KPIs) are effective in measuring the delivery of the Bank's strategy and managing the business.

Key performance indicators	Definition and calculation method	Bank's ratios
		31.12.2025
Return on equity	Net profit/Total equity	(7.39%)
Return on assets	Net profit/Total assets	(1.63%)
Cost to income ratio	Operating expenses/Operating income	123%
Gross loans to customers deposits	Loans to customers/Deposits from customers	89%
Growth in total assets	Trend (increase in total assets / Total assets)	255%
Non-performing loans to total loans	(Non-performing Loans/ Gross Loans & Advance) *100%	1.17%
Growth in deposits	Trend (increase in deposits/Total deposits)	492%
Capital adequacy:		
Tier 1 Capital ratio	Core capital/Risk weighted assets including off balance sheet items	31.85%
Tier 1 + Tier 2 Capital ratio	Total capital / Risk weighted assets including off balance sheet items	40.46%

20. FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 31 DECEMBER 2025

Statement of financial performance

During the year ended 31 December 2025, the bank had a loss after tax of TZS 2.7billion (2024:3 months: TZS 52million). Interest income reported at TZS. 6.6billion in 2025 (2024:3 months: TZS 1.1 billion) while other operating income, fees and commission reported at TZS 2.7billion.

General and administrative expenditure for the year ended 31 December 2025 have been reported at TZS 99billion (2024:3 months: TZS 1billion). This was because the Bank was fully operational as a Co-operative Bank porioning country-wide with branches in four regions being Dodoma, Moshi, Tabora and Tandahimba to build public trust and awareness, product marketing and event sponsorship, capital mobilization and business growth and bring back the Bank to the public during the year.

Statement of financial position

Total assets as at 31 December 2025 stood at TZS 176.7billion (2024:3 months: TZS 492billion) attributed to an increase in the Bank's assets was attributed by an increase in investment, placements and loan portfolio and funds invested in other banks. The capital injection from different stakeholders had an impact on the Bank's equity as well. As at 31 December 2025, the Bank's total equity stood at TZS 38.7billion (2024:3 months: TZS 27.2billion).

21. KEY ACHIEVEMENTS DURING THE PERIOD ENDED 31 DECEMBER 2025

Leveraging on key operational initiatives and deliverables, the Bank's total equity is TZS. 41.8 billion complies with the minimum required capital of TZS 15billion as per the Bank of Tanzania. Deposits reported at TZS.114.4billion. The loan portfolio was reported at TZS 101.8billion. The non-performing loan ratio was maintained at 2.2%.

22. 2025 BUDGET PLANS AND GOALS

In line with our 2025 – 2029 strategy, in year one of strategy implementation (2025), the bank is strategically positioned to deliver its quest for transforming lives through its strategic pillars of capitalization, service and operational excellence focusing on niche market of cooperatives, SMEs and MSEs. The Bank allocated resources in 2025 to deliver the following strategic ambitions

- * Capital mobilization to grow business and operate as Coop Bank of Tanzania
- * Harness and train the potential workforce, acquire, and ring-fence new talent pool to increase productivity
- * Enhance Asset and liabilities management to maximize profitability and return on equity
- * Improve process and customer service infrastructures, innovative products, and services delivery channels to improve customer experience.

22. 2025 BUDGET PLANS AND GOALS (CONTINUED)

- * Intergrate and align ICT with business to improve business performance, productivity and customer experience.
- * Enhance corporate governance and management of operational risks.
- * Process automation and digitization
- * To expand branch network and customer base to grow deposit and loan portfolio.
- * Opening branches in Mwanza, Kagera and Dar es salaam.
- * Leverage on cooperative movement and Government support to enhance market penetration and business growth strategies.
- * Cost management to improve income and efficiency.

23. PRINCIPAL RISKS AND UNCERTAINTIES

The Bank's activities expose it to a variety of financial risks including credit risk, liquidity risk, market risks and operational risks and interest rate risks. The Bank's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Bank's financial performance. The Board provides written principles for overall risk management, as well as written policies covering specific areas.

23. PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

S/N	Risk Category	Risk Type	Mitigation Plan
1	Credit risk	This is the risk of default which in most case start at the onboarding to the time the loan is fully paid.	This risk will be mitigated by improving loan processing including loan selection, establishment, and monitoring process.
2	Market risk	This encompasses the risk of financial loss resulting from movements in market prices such as interest rates mostly caused by the movement in economic situations.	The Bank will make sure have clear projections based on the existing market situation to minimize market uncertainties.
3	Liquidity risk	This happens when a bank fails to meet its obligations (whether real or perceived) threatens its financial position or existence.	This will be managed through effective asset liability management.
4	Operational risk	These are risk of loss due to errors, breaches, interruptions, or damages—either intentional or accidental—caused by people, internal processes, systems or external events.	The Bank has been developing different governance tools such as policies and procedures to guide operations and minimize risks to acceptable level.
5	Strategic risk	COOP Bank believes that effective risk management is of primary importance to the success of the Bank and is a key component of the delivery of sustainable returns to its shareholders.	Risk Management is therefore deeply embedded in the Bank's tactical and strategic decision making. To execute the overall COOP Bank strategies, the Bank is actively assuming certain risks, including strategic, governance, regulatory, people, reputational, operational, credit, market and investment, funding and liquidity, interest rate, capital, tax, and insurance risks. In addition, the Bank's strategy is also cognizant external risks like regulatory changes, political shifts and macroeconomic conditions. Hence, an effective risk management strategy and risk management processes are integral to the successful execution and delivery of the Bank's strategies and the achievement of its ultimate overall objective.
6	Reputational risk	COOP Bank reputation is considered to be invaluable. Anything that damage our Bank's reputation is considered to have a last and dramatic effect on financial health.	In that manner, management and the Board ensure all employees dealings and relationship with customers and stakeholders are fairly and honestly carried out in a manner that protects the Bank's reputation, brand and positive image of the bank to the public and stakeholders.
7	Compliance risk	COOP Bank dealings and its day-to-day operations ensures compliance to its Internal operational process, policy and Regulatory Compliance Risk through its own Internal Audit, Risk and Compliance unit.	Through this unit, the bank operates while ensuring the business is not in violation to its internal policies and procedures affected by changes in laws and regulations. The unit day to day work involves detection of compliance gaps in enforcement of regulatory requirements and reports to the bank's management and Audit and Risk Committee of the Board.



24. EMPLOYEE WELFARE

Management and employee relations

The relationship between employees and management continued to be good during the period ended 31 December 2025. All complaints received by Management from the employees were resolved. Management took measures to build strong workplace relations by ensuring that employees lived up to the standards of the institution's culture and values while maintaining effective communication at all levels. Staff meetings were conducted whereby staff were able to participate in helping shape the future of the organization.

Training activities

The Bank is committed to harness and train the potential of workforce to increase productivity In line with our strategy 2026, employee learning and development is a key attribute on building competent and relevant workforce. Training and development of our people focus on establishing training gaps and programs linked to performance appraisal and job description (JD), coaching and mentorship programs, online learning programs, Executive leadership and self-leadership and communication skills. For 2025 the Bank acquired competent and skilled talent pool to support its business operations and growth priorities for enhanced productivity. The Bank also trained and exposed its team on values and cultural change, operational Risk Management, Customer service, Bank assurance, Cyber security and professional training in Finance and accounting with NBAA. The team was also exposed on digital products and cooperative banking with Coop Bank of Kenya.

Medical assistance

The bank is registered with the National Health Insurance Fund (NHIF) of which all Bank employees during the financial year period 2025 and at most four (4) of their immediate family dependents were provided with medical services at NHIF approved hospitals or dispensaries. A total of TZS 92.6 million (2024:3 months:5.3 million) was spent on medical insurance.

Occupational safety, health and environment

The Bank took reasonable steps to safeguard the health, safety and welfare of its employees. For example, a safe and conducive working environment was availed to all employees by providing adequate working tools, proper personal protective equipment, hygiene, training and supervision.

Financial assistance to employees

The Bank provided different types of financial support to improve the welfare of its employees, including staff loans and advances at a 6% interest rate and prepaid advance. The Bank's support was in line with industry best practice.

Persons with disabilities

It is the Policy of the Bank to recruit new staff regardless of their physical abilities. What matters is the candidate's merit for the job. If members of staff become disabled, every effort is made to ensure that their employment with the Bank continues, and appropriate re-training is arranged, if necessary. Currently, COOP Bank has no staff with disabilities.

Employee benefit scheme

The Bank makes contributions to administered pension schemes on a mandatory basis. These schemes are defined as contribution plans. The Bank's obligations in respect of these contributions are limited to 10% of the employees' gross salary with NSFF and 5% of the employees' basic salary with NHIF of the employees' gross salary, while the employees contribute 10%.

25. STAFF PERFORMANCE EVALUATION

During financial year ended 31 December 2025, the Bank used Performance Measurement System (PMS) to weigh and evaluate its staff performance on quarterly basis being and from a basis of evaluation to the employees.

The PMS review was used to determine the performance of the employees throughout the year 2025 and the results was used for performance related decisions which includes compensation and benefit, career advancement, etc.

During the financial year ended 31 December 2025, as part of staff performance review, the manager and employee agreed on the following:

- * Performance against each objective in the period under review noting achievements and learning points.
- * Setting or amending performance objectives and key performance indicators for the upcoming review period.
- * Considering professional development needs against the core competency requirements of the position.
- * Priorities for the next performance cycle.
- * Strengths and development areas.
- * Assessing career aspirations and possible career progression.

And throughout the financial year ended 31 December 2025, there was on going feedback discussions on each staff performance towards his or her set targets.



26. GENDER PARITY

COOP Bank is an equal opportunity employer. It provides equal access to employment opportunities and ensures that the best available person is appointed to any position free from discrimination of any kind and without regard to factors like gender, marital status, tribe, religion, and disability which does not impair ability to discharge duties.

The Bank is working toward balancing gender among its staff. As at the year end, the Bank had 87 staff (2024: 35), the Bank had male to female ratio at 53:34

Gender	2025	2024
Male	58	15
Female	34	20
Total	92	35

27. POLITICAL AND CHARITABLE DONATIONS

The Bank did not make any political or charitable donations during the year ended 31 December 2025 under review (2024:NIL).

28. CORPORATE SOCIAL RESPONSIBILITY

The Bank recognizes its role and position in society by undertaking several Corporate Social Responsibility (CSR) initiatives. These initiatives are geared towards giving back to society as well as looking into people's welfare as a caring companion.

29. RELATIONSHIP WITH STAKEHOLDERS

In fulfilling their responsibilities, Directors believe that they govern the Bank in the best interests of shareholders, whilst having due regard to the interests of other stakeholders in the bank including customers, employees, regulators, and suppliers. The Bank continues to maintain good relationship with all stakeholders.

Provided below are the key stakeholders and how the Bank engage them.

29. RELATIONSHIP WITH STAKEHOLDERS (CONTINUED)

Stakeholder category	Interest	Management of stakeholders' relationship
Employees	Employees expects to be engaged in bank vision and mission while their welfare are considered and closely observed.	Employees are our number one key human resource, the board and management engage employees by Team player approach, collaborative and performance reward, and compensation system.
Customers	To be provided with services and products that suits their needs.	Our customers are the reason for our existence, at COOP Bank customer is a priority number one. Our services and products are customized and tailored to the best interest of our customers.
Trade unions	Having a platform that can speak for employees and employee's welfare are well observed.	For our employees' interest, good governance, fairness and compliance to labor laws, the bank engages TUICO for collective bargaining agreement.
Government	Compliance with all laws and regulations and fair practice.	COOP Bank work with the Government as our key stakeholder and market regulator to ensure compliance, sustainability, and fair practices in the market. The bank enjoys mutual and cordial relationship with the government.
Community	Considering the society around and social impact activities.	The bank through its operations, engage the society for development and engage in Corporate Social Responsibility by supporting them in education, health, and agriculture as part of the bank CSI focus area.
Corporate unions (AMCOS, SACCOS)	Providing support to affairs of Cooperative societies and the entire agribusiness chain.	Our shareholder, customers and business market niche, they are our primary market and the reason for COOP Bank existence. The bank support business their initiatives in agribusiness value chain, enterprises, and micro project financing.
Investors	A growing and sustainable business that can guarantee return to the investment.	Understanding the value of bank potential investor, the bank work hand by hand with its investors in operations and decision making to ensure investors awareness of its operations.
Suppliers	Timely payment of orders and good business relationship.	COOP Bank understands the critical role suppliers play in its daily operations and is committed to maintaining strong business relationships while ensuring value for money in all procurements. The bank actively engages with suppliers through structured procurement processes, timely payments, and transparent communication to foster mutual trust and efficiency. By adhering to best practices in supplier management, COOP Bank ensures seamless service delivery while upholding financial prudence and operational excellence.
Media	Using media as a bridge to reach-out to the public while maintaining positive relationship with media.	As part of marketing, COOP Bank engages media in its events and operations to ensure the public and society at large its well informed of COOP Banks' products, operations, and competitive services.
Regulatory authorities	Ensuing the bank is updated with regulations and compliance.	As key important part of the bank, regulator is the main and center of COOP Bank operations to ensure compliance and operations within the set standards and fair operations and business. COOP Bank ensures engagement of regulatory authorities in its day-to-day operations for compliance and fair operations.

30. ETHICAL BEHAVIOUR AND ORGANIZATION INTERGRITY

Co-operative Bank Tanzania Plc 's corporate governance structure involves managing and controlling relationships amongst different stakeholders, Board of Directors, employees, customers, suppliers and the community at large. The Board and all employees of the Bank observe values and relationships with its stakeholders.

31. LOCAL AND INTERNATIONAL RELATIONS

The Bank aspires to have more relationship with local community including Cooperatives, SMEs, MSEs, women and youth. The primary goal for the bank is to include more unbanked population which is sitting under the bottom of the pyramid. Through the primary business of Bank, Unions and AMCOS are facilitated to perform business internationally and payments are done through SWIFT. The Bank has become the bridge of economic development among Cooperatives by quality products and highly efficient financial services.

32. LEGAL AND REGULATORY REQUIEMENTS

The board ensures that the bank is able to discharge its duties and comply with the requirements of statutory/regulatory bodies that affect the functioning and responsibilities of the Bank:

- * Annually reviewing and approving the Compliance Plan and ensure the necessary resources and budget available.
- * Reviewing and confirming the unrestricted access to key personnel and no undue restrictions have been placed on scope.
- * Reviewing compliance practices and procedures for enabling the Directors of the Bank to discharge their regulatory and reporting responsibilities.
- * Reviewing the relationship and material communications, with the Bank's regulators, including annual compliance statements.
- * Satisfying itself that the Risk and Compliance officer provides regular information on the level of compliance with laws and regulations or supervisory requirements and annually reports to the Committee on the overall status of compliance and any significant breakdowns that caused or may cause material loss or penalty.
- * Considering any significant compliance risk matters reported by the Risk and Compliance officer and monitor progress in rectifying these matters.

33. ORGANISATION RESOURCES

COOP Bank ensures its resources are properly managed and sufficient to ensure the Bank's objectives are met, COOP Bank resources include:

33.1 Human resources

The Bank has put HR development at the center of its operations for the next 5 years focusing on talent acquisition and recruitment, enhanced productivity, Culture and performance management, Employee retentions, Rewards and Employee Value Proposition and learning and development. The Bank has skilled and experienced employees who are considered as key resource in pursuing its business objectives. The key human resources expertise includes talents in Strategic Leadership, Financial Analysis and reporting, ICT and cybercrime system audit, credit management and SME financing and sales.

The overall human resource strategic objective is to create a competent and professional workforce, ring-fence talent pool and harness human resources skills sets that improves performance with enhanced productivity and sustainable results.

33.2 Financial Resources

The Bank is financed by ordinary share capital which comprises Cooperatives, Companies, and individuals.

33. ORGANISATION RESOURCES

32.3 Intellectual resources

The Bank has a unique identifiable brand as the only Cooperative Bank in the country. Furthermore, the Bank command reputation and trust among Cooperatives, Government, and its key stakeholders.

32.4 Social and relationship resources

The bank enjoys wide and huge social capital and networking with its customers, stakeholders, Government, and cooperatives societies. The social Capital and relationship enhance trust, reputation in the market and provide business opportunity for exclusive market niche in cooperative banking.

32.5 Natural resources

In our day-to-day operations, the bank ensures it preserves the natural environment it operates by taking care of its surroundings.

33. FIDUCIARY RESPONSIBILITY

The Board of Directors, as stewards of public trust, has remained committed to acting in the best interests of the bank, ensuring that all decisions prioritize the institution's stability, growth, and sustainability over personal gain. Throughout the period, the Board exercised reasonable care, diligence, and sound judgment in overseeing the bank's financial and operational activities. Governance frameworks were strictly adhered to, promoting transparency, accountability, and compliance with regulatory standards. Furthermore, risk management measures were consistently applied to safeguard the bank from unnecessary exposure, ensuring its long-term resilience and continued contribution to the financial sector.



34. ENVIRONMENT SOCIAL IMPACT AND GOVERNANCE AND ENVIRONMENTAL CONSIDERATION

In alignment with the International Financial Reporting Standards (IFRS), our bank recognizes the critical importance of Environmental, Social, and Governance (ESG) factors in our operations and overall business strategy. As part of our commitment to sustainable practices and responsible banking, we have integrated ESG considerations into our decision-making processes.

Environmental

We are dedicated to minimizing our environmental impact by implementing sustainable practices throughout our operations. Bank is yet to perform any project in connection to ESG, however, the doors are open and ready to do so by supporting projects that contribute to environmental conservation. Our initiatives aim to recruit projects of:

- * **Green Financing:** Funding for renewable energy projects and sustainable development initiatives that promote ecological balance.
- * **Resource Management:** Reducing paper usage and implement digital solutions aim to minimize waste and enhance operational efficiency.

Social

Our commitment to social responsibility is reflected in our engagement with the communities we serve. We strive to foster inclusive growth and contribute positively to society through various initiatives:

- * **Community Engagement:** Supporting local communities through financial literacy programs and initiatives that promote economic empowerment.
- * **Diversity and Inclusion:** To create a diverse workforce and fostering an inclusive workplace culture, ensuring equal opportunities for all employees.

Governance

Strong governance practices are essential to maintaining the trust of our stakeholders. We adhere to the highest standards of transparency, accountability, and ethical conduct:

- * **Risk Management:** We have implemented robust risk management frameworks to identify and mitigate potential ESG-related risks.
- * **Stakeholder Engagement:** We engage with our stakeholders regularly to understand their concerns and integrate their feedback into our governance practices.

36. PREJUDICIAL ISSUES

In the opinion of those charged with governance, there are no any unfavorable or prejudicial issues that may affect the Bank.

37. OUR STRENGTH

- * Unique Market niche and co-operative brand being the only Bank associated with Cooperative Movement and philosophy in the country.
- * Digital products and digital transformation driving mass market financial inclusion to Cooperative societies, SMEs, MSEs, Women and Youth.
- * Economies of scale and mass banking
- * Investment in Technology and digital Service infrastructure
- * Good governance and sustainability
- * Skilled and trained Talent pool for productivity
- * Operational excellence and lasting customer experience though diversified digital channels including ATMs, Wakala and Branch

38. SOLVENCY

The state of affairs of the Bank as at 31st December 2025 s set out on page 34 of the financial statements. The Directors consider the Bank to be insolvent within the meaning ascribed by the Co- operative Act No. 6 of 2013. In addition, the Bank has met the Bank of Tanzania (BOT) regulatory capital requirements as disclosed in Note 4 of the financial statements.

39. GOING CONCERN ASSUMPTION

The Directors confirm that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. The Board of Directors has reasonable expectation that the Co-operative Bank Tanzania Plc has adequate resources to continue in operational existence for the foreseeable future.



40. EVENT AFTER THE REPORTING DATE

In line with the bank's continued growth and expansion, the renovation of the Mtwara, Dar es salaam, Kagera and Mwanza branches are currently underway. The bank anticipates that this move will further solidify its presence in these regions and ensure the long-term sustainability of its operations.

These branches are expected to play a pivotal role in the bank's expansion strategy. The renovations are designed to meet the bank's operational needs, ensuring the bank is ready to serve the local community in line with the bank's vision of offering comprehensive banking services across the nation.

41. ACCOUNTING POLICIES, CRITICAL JUDGEMENTS AND ESTIMATES

Results of the Bank are sensitive to the accounting policies, assumptions and estimates that undie the preparation of the financial statements. When preparing the financial statements, it is Those charged with governance' responsibility to select suitable accounting policies and to make judgments and estimates that are reasonable and prudent. The accounting policies that are deemed critical to our results and financial position, in terms of the materiality of the items to which the policies are applied and the high degree of judgment involved, including the use of assumptions and estimation, are described in Notes 2 to the financial statements.

42. CAPITAL COMMITMENT

As of 31 December 2025, the Bank had no capital commitments (2024: Nil). The Bank had no other outstanding commitments such as unutilized overdraft facilities, undrawn formal standby facilities or other commitments to lend as at the reporting date.

43. RESPONSIBILITY OF AUDITORS

The objective of an auditor is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standard on Auditing (ISA) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

44. STATEMENT OF COMPLIANCE

The Board is of the opinion that, the report by those charged with governance has been prepared in compliance with the Tanzania Financial Reporting Standard No. 1 The Report by Those Charged with Governance.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)



45. APPOINTMENT OF AUDITORS

M/s INNOVEX Auditors, Certified Public Accountants were appointed as the independent auditors of Co-operative Bank Tanzania Plc for the financial year ended 31 December 2025.

Below are the auditor's details:

Name	INNOVEX Auditors
Address	8 Kilimani Road, 14110 Kinondoni Ada Estate PO Box 75297 Dar es Salaam
Firm's Registration	164364
TIN	105-567-855
PF Number	190

Auditors are appointed by the Annual General Meeting through public tendering procurement. INNOVEX Auditors was approved at the First General Meeting held in 2024.

The auditors have expressed their willingness to continue in office and are eligible for re-appointment. A resolution proposing their re-appointment as the bank's auditors for the subsequent year will be put to the Annual General Meeting.

Approved for issue by the Board of Directors on 25th March 2026. and signed on its behalf by:

Dr. Joseph Witts
Chairman

Mr. Peter Situmbeko Nalitolela
Director

DECLARATION OF THE HEAD OF FINANCE



The Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at all times the financial position of the Bank and for ensuring that the financial statements comply with provisions for the Companies Act 2002, the Banking and Financial Institutions Act No.6 of 2006 and applicable requirements of International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statement that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Directors accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and in the manner required by the Co-operative Societies Act No.6 of 2013. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the bank and of its operating results. The Directors further accepts responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Bank will not remain a going concern for at least the next twelve months from the date of this statement.

Approved by Board of Directors for issue on 25th March 2026. and signed on its behalf by:

Dr. Joseph Witts
Chairman
Mr. Peter Situmbeko Nalitolela
Director

STATEMENTS OF DIRECTORS' RESPONSIBILITIES



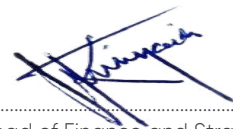
The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) (Amendment) Act 2021, requires financial statements to be accompanied with a declaration issued by the Head of Finance/Accounting responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors/Governing Body/Management to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and statutory financial reporting requirements.

Full legal responsibility for the preparation of financial statements rests with the Board of Directors as under Statement of Directors Responsibilities on an earlier page.

I CPA. Kinyaki Obby Kinyaki being the Head of Finance and Administration of Co-operative Bank Tanzania Plc hereby acknowledges my responsibility of ensuring that financial statements for the financial year ended 31 December 2025 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of Co-operative Bank Tanzania Plc as on 31 December 2025 and that they have been prepared based on properly maintained financial records.



Signed by:
Position: Head of Finance and Strategy
NBAA Membership No.: ACPA.3983
Date: 25th March 2026.

The Board Chairperson
Co-operative Bank Tanzania Limited
PO Box 1760
Moshi, Kilimanjaro

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CO-OPERATIVE BANK TANZANIA LIMITED (CONTINUED)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CO-OPERATIVE BANK TANZANIA PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Co-operative Bank Tanzania Limited which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of the Co-operative Bank Tanzania Plc as at 31 December 2025, and of its financial performance and its cash flows for the financial year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the audit of the Financial Statements section of our report. We are independent of Co-operative Bank Tanzania Plc in accordance with the International Ethics Standard Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in United Republic of Tanzania, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CO-OPERATIVE BANK TANZANIA LIMITED (CONTINUED)

Impairment on loans and advances	
The key matters	How the matter was addressed in our audit
Expected credit loss on loans and advances Loans and advances to customers amounted to TZS 114Billion at 31 December 2025 (2024: 15), and the total expected credit loss amounted to TZS 911 million (2024: 37Million). (Refer to Notes 5.1 and 22). Measurement of loan impairment losses for loans and advance to customers is deemed a key audit matter as the determination of expected credit losses is highly subjective as it involves significant level of judgement applied by Management and is a significant estimate. The key areas where we identified significant levels of management judgement and therefore increased levels of audit focus on the Bank's impairment charge on loans and advances to customers are: - Quantitative and qualitative criteria used in determining criteria for significant increase in credit risk and default for classification of loans and advances to customers. - Choosing appropriate assumptions for the determination of probabilities of default (PD), exposures at default (EAD) and loss given default (LGD) and ultimately measurement of Expected Credit Loss (ECL); - Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated impact on ECL; - Estimation of cash flows from collateral realisation for secured facilities used in the determination of loss given default; and - Establishing groups of similar financial assets based on the shared risk characteristics for the purposes of measuring ECL	Our audit procedures in this area, included among others: - Testing of controls over the compilation and review of the credit watch list, credit review processes, approval of external collateral valuation vendors and review of controls over the approval of impairment. - Testing the reasonableness and reliability of data used for estimating probability of default and loss given default. - Challenging reasonability of management assumptions through among others performing retrospective review of prior year assumptions. - Selecting a sample from the Bank's loan book and carry out tests to establish whether significant facilities are correctly staged/classified and valued based on IFRS as well as regulatory considerations. - Testing of a sample of key data inputs and assumptions impacting ECL calculations to assess the reasonableness of economic forecasts and PD assumptions applied; - Evaluating the appropriateness of the Bank's IFRS 9 methodologies including the SICR criteria used. - Testing the impairment calculations to check if the correct parameters – Probability of Default (PDs, Loss Given Default (LGDs), and Exposure at Default (EADs) were determined by considering local economic/ portfolio factors; - Reviewing management method of determining groups of similar financial assets for purposes of measuring ECL to confirm that assets are properly stratified based on existing economic trends; and - Assessing whether the disclosures appropriately disclose the key judgements and assumptions used in determining the expected credit losses.

Other Information

The other information comprises the Bank Information, Report by those charge with governance, Statement of Director's Responsibilities and Statement of Head of Finance's Responsibilities. The other information does not form part of the financial statements and our auditor's report thereon. The Management are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance thereon.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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. In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CO-OPERATIVE BANK TANZANIA LIMITED (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

This report, including the opinion, has been prepared for, and only for, the Bank's members as a body in accordance with the Cooperative Act No.6 of 2013 and for no other purposes.

As required by the Cooperative Act No.6 of 2013, we are also required to report to you if, in our opinion, the Director's Report is not consistent with the financial statements, if the bank has not kept proper records, if we have not received all the information and explanation we require for our audit, or if information specified by law regarding Directors' remuneration and transaction with the Bank is not disclosed. In respect of the foregoing requirements, we have no matter to report.

In respect of the foregoing requirements, we have no other matter to report.

The engagement partner on the audit resulting in this independent auditor's report is CPA Christopher Alex Mageka.

INNOVEX Auditors
Certified Public Accountants
Dar es Salaam
Christopher Alex Mageka, CPA-PP



Date: 31st March 2026

TAARIFA YA HESABU ZILIZOKAGULIWA KWA MWAKA ULIOISHA TAREHE 31 DISEMBA 2025

Wanahisa wanaombwa kupokea, kujadili na kuidhinisha Hesabu za Fedha za Benki kwa mwaka ulioishia tarehe 31 Desemba 2025, ambazo zimekaguliwa na Kampuni ya INNOVEX kwa mujibu wa sheria, kanuni na viwango vya uhasibu vinavyotumika.

Mkutano Mkuu unaarifiwa kuwa Hesabu za Fedha za mwaka 2025 zimepata Hati Safi ya Ukaguzi (Unqualified Opinion) kutoka kwa Wakaguzi wa Hesabu, jambo linalothibitisha kuwa taarifa za kifedha zimeandaliwa kwa usahihi, kwa kuzingatia viwango vinavyotumika, na zinaonesha kwa haki hali ya kifedha ya Benki pamoja na matokeo ya shughuli zake kwa mwaka ulioishia tarehe 31 Desemba 2025.

Mkutano Mkuu unaelezwa kuwa katika mwaka wa fedha 2025, Benki iliendelea kuimarisha ukuaji wa biashara na kupanua huduma zake kwa wateja. Hadi kufikia tarehe 31 Desemba 2025, jumla ya mali za Benki zilifikia shilingi bilioni 176, mikopo kwa wateja ilifikia shilingi bilioni 101, huku amana za wateja zikifikia shilingi bilioni 114. Aidha, mapato yatokanayo na riba yalifikia shilingi bilioni 6.6, wakati mapato yasiyotokana na riba yalifikia shilingi bilioni 2.7. Mafanikio haya yanaonesha kuendelea kuimarika kwa shughuli za Benki na utekelezaji wa mkakati wake wa kukuza biashara, kuongeza ujumuishi wa kifedha na kutoa mchango katika maendeleo ya uchumi.

Vilevile, Mkutano Mkuu unaarifiwa kuwa Benki iliendelea kufanya uwekezaji mkubwa katika rasilimali watu, teknolojia na mifumo ya uendeshaji ili kuongeza ufanisi wa utoaji huduma na kujiandaa kwa ukuaji wa baadaye. Kutokana na hatua hiyo, idadi ya wafanyakazi iliongezeka kutoka 35 mwaka 2024 hadi kufikia 95 mwaka 2025, hatua iliyoongeza uwezo wa Benki kuhudumia wateja na kutekeleza mikakati yake ya biashara.

Aidha, Mkutano Mkuu unaelezwa kuwa Benki imeendelea kuimarisha mifumo ya utawala bora, udhibiti wa ndani na usimamizi wa hatari, sambamba na kushughulikia hoja zote zilizotolewa na Wakaguzi wa Hesabu kwa wakati. Benki pia imeendelea kutekeleza mikakati mbalimbali ya kuongeza mapato, kuboresha ufanisi wa matumizi ya rasilimali na kudhibiti gharama za uendeshaji ili kujenga msingi imara wa ukuaji endelevu na kuongeza thamani kwa wanahisa.

Mwaka wa fedha 2025 umekuwa mwaka wa mabadiliko makubwa, ukuaji wa kimkakati, na uwekezaji wa msingi kwa Benki ya Ushirika. Ukiwa mwaka wa pili wa operesheni kamili za benki, mwaka huu umebeba jukumu muhimu la kubadilisha msingi wa awali wa mwaka 2024 kuwa mfumo mpana wa biashara wenye uwezo wa kuhimili ushindani, kukua kwa kasi, na kutoa thamani endelevu kwa wanahisa.

Katika mwaka 2024, benki ilikuwa kwenye hatua za mwanzo za kujenga mfumo wa ndani, kuweka miundombinu ya biashara, na kuanzisha uwepo wake sokoni. Kwa kipindi hicho, benki ilisimamia jumla ya mali zenye thamani ya TZS 49.3 Bilioni, huku amana za wateja zikiwa TZS 19.3 Bilioni, mikopo na advances zikiwa TZS 13.6 Bilioni, na mapato ya jumla yakiwa TZS 1.1 Bilioni. Katika kipindi hicho, benki ilifanikiwa kupata faida ya TZS 52 Milioni, hali iliyoonesha mwanzo mzuri wa biashara.

Hata hivyo, mwaka 2025 umeleta sura mpya kabisa ya ukuaji. Jumla ya mali za benki zimeongezeka kutoka TZS 49.3 Bilioni hadi TZS 176.8 Bilioni, sawa na ukuaji wa 259%. Ukuaji huu mkubwa unaonesha kupanuka kwa shughuli za benki, kuongezeka kwa uwezo wa uwekezaji, na kuimarika kwa nafasi ya benki katika sekta ya fedha. Amana za wateja zimekua kutoka TZS 19.3 Bilioni hadi TZS 114.5 Bilioni, sawa na ukuaji wa 493%. Ukuaji huu ni ishara kubwa ya kuongezeka kwa imani ya soko kwa Coop Bank. Kifedha, ukuaji huu umeongeza ukwasi wa benki na uwezo wa kutoa mikopo kwa gharama nafuu zaidi.

Kitabu cha mikopo kimeendelea kukua kwa kasi kubwa kutoka TZS 14.9 Bilioni hadi TZS 101.8 Bilioni, sawa na ukuaji wa 583%. Hii inaonesha kuongezeka kwa mchango wa benki katika kufadhili biashara, uwekezaji binafsi, sekta ya kilimo, na shughuli nyingine za uzalishaji nchini.

Mapato ya benki yamekua kwa kiwango kikubwa kutoka TZS 1.1 Bilioni mwaka 2024 hadi TZS 8.1 Bilioni mwaka 2025, sawa na ukuaji wa 631%. Ukuaji huu umechangiwa na ongezeko kubwa la mapato ya riba pamoja na mapato yasiyo ya riba kupitia huduma za kidijitali.

Mapato ya riba pekee yameongezeka kutoka TZS 1.16 Bilioni hadi TZS 6.64 Bilioni, ukuaji wa 469%, huku Net Interest Income ikiongezeka kwa 436% kufikia TZS 5.36 Bilioni. Vilevile, mapato ya fee and commission yameongezeka kutoka TZS 120 Milioni hadi TZS 2.23 Bilioni, sawa na ukuaji wa zaidi ya 1,753%.

Ukuaji huu umetokana kwa kiasi kikubwa na maboresho katika njia za utoaji huduma, hususan kupitia mifumo ya kitehama, ongezeko la matawi na njia za kutoa huduma kidijitali kama vile, Mobile Banking, Internet Banking, Card Business, pamoja na huduma za mawakala. Huduma hizi zimeongeza volume ya miamala, kupunguza operational cost kwa transaction, na kupanua wigo wa huduma kwa wateja.

Kutokana na ongezeko kubwa la gharama za uendeshaji. Gharama za wafanyakazi ziliongezeka kutoka TZS 37 Milioni mwaka 2024 hadi TZS 3.3 Bilioni mwaka 2025, sawa na ongezeko la zaidi ya 8,819%. Hii ilitokana na kuongezeka kwa idadi ya wafanyakazi kutoka 35 hadi 95, sawa na ukuaji wa 171%.

Ukuaji huu wa watumishi ulikuwa wa lazima kutokana na upanuzi wa biashara, kuongezeka kwa matawi, kuimarisha usimamizi na mifumo, na nguvu kazi katika idara zote.



Mbali na hilo, gharama za kiutawala ziliongezeka kutoka TZS 770 Milioni hadi TZS 6.2 Bilioni, sawa na ukuaji wa 705%. Hii ilitokana na uwekezaji mkubwa kwenye mifumo ya kiteknolojia, miundombinu, usalama wa taarifa, compliance requirements, operational setup, pamoja na gharama za upanuzi wa biashara.

Katika mwaka huu pia, benki ilipanua mtandao wake wa huduma kwa kufungua matawi mapya katika Tabora na Dodoma, pamoja na ujenzi upya wa tawi la Tandahimba. Upanuzi huu umeongeza uwezo wa benki kuwafikia wateja zaidi, kuongeza amana, na kuchoea ukuaji wa biashara katika maeneo mapya. Kufuatia ukuaji huu, benki ilirekodi hasara ya TZS 2.7 Bilioni mwaka 2025 ikilinganishwa na faida ya TZS 52 Milioni mwaka 2024. Ni muhimu kuelewa kuwa hasara hii haikutokana na kushuka kwa biashara, bali ni matokeo ya uwekezaji mkubwa wa kimkakati uliolenga kujenga uwezo wa taasisi kwa muda mrefu.

Kwa upande wa mtaji, benki imeongeza mtaji kutoka TZS 27.3 Bilioni mwaka 2024 hadi TZS 38.9 Bilioni mwaka 2025, sawa na ukuaji wa 42.6%. Ukuaji huu unaonesha uimara wa benki katika kuhimili ukuaji wa mali na kuendelea kukidhi mahitaji ya udhibiti wa kibenki.

Kwa mtazamo wa kiuchumi, ukuaji wa Coop Bank una mchango mkubwa kwa taifa. Kupitia ongezeko la mikopo, benki imeongeza upatikanaji wa fedha kwa biashara, imeongeza ajira, imechochea mzunguko wa fedha, na kuimarisha ujumuishi wa kifedha kupitia huduma za kidijitali na mawakala.

Wakati mwaka 2024 ulikuwa mwaka wa kujenga msingi, mwaka 2025 ulikuwa mwaka wa kupanua msingi huo kwa uwekezaji mkubwa. Hata hivto, benki inautazama mwaka 2026 na kuendelea kama miaka ya kuvuna matokeo ya uwekezaji huu kwa kuongeza faida, kuboresha utendaji, kupunguza na kuongeza faida za wanahisa. Tunaendelea kuwa na imani kubwa kuwa msingi uliowekwa utaifanya Coop Bank kuwa taasisi imara zaidi, yenye ushindani mkubwa, na yenye mchango mkubwa zaidi kwa uchumi wa Tanzania.

Mapendekezo/Azimio

Wanahisa wanaombwa kupokea taarifa ya Hesabu za Fedha za Benki kwa mwaka ulioishia tarehe 31 Desemba 2025 pamoja na Taarifa ya Wakaguzi wa Hesabu, kwa kuwa zimeandaliwa kwa mujibu wa sheria, kanuni na viwango vinavyotumika, na zinaakisi kwa usahihi hali ya kifedha na matokeo ya shughuli za Benki kwa kipindi husika.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 TZS'000	2024 TZS'000
Interest income	6	6,635,365	1,165,885
Interest expenses	7	(1,269,513)	(166,160)
Net interest income		5,365,852	999,725
Fee and commission income	9	2,233,629	120,527
Other operating income	10	503,540	(4,857)
Total operating income		8,103,021	1,115,395
Loan impairment (charge)/release	8	(913,320)	37,887
Net operating income		7,189,701	1,153,282
Employee benefits expenses	11	(3,301,603)	(284,225)
General administrative expenses	12	(6,202,796)	(770,394)
Depreciation and amortization	13	(414,586)	(37,801)
		(9,918,985)	(1,092,420)
(Loss)/profit before income tax		(2,729,258)	60,863
Income tax credit /(expense)	27	4,077	(8,702)
Loss for the period		(2,725,207)	52,161

The Notes on pages 230 to 267 form an integral part of these financial statements. The Financial Statements on pages 222 to 230 were approved by the Board of Directors and authorized for issue on 25th March, 2026 and were signed on its behalf by:


Dr. Joseph Witts
Chairman


Mr. Peter Situmbeko Nalitolela
Director

Report of the independent auditors – page 217 to 221.

TAARIFA YA MAPATO NA MATUMIZI
KWA MWAKA UNAOISHIA 31/12/2025 (Kiasi kwa shilingi maelfu)

	Notes	2025 Tshs 000	2024 Tshs 000
Mapato yarıba		6,635,365	1,165,885
Gharama za riba		(1,269,513)	(166,160)
Mapato halisi ya riba		5,365,852	999,725
Ada na kamisheni		2,233,629	120,527
Mapato mengine		503,540	-4,857
Faida Ghafi		8,103,021	1,115,395
Punguzo/ongezeko la tengö katika mikopo		(913,320)	37,887
Mapato Halisi ua uendeshaji		7,189,701	1,153,282
Gharama za wafanyakazi		3,301,603	284,225
Gharama za uendeshaji		6,202,796	770,394
Gharama za uchakavu		414,586	37,801
		9,918,985	1,092,420
Faida/(Hasara) kabla ya kodi		(2,729,284)	60,863
Kodi ya Mapato		4,077	8,702
Faida/(Hasara) baada ya kodi		(2,725,207)	52,161

STATEMENT OF FINANCIAL POSITION AS AT 31 DEC 2025



		2025	2024
	Notes	TZS '000	TZS '000
ASSETS			
Cash and balances with Bank of Tanzania	14	8,617,425	7,469,843
Placement with other banks	15	41,441,602	9,153,488
Treasury and corporate bonds	16	15,962,448	13,566,700
Loans and advances to customers	17	101,764,128	14,892,762
Other assets	18	2,289,146	858,720
Property and equipment	19	4,671,999	3,276,691
Intangible assets	20	792,184	42,138
Right of use of assets	21	1,284,020	-
TOTAL ASSETS		176,822,952	49,260,342
LIABILITIES AND EQUITY			
LIABILITIES			
Deposits	22	114,477,462	19,313,505
Other liabilities	25	10,078,778	2,681,165
Borrowings	23(ii)b	13,000,000	-
Corporate tax liability	27	12,395	-
Lease liabilities	24	(436,356)	-
TOTAL LIABILITIES		138,004,991	21,994,672
EQUITY			
Ordinary share capital	31	41,824,481	27,478,376
Regulatory reserve		-	208,421
Valuation reserve	2.10	1,787,070	1,787,070
Reserve		-	10,124,103
Retained earnings		(4,793,590)	(12,322,300)
TOTAL EQUITY		38,817,961	27,265,670
TOTAL EQUITY AND LIABILITIES		176,822,952	49,260,342

The Notes on pages 230 to 267 form an integral part of these financial statements. The Financial Statements on pages 222 to 230 were approved by the Board of Directors and authorized for issue on 25th March, 2026 and were signed on its behalf by:


Dr. Joseph Witts
Chairman


Mr. Peter Situmbeko Nalitolela
Director

Report of the independent auditors - page 217 to 221.

WARAKA MIZANIA KWA TAREHE 31/12/2025
(Kiasi kwa shilingi Maelfu)



	2025	2024
	Tshs 000	Tshs 000
MALI		
Mali za muda mfupi		
Fedha Taslimu	8,617,425	7,469,843
Uwekezaji katika Benki nyingine	41,441,602	9,153,488
Hati Fungani	12,962,448	13,566,700
Uwekezaji	3,000,000	-
Mikopo kwa wateja	101,764,128	14,892,762
Mali nyingine	2,289,146	858,720
Kodi inayodaiwa	-	-
Jumla ya mali za muda mfupi	170,074,749	45,941,513
Mali zisizo za Muda Mfupi		
Mali za vifaa	4,671,999	3,276,691
Mali zisizoonekana	792,184	42,138
Haki za upangaji	1,284,020	-
	6,748,203	3,318,829
JUMLA YA MALI	176,822,952	49,260,342
Dhima		
Amana za wateja	114,477,462	19,313,507
Kodi ya Mapato inayolipwa	12,395	-
Dhima nyingine	10,037,075	2,681,165
	124,526,932	21,994,672
Dhima za Mrefu	13,436,356	-
Mikopo	13,000,000	-
Majukumu ya upangishaji	436,356	-
Jumla ya Dhima	137,963,288	21,994,672
Mtaji		
Mtaji wa hisa	41,824,481	27,478,377
Hifadhi ya Kisheria	-	208,421
Hifadhi ya hisa za upendeleo	10,123,098	10,124,123
Hifadhi ya tathmini ya mali	1,787,070	1,787,070
Faida / (Hasara) iliyo hifadhiwa	(14,874,984)	(12,332,321)
	38,859,664	27,265,670
JUMLA YA MTAJI NA DHIMA	176,822,952	49,260,342

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2026



	Share capital	Retained earnings	Regulatory reserve	General Reserve	Total
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
As at 1st January 2025	27,478,377	(12,332,320)	208,421	10,124,123	25,478,601
Issued shares	14,346,104	-	-	-	14,346,104
Transfer from general reserve	-	10,124,123	-	(10,124,123)	-
Profit/(Loss) for the period	-	(2,725,207)	-	-	(2,724,181)
Regulatory reserve	-	(184,329)	115,721	-	(68,608)
Transfer to regulatory reserve	-	324,142	(324,142)	-	-
As at 31 December 2025	41,824,481	(4,793,590)	-	-	37,030,891
As at 01 October 2024	27,478,377	(12,176,060)	-	10,124,123	25,426,440
Issued shares	-	-	-	-	-
Adjustment to retained earnings	-	-	-	-	-
Adjustment to retained earnings	-	-	-	-	-
Profit for the period	-	52,161	-	-	52,161
Transfer to regulatory reserve	-	(208,421)	208,421	-	-
As at 31 December 2024	27,478,377	(12,332,320)	208,421	10,124,123	25,478,601

The Notes on pages 230 to 267 form an integral part of these financial statements. The Financial Statements on pages 222 to 230 were approved by the Board of Directors and authorized for issue on 25th March, 2026 and were signed on its behalf by:

Dr. Joseph Witts
Chairman

Mr. Peter Situmbeko Nalitolela
Director

Report on independent auditors – pages 36 to 39.

TAARIFA YA MABADILIKO YA MTAJI KWA KIPINDI KINACHOISHA 31/12/2025
(Kiasi kwa shilingi Maelfu)



	Mtaji wa Hisa	Hifadhi ya faida / (Hasara)	Hifadhi ya Kisheria	Hisa za upendeleo zisizo gawiwa	Jumla
	TSHS	TSHS		TSHS	TSHS
Kama ilivyo tarehe 01 Januari 2025	27,478,377	(12,332,320)	208,421	10,124,123	25,478,601
Hisa zilizotolewa	14,346,104				14,346,104
					-
Hifadhi ya upotevu wa mikopo					-
Hifadhi isiyogawiwa		10,124,123		(10,124,123)	-
Faida / (Hasara) kwa mwaka		(2,724,181)			(2,724,181)
Hifadhi ya kisheria		(184,329)	115,721		(68,608)
Hamisho kwenda katika faida uliyo hifadhiwa		324,142	(324,142)		-
Kama ilivyo tarehe 31 Disemba 2025	41,824,481	(4,792,564)	0	-	37,031,917
Kama ilivyo tarehe 01 Oktoba 2024	27,478,377	(12,176,060)	-	10,124,123	25,426,440
Mabadiliko ya mwaka uliopita					-
					-
Faida / (Hasara) kwa mwaka		52,160			52,160
					-
Hifadhi ya kisheria					-
Hamisho kwenda katika faida uliyo hifadhiwa		(208,421)	208,421		-
Kama ilivyo tarehe 31 Disemba 2024	27,478,377	(12,332,321)	208,421	10,124,123	25,478,601

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 DECEMBER



	Notes	2025 TZS '000	2024 TZS '000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before income tax		(2,729,284)	60,863
Adjustment for items not involving the movement of cash:			
Depreciation and amortization	13	355,167	29,573
Amortization of intangible asset	13	59,419	8,227
Loan Impairment		913,320	-
Non-cash other income		103,163	-
Forex Position - Write-off		(23,302)	-
Changes in operating asset and liabilities			
Other assets	18	(1,430,426)	(858,720)
Income tax payable	27	12,395	-
Other liabilities and provisions	25	7,833,969	2,681,165
Loans and overdrafts (Net of impairments)		(86,871,366)	(14,892,762)
Customers' deposits	17	95,163,955	19,313,507
Statutory minimum reserve		-	-
Placements with other banks		(32,288,114)	(9,153,488)
Tax paid		(75,000)	-
Net cash used in operating activities		(18,976,203)	(2,811,634)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	29	(2,679,328)	(3,276,691)
Acquisition of intangible assets	30	(750,289)	(42,138)
Treasury and corporate bonds		(2,395,748)	(13,566,700)
Net cash used in investing activities		(5,825,122)	(16,885,529)
Cash flows from financing activities			
Proceeds from issuance of shares		14,346,104	27,478,377
Change in reserve		(1,397,298)	(311,370)
Borrowings	23(ii)b	13,000,000	-
Net cash generated from financing activities		25,948,806	27,167,007
Net increase in cash and cash equivalents		1,147,481	7,469,843
Cash and cash equivalents at 1 January		7,469,844	-
Cash and cash equivalents at 31 December	14	8,617,325	7,469,843

The Notes on pages 230 to 267 form an integral part of these financial statements. The Financial Statements on pages 222 to 230 were approved by the Board of Directors and authorized for issue on 25th March, 2026 and were signed on its behalf by:

Dr. Joseph Witts
Chairman

Mr. Peter Situmbeko Nalitolela
Director

Report of the independent auditors - page 217 to 221.

TAARIFA YA MTIRIRIKO WA FEDHA KWA MWAKA ULIOISHIA 31/12/2025 (Kiasi kwa shilingi Maelfu)



	2025 TZS '000	2024 TZS '000
Mtiririko wa Fedha Kutokana na Shughuli za Uendeshaji:		
Mapato / (Hasara) Halisi	(2,728,258)	60,863
Marekebisho Kwa Ajili ya:		
Uchakavu	355,167	29,573
Uchakavu wa mali zisizoonekana	59,419	8,227
Mabadiliko kwenye Mtaji		
Mali nyingine	(1,430,426)	(858,720)
Kodi ya mapato inayolipwa	12,395	-
Dhima nyingine	7,355,910	2,681,165
Majukumu ya uoangishaji	436,356	-
Mikopo	(86,871,366)	(14,892,762)
Amana za wateja	95,163,955	19,313,507
Uwekezaji katika bank nyingine	(32,288,114)	(9,153,488)
Mtiririko wa fedha katika shughuli za uendeshaji	(19,934,962)	(2,811,635)
Kodi iliyolipwa	(75,000)	-
Mtiririka wa fedha halisi katika huduma za uendeshaji	(20,009,962)	(2,811,635)
Mtiririko wa fedha kutoka shughuli za uwekezaji		
Ununuzi wa mali na vifaa	(1,675,090)	(3,276,691)
Ununuzi wa haki za upangaji	(1,391,746)	-
Ununuzi wa mali zisizoonekana	(777,123)	(42,138)
Hati fungani za muda mfupi	-	-
hati fungani za muda mrefu	604,252	(13,566,700)
Uwekezaji kwenye dhamana za makampuni	(3,000,000)	-
Mtiririko safi wa fedha halisi kutoka shughuli za uwekezaji	(6,239,707)	(16,885,529)
Mtiririko wa fedha kutoka shughuli za ufadhili		
Mikopo	13,000,000	-
Mtaji wa Hisa	14,346,104	27,478,377
Hisa za Uoendeleo	-	-
Hifadhi ya Kisheria	-	-
Mabadiliko katika hifadhi	208,421	(311,369)
Mtiririko wa fedha kutoka shughuli za ufadhili	27,554,525	27,167,008
Ongezeko halisi la fedha taslimu	1,304,856	7,469,844
Fedha Taslimu mwanzoni mwa mwaka	7,312,569	-
Fedha Taslimu mwishoni mwa mwaka	8,617,425	7,469,844

NOTES OF THE FINANCIAL STATEMENTS



1. REPORTING ENTITY

Co-operative Bank Tanzania Plc ("the bank") is a limited bank incorporated in Tanzania under the companies Act which was repealed and replaced by Co-operative Act No.6 of 2013 and is domiciled in Tanzania. The address of its registered office and principal place of business is:

Co-operative Bank Tanzania Plc
Kuu Street
PO Box 201
Dodoma, Tanzania

The financial statements of Co-operative Bank Tanzania Plc for the year ended 31 December 2025 have been approved for issue by the Board of Directors on 26 March 2026. Neither the entity owners nor others have the power to amend the financial statements after issue.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Statement of compliance

The financial statements have been prepared in conformity with International Financial Reporting Standards (IFRS).

2.2 Basis of preparation

The Bank's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention, except for available-for-sale financial assets and financial assets and financial liabilities held at fair value through profit or loss, which have been measured at fair value.

The disclosures on risks from financial instruments are presented in the financial risk management report contained in Note 3.

The financial statements are presented in Tanzania Shillings rounded to the nearest thousands (TZS '000) unless stated otherwise.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Bank's accounting policies. Changes in the assumptions may have significant impact on the financial statements in the period the assumptions change. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

2.3 Improvements to IFRS

i. New and revised IFRSs mandatorily effective at the end of the reporting period

The following new or revised IFRSs were mandatorily effective and adopted by Co-operative Bank Tanzania Plc as at the end of the reporting period. The Bank has adopted these standards during the period ended 31 December 2025.

NOTES OF THE FINANCIAL STATEMENTS (CONTINUED)



2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Improvements to IFRS (Continued)

i. New and revised IFRSs mandatorily effective at the end of the reporting period (Continued)

Name of standard	Changes made to the standard
IFRS 17 Insurance Contracts	IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are re-measured in each reporting period. Contracts are measured using the building blocks of: ★ discounted probability-weighted cash flows ★ an explicit risk adjustment, and ★ a contractual service margin (CSM) representing the unearned profit of the contract which is recognized as revenue over the coverage period. The standard allows a choice between recognizing changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9. An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers. There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the CSM. The results of insurers using this model are therefore likely to be less volatile than under the general model. The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features. Effective date: Originally 1 January 2021, but extended to 1 January 2023 by the IASB in March 2020
Classification of Liabilities as Current or Non-current – Amendments to IAS 1	The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g., the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. In May 2020, the IASB issued an Exposure Draft proposing to defer the effective date of the amendments to 1 January 2023.
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2. Effective date: applicable to reporting periods commencing on or after 1 January 2023
Definition of Accounting Estimates (Amendments to IAS 8)	The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error. The amendment is effective for accounting periods beginning on or after 1 January 2023 and is not expected to have any impact on the financial statements
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. At its meeting on October 24, 2018, the International Accounting Standards Board discussed the IFRS Interpretations Committee's recommendation to propose a narrow-scope amendment to IAS 12, Income Taxes. The proposed amendment relates to the recognition of deferred tax when an entity accounts for transactions, such as leases or decommissioning obligations, by recognizing both an asset and a liability.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Improvements to IFRS (Continued)

ii. Standards and interpretations in issue but not yet effective

At the reporting date, the following new and/or revised accounting standards and interpretations were in issue but not yet effective and therefore have not been applied in these financial statements. Co-operative Bank Tanzania Plc has not yet assessed the impact of these changes on their financial statements when they become effective:

Name of standard	Changes made to the standard
Amendments to IAS 1 – Non-current liabilities with covenants	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.
Amendment to IFRS 16 – Leases on sale and leaseback	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
Amendments to Supplier Finance Arrangements (IAS 7 and IFRS 7)	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.
Amendments to IAS 21: Lack of Exchangeability (Amendments to IAS 21)	An entity may carry on foreign activities in two ways. It may have transactions in foreign currencies or it may have foreign operations. In addition, an entity may present its financial statements in a foreign currency. The objective of this Standard is to prescribe how to include foreign currency transactions and foreign operations in the financial statements of an entity and how to translate financial statements into a presentation currency

2.4 Current versus non-current classification

The Bank presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- * Expected to be realized or intended to be sold or consumed in the normal operating cycle
- * Held primarily for the purpose of trading.
- * Expected to be realized within twelve months after the reporting period, or
- * Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when:

- * It is expected to be settled in the normal operating cycle.
- * It is held primarily for the purpose of trading.
- * It is due to be settled within twelve months after the reporting period, or
- * There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 Interest and similar income and expenses

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

For all financial instruments measured at amortized cost and interest-bearing financial instruments classified as available-for-sale financial investments, interest income or expense 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 amount of the financial asset or financial liability.

The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses.

The carrying amount of the financial asset or financial liability is adjusted if the Bank revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original effective interest rate and the change in carrying amount are recorded as 'other operating income'.

However, for a reclassified financial asset for which the Bank subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognized as an adjustment to the effective interest rate (EIR) from the date of the change in estimate.

Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognized using the original effective interest rate applied to the new carrying amount.

2.6 Fees and commission income

The Bank earns fees and commission income from a diverse range of services it provides to its customers. Fees income can be divided into the following categories:

(a) Fee income earned from services that are provided over a certain period of time

Fees earned for the provision of services over a period of time are accrued over that period. These fees include commission income and asset management, custody and other management and advisory fees.

Commitment fees for loans that are likely to be drawn down and other credit related fees are deferred (together with any incremental costs) and recognized as an adjustment to the effective interest rate (EIR) on the loan. When it is unlikely that a loan will be drawn down, the loan commitment fees are recognized over the commitment period on a straight-line basis.

(b) Fee income earned from providing transaction services

Fees arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses, are recognised on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognised after fulfilling the corresponding criteria.

(c) Operating income

Results arising from trading activities include all gains and losses from changes in fair value and related interest income or expense and dividends for financial assets and financial liabilities held for trading. Other income is recognized in the period in which it is earned.

(d) Dividend income

Dividend income is recognized when the Bank's right to receive the payment is established.

2.7 Employees' benefit including post-employment benefits

Short-term employment benefits such as salaries, social security contributions, and leave fare assistance are recognized as an expense in profit or loss in the period the employees render the services.

(i) Post-employment benefits

The Bank operates a defined contribution plan whereby each of its employees and the Bank contribute 10% each of the employee's monthly salaries to the state owned and managed (statutory) Funds. The Bank has no further payment obligations once the contributions have been paid. The contributions are recorded as an expense under "Personnel expenses" in the year to which they relate. Unpaid contributions are recognized as a liability.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.7 Employees' benefit including post-employment benefits (Continued)

(ii) Bonus scheme

A liability for employee benefits in the form of bonus scheme is recognized when there is a formal scheme and the amounts to be paid are determined before the end of the reporting period or past practice has created a valid expectation in employees that they will receive a bonus subject to satisfactory performance and the amount can be determined before the financial statements are issued. Liabilities for bonus scheme are expected to be settled within 3 months and are measured at the amounts expected to be paid when they are settled.

2.8 Provision

Provisions are recognized when the Bank has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in profit or loss net of any reimbursement.

2.9 Property and equipment

Property and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, excluding the costs of day-to-day servicing. Costs of replacing part of the property and equipment and major inspection cost are capitalized if the recognition criteria are met as required by IAS 16. Borrowing costs for long-term projects are capitalized if they are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on straight-line basis to write down the cost of the asset to its residual value over the estimated useful life as follows:

Description of assets	Useful life	Rate
Motor vehicles	10 years	10%
Furniture and fittings	5 years	20%
Computer equipment	5 years	20%
Office equipment	5 years	20%
Generator	5 years	20%
Smart card equipment	8 years	12.5%
Building	40 years	2.5%

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is recognized.

The asset's residual values, useful lives and methods are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. (Refer to accounting policy on impairments of non-financial assets).

2.10 Valuation of Assets

In the bank's books, we have recorded revaluation values amounting to TZS 1.4 billion for land and TZS 44 million for buildings. These values reflect the outcomes of a comprehensive revaluation exercise conducted in 2025 before Cooperative amalgamation between Co-operative Bank Tanzania Limited and Tandahimba Cooperative Bank limited that gave birth to Cooperative Bank Tanzania Limited. This exercise aimed to ensure that our assets are accurately valued in line with current market conditions, thereby enhancing the transparency and reliability of our financial statements.

To ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Any revaluation increase arising on the revaluation of land and building is recognized in other comprehensive income and cumulated in revaluation reserve in equity except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.11 Intangible assets

Costs associated with maintaining computer software program are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Bank are recognized as intangible assets when the following criteria are met.

- * It is technically feasible to complete the software product so that it will be available for use.
- * Management intends to complete the software product and use or sell it;
- * There is an ability to use or sell software products.
- * It can be demonstrated how the software product will generate probable future economic benefits.
- * Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- * The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs are capitalized as part of the software product including the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

Computer software development costs recognized as assets are amortized over their estimated useful lives, which does not exceed four years.

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized based on the expected useful lives. Software has a maximum expected useful life of 4 years.

2.12 Leases

The determination of whether an arrangement is a lease, or it contains a lease, is based on the substance of the arrangement, and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Leases are classified under the single on-balance sheet model in the similar way to finance leases under IAS 17 which has been superseded by IFRS 16 with the exemptions for leases- leases of low- value assets (e.g personal computers) and short- term leases (i.e leases with a lease term of 12 months or less). At the commencement date of a lease, the liability is recognized to represent the obligation to make payment and an asset to represent the right to use the underlying asset during the lease term (i.e the right-of- use asset). The interest expense on lease liability and depreciation expenses on the right-of -use asset is separately recognized. The lease liability is remeasured upon occurrence of certain events (e.g a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine the payments). The amount of remeasurement of the lease liability is recognized as an adjustment to the right-of- use asset.

The Bank applies IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4.

At inception of a contract, the organization assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the organization uses the definition of a lease in IFRS 16. This policy is applied to contracts entered on or after 1 January 2019.

At commencement or on modification of a contract that contains a lease component, the organization allocates the consideration in the contract to each lease component based on its relative stand-alone prices. However, for the leases of property the organization has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The organization recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the organization by the end of the lease term or the cost of the right-of-use asset reflects that the organization will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

NOTES OF THE FINANCIAL STATEMENTS (CONTINUED)



2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.12 Leases (Continued)

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the organization's incremental borrowing rate. Generally, the organization uses its incremental borrowing rate as the discount rate.

The organization determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- * fixed payments, including in-substance fixed payments.
- * variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- * amounts expected to be payable under a residual value guarantee; and
- * the exercise price under a purchase option that the organization is reasonably certain to exercise, lease payments in an optional renewal period if the organization is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the organization is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the organization's estimate of the amount expected to be payable under a residual value guarantee, if the organization changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The organization presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Bank has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Bank recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.13 Impairment on non-financial assets

The Bank assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Bank makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices and other available fair value indicators. Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss.

After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

NOTES OF THE FINANCIAL STATEMENTS (CONTINUED)



2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.14 Financial instruments

Financial instrument is any contract that gives rise to a financial asset of one entity, and a financial liability or equity instrument of another entity.

A financial asset or liability other than loans and advances to customers and balances due to customers are initially recognized when the Bank becomes party to the contractual provisions of the instrument (The trade date). For Loans and advances to customers are recognized when funds are transferred to the customers' accounts and the Bank recognizes balances due to customers when funds are transferred to the Bank.

The Bank classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- * Amortised costs,
- * Fair value Through Other Comprehensive Income (FVOCI) and
- * Fair Value Through Profit and Loss (FVPL).

i. Financial instruments at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9. Management only designates an instrument at FVPL upon initial recognition when one of the following criteria are met:

- * The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis
- * The liabilities are part of a group of financial liabilities (or financial assets, or both under IAS 39), which are managed, and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy
- * The liabilities (and assets until 1 January 2018 under IAS 39) containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

Financial assets and financial liabilities at FVPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVPL due to changes in the Bank's own credit risk. Such changes in fair value are recorded in the Own credit reserve through OCI and do not get recycled to the profit or loss.

ii. Financial instrument at fair value through other comprehensive income.

Financial assets and liabilities are categorized as FVOCI when both of the following conditions are met:

- * The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets.
 - * The contractual terms of the financial asset meet the SPPI test
- These instruments largely constitute those assets that had been previously classified as financial investments available for sale.

iii. Loans and advances to customers, financial investments at amortised cost.

The Bank only measures due from banks, loans and advances to customers and other financial investments at amortised cost if both of the following conditions are met:

- * The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- * The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Loans and receivables are initially recognized at fair value, which is the cash consideration to originate or purchase the loan including any transaction costs – and measured subsequently at amortised cost using the effective interest method. Loans and receivables are reported in the balance sheet as loans and advances to customers or as investment securities.

Interest on loans is included in the statement of profit or loss and is reported as 'Interest and similar income'. In the case of impairment, the impairment loss is reported as a deduction from the carrying value of the loan and recognized in the statement of profit or loss as 'loan impairment charges'.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.15 Recognition of financial assets

Management determines the appropriate classification of its investments at initial recognition. The Bank uses trade date accounting for regular way contracts when recording financial asset transactions.

2.16 Determination of fair value

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. This includes listed equity securities and quoted debt instruments. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

If the above criteria are not met, the market is regarded as being inactive. Indicators that a market is inactive are when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs (for example, LIBOR yield curve, FX rates, volatilities and counterparty spreads) existing at the balance sheet date.

In cases when the fair value of unlisted equity instruments cannot be determined reliably, the instruments are carried at cost less impairment.

The fair value for loans and advances as well as liabilities to banks and customers are determined using a present value model on the basis of contractually agreed cash flows, taking into account credit quality, liquidity and costs. The fair values of contingent liabilities and irrevocable loan commitments correspond to their carrying amounts.

2.17 Financial liabilities

After initial recognition, the Bank measures all financial liabilities including customer deposits other than liabilities held for trading at amortized cost. Liabilities held for trading (financial liabilities acquired principally for the purpose of generating a profit from short-term fluctuations in price or dealer's margin) are subsequently measured at their fair values.

2.18 Derivative financial instruments

Derivatives, which comprise solely forward foreign exchange contracts, are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value. The derivatives do not qualify for hedge accounting. Changes in the fair value of derivatives are recognized immediately in profit or loss. These derivatives are trading derivatives and are classified as a current asset or liability.

2.19 Derecognition of financial assets and liabilities

Financial assets are derecognized when the contractual rights to receive the 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 have been transferred, the Bank tests control to ensure that continuing involvement on the basis of any retained powers of control does not prevent derecognition). Financial liabilities are derecognized when they have been redeemed or otherwise extinguished.

2.20 Classes of financial instruments

The Bank classifies the financial assets and liabilities into classes that reflect the nature of information and take into account the characteristics of those financial instruments. The classification made can be seen in the table as follows:

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.20 Classes of financial instruments (Continued)

Item on balance sheet	Class
Financial assets	
Cash and cash equivalents	Amortised cost
Loans and advances to customers	Amortised cost
Placements in banks	Amortised cost
Treasury Bills	Amortised cost
Treasury Bonds	Amortised cost
UTT investment	Amortised cost
Other assets	Amortised cost
Financial liabilities	
Deposit from customers	Financial liabilities at amortised cost
Other liabilities	Financial liabilities at amortised cost

2.21 Impairment of financial assets

The Bank assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. The measurement of impairment losses both under IFRS 9 all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Bank's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- * The Bank's internal credit grading model, which assigns PDs to the individual grades
- * The Bank's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- * The segmentation of financial assets when their ECL is assessed on a collective basis
- * Development of ECL models, including the various formulas and the choice of inputs. Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
- * Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

2.22 Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

2.23 Cash and cash equivalents

Cash and cash equivalents referred in the cash flow comprise cash on hand, non-restricted current accounts with Bank of Tanzania, deposits held at call with banks with an original maturity of financial years or less, due from banks on demand and investments with maturity periods of financial years or less in money market instruments.

2.24 Foreign currency translation

(a) Functional and presentation currency

Items included in the Bank's financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency). The financial statements are presented in Tanzanian Shillings and figures are in thousands of Tanzania Shillings.

NOTES OF THE FINANCIAL STATEMENTS (CONTINUED)



2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.24 Foreign currency translation (Continued)

(b) Transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange at the reporting date. All differences arising on non-trading activities are taken to 'Other operating income' in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2.25 Taxes

Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects either accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current tax and deferred tax relating to items recognized directly in equity or other comprehensive income are also recognized in equity or other comprehensive income and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.26 Value added tax

Revenues, expenses, and assets are recognized 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 taxation authority, in which case the value added tax is recognized as an asset or liability in the statement of financial position.

2.27 Dividend on ordinary shares

Dividends on ordinary shares are recognized as a liability and deducted from equity when they are approved by the Bank's shareholders. Interim dividends are deducted from equity when they are declared and no longer at the discretion of the Bank.

2.28 Earnings per share

Earnings per share are calculated based on the profit attributable to shareholders divided by the weighted number of ordinary shares. Diluted earnings per share are computed using the weighted average number of equity shares and dilutive potential ordinary shares outstanding during the year. During the year, there were no dilutive potential shares.

NOTES OF THE FINANCIAL STATEMENTS (CONTINUED)



2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.29 Contingent liabilities

Letters of credit, acceptances, guarantees and performance bonds are accounted for as off statement of financial position transactions and disclosed as contingent liabilities. Estimates of the outcome and financial effect of contingent liabilities is made by management based on information available up to the date the financial statements are approved for issue by directors. Any expected loss is charged to the statement of profit or loss.

2.30 Special provision reserve

Special provision reserve is the banking risk reserve that represents the surplus of loan provision computed per the Bank of Tanzania regulations over the impairment of loans and advances. This is a non-distributable reserve.

2.31 Comparative

Wherever considered necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

3. FINANCIAL RISK MANAGEMENT

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 inevitable consequences of being in business. The Bank's aim is therefore to achieve an appropriate balance between risks and return and minimize potential adverse effects on the Bank's financial performance.

The Board provides written principles for overall risk management, as well as written policies covering specific areas. In addition, the Internal Audit department is responsible for the independent review of risk management and the control environment. The most significant risks are credit risk, liquidity risk, market risk and operational risk. Market risk includes currency risk, interest risk and price risk.

3.1 Credit risk

The Bank takes on exposure to credit risk, which is the risk that the counterparty will cause a financial loss to the Bank by failing to discharge an obligation. Credit risk is the most important risk for the Bank's business; Directors therefore carefully manage its exposure to credit risk. Credit exposures arise principally in lending activities that lead to loans and advances, and investment activities that bring debt securities into the Bank's asset portfolio. There is also credit risk in off-balance sheet financial instruments, such as loan commitments.

The credit risk management and controls are centralized in Credit, Risk and Compliance departments of the Bank and reported to the Board of Directors and Heads of Departments regularly.

3.1.1 Credit risk measurement.

(a) Loans and advances

In measuring credit risk of loan and advances to customers and to banks at a counterparty level, the bank reflects three components (i) the 'probability of default' by the client or counterparty on its contractual obligations and (ii) current exposures to the counterparty and its likely future development, from which the bank derives the 'exposure at default'. These credit risk measurements, which reflect expected loss (the 'expected loss model'), are embedded in the Banks' daily operational management.

The Bank assesses the financial condition by looking at the trend of key ratios as well as conducting site visits to gauge feasibility of the prospective businesses.

For microfinance loans which form greater part of the Bank's portfolio, the Bank depends on in-built mechanisms like peer pressure, graduated lending and character-based lending to mitigate inherent risk embedded in offering loans to the sector hence little emphasis is stressed in measuring the credit risk at individual level.

The operational measurements can be contrasted with impairment allowances required under IFRS 9, which are based on expected losses.

The Bank's rating scale, which is shown below, reflects the range of default probabilities defined for each rating class. This means that, in principle, exposures migrate between classes as the assessment of their probability of default changes.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Credit risk

3.1.1 Credit risk measurement.

(a) Loans and advances

Bank's internal rating scale:

	Ageing	% used regulatory provisioning
1. Current	0-30 days	0%
2. Especially mentioned	31-60 days	3%
3. Sub-standard	61-180 days	20%
4. Doubtful	181-360 days	50%
5. Loss	Above 361 days	100%

Solidarity group loan provisioning

	Ageing	% used regulatory provisioning
1. Current	0-5 days	0%
2. Especially mentioned	6-30 days	5%
3. Sub-standard	30-60 days	25%
4. Doubtful	61-90 days	50%
5. Loss	Above 91 days	100%

(b) Debt securities

Debt securities are Treasury Bills and Bonds issued by the Government of the United Republic of Tanzania. These investments are internally graded as current.

3.1.2 Credit risk limit control and mitigation policies

The bank manages limits and controls concentrations of credit risk wherever they are identified in particular, to individual counterparties and groups, and to industries.

The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review, when considered necessary.

The exposure to any one borrower including Banks is further restricted by sub-limits covering on and off-balance sheet exposures. Actual exposures against limits are monitored daily. Exposure to credit risk is also managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate.

Some other specific control and mitigation measures are outlined below.

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Credit risk (Continued)

3.1.2 Credit risk limit control and mitigation policies

(a) Collateral

The Bank employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advanced, which is common practice. The Bank implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

- * Mortgages over residential properties.
- * Charges over business assets such as premises, inventory and accounts receivable; and
- * Charges over financial instruments such as debt securities and equities.

Longer-term finance and lending to clients are generally secured; revolving individual credit facilities are generally unsecured. In addition, in order to minimize the credit loss the Bank will seek additional collateral from the counterparty as soon as impairment indicators are noticed for the relevant individual loans and advances.

Collateral held as security for financial assets other than loans and advances is determined by the nature of the instrument. Debt securities, treasury and other eligible bills are generally unsecured.

(b) Credit – related commitments

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit carry the same credit risk as loans. Documentary and commercial letters of credit – which are written undertakings by the Bank on behalf of a customer authorizing a third party to draw drafts on the Bank up to a stipulated amount under specific terms and conditions – are collateralized by the underlying shipments of goods to which they relate and therefore carry less risk than a direct loan.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Bank is potentially exposed to loss in an amount equal to the total unused commitments.

However, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Bank monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments

3.1.3 Impairment losses and provisioning policies

At each balance sheet date, all financial assets are subject to review for impairment. If it is probable that the Bank will not be able to collect all amounts due (principal and interest) according to the contractual terms of loans, receivables, or held-to-maturity investments carried at amortized cost, an impairment loss has occurred.

The amount of the loss is the difference between the asset's carrying amount and the present value of expected future cash flows discounted at the financial instrument's original effective interest rate (recoverable amount). The carrying amount of the asset is reduced to its estimated recoverable amount. The amount of the loss incurred is included in the income statement for the period.

If a loss on a financial asset carried at fair value (recoverable amount is below original acquisition cost) has been recognized directly in equity and there is objective evidence that the asset is impaired, the cumulative net loss that had been recognized directly in equity and there is objective evidence that the asset is impaired, the cumulative net loss that had been recognized directly in equity is removed from equity and recognized in the income statement for the period even though the financial asset has not been derecognized.

NOTES OF THE FINANCIAL STATEMENTS (CONTINUED)



3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Credit risk (Continued)

3.1.1.3 Impairment losses and provisioning policies (Continued)

	2025 TZS '000	2024 TZS '000
Credit risk exposure relating to on balance		
Balance with other banks	41,441,602	9,153,488
Loan and advance to customers	101,764,128	14,892,762
Other assets	2,289,146	858,720
Total	145,494,876	24,904,970
Credit risk exposure relating to off balance sheet items		
Utilized facilities and other commitments to lend	-	-
Total	145,494,876	24,904,970

The above table represents a worst-case scenario of credit risk exposure to the Bank at 31 December 2025 and 31st December 2024, without taking account of any collateral held or other credit enhancements attached. For on balance sheet assets, the exposures set out above are based on net carrying amounts as reported in the statement of financial position.

As shown above, of the total maximum exposure of 65% is derived from loans and advances to customers.

Management is confident in its ability to continue to control and sustain minimal exposure of credit risk to the Bank resulting from both its loans and advances portfolio and debt securities based on the following:

- * 93% of the loans and advances portfolio are neither past due nor impaired
- * A stringent selection process using widely accepted industry practices upon granting loans and advances.

	Neither past due not impaired TZS	Past due but not impaired TZS	Past due and impaired TZS	Total TZS
Period ended 31 December 2025				
Cash and balances with Bank of Tanzania	8,617,425	-	-	8,617,425
Deposits and balances due from other banks	114,352,164	-	-	114,352,164
Loans and advances to customers	100,844,128	540,000	380,000	101,764,128
Placement with other Banks	41,441,602	-	-	41,441,602
	265,255,319	540,000	380,000	266,175,319

The total impairment provision for loans and advances is TZS 911 million This amount represents individually as well as portfolio impaired loans. Further information of the impairment allowance for loans and advances to customers is provided in Note 8 The net loan balance is TZS 101.7 billion.

3.1.4 Amount due from banks

There were no amount of individually impaired loans and advances to Banks as at 31 December 2025. No collateral is held by the Bank and no impairment provision has been made against the gross amounts.

3.1.5 Debt securities, treasury bills and other eligible bills

Bank had investment in debt securities, however, for the financial period ending 31st December 2025, the bank had treasury bond to the tune of TZS. 13 billion

NOTES OF THE FINANCIAL STATEMENTS (CONTINUED)



3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Credit risk (Continued)

3.1.6 Concentration of risks of financial assets with credit risk exposure

Industry sectors

The following table breaks down the Bank's main credit exposure at their gross carrying amounts, as categorized by the industry sectors of its counterparties:

	Financial institution TZS	Trading and commercial TZS	Individuals TZS	Agriculture TZS	Total TZS
As at 31 December 2025					
Loans and advances to customers	13,682,675	9,997,497	27,248,866	50,835,090	101,764,128

3.2 Market risk

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

3.2.1 Foreign exchange risk

The Bank operates wholly within Tanzania and its assets and liabilities are reported in the local currency only and do not operate foreign currency. Foreign currency risk may arise when there is need to settle invoices denominated in foreign currency, which is insignificant risk.

3.2.2 Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Bank takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce losses in the event that unexpected movements arise. The Banks Asset and Liability Committee (ALCO) sets limits on the level of mismatch of interest rate reprising that may be undertaken, which is monitored daily by Bank. The table below summarizes the Bank's exposure to interest rate risks.

It includes the Bank's financial instruments at carrying amounts, categorized by the earlier of contractual repricing or maturity dates. The Bank does not bear an interest rate risk on off balance sheet items.

The following is the interest risk analysis of the bank as at 31st December 2025

3.3 Liquidity risk

Liquidity risk is the risk that the Bank is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfil commitments to lend.

3.3.1 Liquidity risk management process

The Bank's liquidity management process, as carried out within the Bank and monitored by the Bank's Asset and Liability Committee (ALCO), includes:

- * Day-to-day funding, managed by monitoring future cash flows to ensure that cash requirements can be met. These include replenishment of funds as they mature or are borrowed by customers. The Bank maintains an active presence in money markets to enable this to happen;
- * Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- * Monitoring balance sheet liquidity ratios against internal and regulatory requirements; and
- * Managing the concentration and profile of debt maturities.

NOTES OF THE FINANCIAL STATEMENTS (CONTINUED)



3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Liquidity risk (Continued)

3.3.1 Liquidity risk management process (Continued)

Monitoring and reporting is in the form of cash flow measurement and projections for the next day, week and month respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

3.3.2 Funding approach

Sources of liquidity are regularly reviewed by the Bank's Asset and Liability Committee to maintain a wide diversification by currency, provider, product, and term.

3.3.3 Non-derivative cash flows

The following is the liquidity profile of the Bank as at 31st December 2025:

	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	Over 180 days	Total
31 December 2025	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
	5,424,552	-	-	-	-	5,424,552
Financial Assets						
Cash and balances with Bank of Tanzania	8,617,425	-	-	-	-	8,617,425
Placement with other banks	-	-	-	-	41,441,602	41,441,602
Loan and advances (Net impairment)	7,820,000	-	-	-	93,944,128	101,764,128
Other assets	-	-	-	-	2,315,062	2,315,062
Treasury and corporate bonds	-	-	-	-	16,462,449	16,462,449
Total financial assets	13,244,552	-	-	-	154,163,241	167,407,793
	29,681,977	-	-	-	308,326,482	338,008,459
Financial Liabilities						
Liabilities						
Deposits from customers						
Deposits and balances due to other banks	10,198,809	-	-	-	104,278,653	114,477,462
Other liabilities	-	-	-	-	1,189,395	1,189,395
Total liabilities	10,198,809	-	-	-	105,468,048	115,666,857
Liquidity gap	19,483,168	-	-	-	202,858,434	222,341,602

Assets available to meet all of the liabilities and to cover outstanding loan commitments include cash, Bank of Tanzania balances, items in the course of collection, treasury bills, deposits and balances due from financial institutions and loans and advances to customers. In the normal course of business, the proportion of customer loans contractually repayable within one year will be extended.

3.34 Off-balance sheet items

(a) Loan commitments

Bank had had loan commitments during the period ended 31.12.2025 to the tune of 13,000,000.

(b) Financial guarantees and other financial facilities

Bank had no financial guarantees during the period.

NOTES OF THE FINANCIAL STATEMENTS (CONTINUED)



3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.4 Fair value of financial asset and liabilities

3.4.1 Fair value of financial instruments

The following table summarizes the carrying amounts and fair values of those financial assets and liabilities not presented on the Bank's statement of financial position at their fair value:

	Carrying amounts 2025 TZS '000	Fair values 2024 TZS '000
Financial assets		
Cash and balances with Bank of Tanzania	8,617,425	7,469,843
Loans and advances to customers	101,764,128	14,892,762
Placement with other banks	41,441,602	9,153,488
Other assets	2,289,146	858,720
Treasury and corporate bonds	15,962,448	13,566,700
Total financial assets	170,074,749	45,941,513
Financial liabilities		
Deposits from customers	114,477,462	19,313,507
Other liabilities	10,198,809	2,681,165
Borrowings 23(ii)b	13,000,000	-
Lease liabilities	436,356	-
Total liabilities	138,112,627	21,994,672

(a) Balances with other banks

These include inter-bank placements and items in the course of collection. The carrying amount of floating rate placements and overnight deposits is a reasonable approximation of fair value. The estimated fair value of fixed interest-bearing deposits is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and remaining maturity. Loans and advances to customers

(b) Loans and advances are net of charges for impairment.

The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

(c) Investment securities

The fair value for loans and receivables and held-to-maturity financial assets is based on market prices or broker/dealer price quotations. Where this information is not available, fair value is estimated using quoted market prices for securities with similar credit, maturity and yield characteristics.

Investment securities (available-for-sale) disclosed in the table above comprises only those equity securities held at cost less impairment. The fair value for these assets is based on estimations using market prices and earnings multiples of quoted securities with similar characteristics. All other available-for-sale financial assets are already measured and carried at fair value.

(d) Deposits from banks and customers

The estimated fair value of deposits with no stated maturity, which includes non-interest-bearing deposits, is the amount repayable on demand.

The estimated fair value of fixed interest-bearing deposits not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar remaining maturity.

(e) Off balance sheet financial instruments

The estimated fair values of the off-balance sheet financial instruments are based on markets prices for similar facilities. When this information is not available, fair value is estimated using discounted cash flow analysis.

NOTES OF THE FINANCIAL STATEMENTS (CONTINUED)



3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.4 Fair value of financial asset and liabilities

3.4.2 Fair value hierarchy

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Bank's market assumptions. These two types of inputs have created the following fair value hierarchy:

- * Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- * Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- * Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The Bank considers relevant and observable market prices in its valuations where possible.

The following table analyses within the fair value hierarchy the Bank's financial assets and financial liabilities (by class) measured at fair value at 31December, 2025.

	Level 1 TZS '000	Level 2 TZS '000	Level 3 TZS'000	Total TZS '000
31 December 2025				
Financial assets				
Cash and balances with Bank of Tanzania	-	8,617,425	-	8,617,425
Loans and advances to customers	-	101,764,128	-	101,764,128
Placement with other banks	-	41,441,602	-	41,441,602
Other assets	-	2,289,146	-	2,289,146
Treasury and corporate bonds	-	15,962,448	-	15,962,448
Total financial assets	-	170,074,749	-	170,074,749
Financial liabilities				
Deposits from customers	-	114,352,165	-	114,352,165
Other liabilities	-	10,198,809	-	10,198,809
Borrowings Note 23(ii)b	-	13,000,000	-	13,000,000
Lease liabilities	-	436,356	-	436,356
Total liabilities	-	137,987,330	-	137,987,330

There were no transfers between levels for the period ended 31 December 2025.

NOTES OF THE FINANCIAL STATEMENTS (CONTINUED)



3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.4 Fair value of financial asset and liabilities (Continued)

3.3.3 Categories of financial instruments

	Amortized cost TZS '000	Held to maturity TZS '000	TOTAL TZS'000
31 December 2025			
Financial assets			
Cash and balances with Bank of Tanzania	8,617,425	-	8,617,425
Loans and advances to customers	101,764,128	-	101,764,128
Placement with other banks		41,441,602	41,441,602
Other assets	2,289,146	-	2,289,146
Treasury and corporate bonds		15,962,448	15,962,448
Total financial assets	112,670,699	57,404,050	170,074,749

	Financial liabilities at amortized costs TZS '000
Financial liabilities	
Deposits from customers	114,477,462
Other liabilities	10,198,809
Borrowings Note 23(ii)b	13,000,000
Lease liabilities	436,356
Total liabilities	137,987,330

4. CAPITAL MANAGEMENT

The Bank's objectives when managing capital, which is a broader concept than the 'equity' on the statement of financial position, are:

- * To comply with the capital requirements set by the Bank of Tanzania (BoT);
- * To safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- * To maintain a strong capital base to support the development of its business.
- * To ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business; and
- * To maximize shareholders value

Capital adequacy and the use of regulatory capital are monitored daily by the Bank's management, employing techniques based on the guidelines developed by the Basel Committee, as adopted by the Bank of Tanzania (BoT), for supervisory purposes. The required information is filed with the BoT on monthly basis.

The BoT requires each Bank or Banking group to: (a) hold the minimum level of the regulatory capital of TZS 15 billion by 30th June, 2018, and (b) maintain a ratio of core capital and total capital to the risk-weighted asset (the 'Basel ratio') at or above the internationally agreed minimum of 12.5% and 14.5% respectively.

The Bank's regulatory capital is divided into two tiers:

- * Tier 1 capital: share capital, retained earnings and reserves created by appropriations of retained earnings. Prepaid expenses, intangible assets and deferred charges are deducted in arriving at Tier 1 capital; and
- * Tier 2 capital: qualifying subordinated loan capital, collective impairment allowances and unrealised gains arising on the fair valuation of equity instruments held as available for sale.

The risk-weighted assets are measured by means of a hierarchy of five risk weights classified according to the nature of the asset 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.

NOTES OF THE FINANCIAL STATEMENTS (CONTINUED)



4. CAPITAL MANAGEMENT (CONTINUED)

Regulatory capital

The table below summarizes the composition of regulatory capital and the ratios of the Bank for the period ended 31 December 2025 year end respectively. The tier 1 capital stood at TZS 17.91 billion (TZS 17.9 billion), the bank complies with the required minimum capital.

	2025
	TZS '000
Tier 1 capital	
Share capital	41,824,481
Accumulated loss	(4,901,327)
Prepaid expenses	518,266
Total qualifying Tier 1 capital	37,441,420

Tier 2 capital	37,441,420
Total regulatory capital	37,441,420
Risk-weighted assets	
On-balance sheet	117,557,758
Off-balance sheet	-
Operational Risk	-
Market risk	-
Total risk-weighted assets	117,557,758

	Required ratio	Bank's Required ratio
		2025
Tier 1 capital	12.50%	31.85%
Tier 1 + Tier 2 capital	14.50%	40.46%

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the financial statements the Bank makes estimates and assumptions that could affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on factors such as historical experience and current best estimates of uncertain future events that are believed to be reasonable under the circumstances. The most significant uses of judgment and estimates are as follows:

5.1 Impairment losses on loans and advances

To estimate the amount of loan impairment, the Bank uses requirements of both Bank of Tanzania Management of Risks Regulation, 2014 as well as IFRS 9. Under BOT regulation all loans were categorized in current status no provision was taken as general provision, following changes in BOT requirements.

Under IFRS 9, the loans as at reporting date are categorized under Stage 1 as they have not yet fallen due and some (staff loans) under Stage 3 as they have significantly increased in credit risk. Under requirements of IFRS 9 an entity is required to make an ongoing assessment of Expected Credit Losses (ECL) and therefore requires earlier recognition of credit losses, ECL is derived as EAD x PD x LGD. The key elements for ECL calculations are, as follows:

- * PD – The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognized and is still in the portfolio.
- * EAD – The exposure at default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments
- * LDG – The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

NOTES OF THE FINANCIAL STATEMENTS (CONTINUED)



5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

5.1 Impairment losses on loans and advances [Continued]

The Bank's LDG was zero as at reporting date due to the fact that the expected realization from collateral is greater than the EAD, hence no impairment loss was expected.

Critical estimates are made by the directors in determining depreciation rates for equipment and their residual values. The rates used are set out in the accounting policies section of these financial statements under Note 2. There is no significant risk of these estimates changing in the next 12 months that may lead to a material change in the carrying value of property and equipment and intangible assets.

5.2 Deferred tax assets

Deferred tax assets are recognized in respect of tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits, together with future tax planning strategies. There were no deferred tax assets recognized by the organization during the period ended 30.09.2025.

	2025	2024
	TZS '000	TZS '000
6. INTEREST INCOME		
Interest on loans and advances to customers	3,458,332	506,384
Interest from placement with other banks	3,177,033	659,501
	6,635,365	1,165,885

7. INTEREST EXPENSE

Interest on saving accounts	44,067	5,735
Interest on borrowing	470,516	21,374
Interest in time deposits	754,930	139,051
	1,269,513	166,160

8. LOAN IMPAIRMENT CHARGE/(RELEASE)

Impairment/(recovery) on loans	913,320	(37,887)
--------------------------------	----------------	-----------------

NOTES OF THE FINANCIAL STATEMENTS (CONTINUED)



	2025 TZS '000	2024 TZS '000
9. FEES AND COMMISSION INCOME		
Commission and service charges	46,112	16,336
Loan processing and documentation fees	1,798,523	73,198
Commission on closure of accounts	150	40
Cashew processing fees TCBL	23,182	13,556
ATM Commission Received	(10,903)	872
Commission received Airtel Money TCBL	6,527	343
Commission on cheque books issued	5,742	245
Commission received from FAHARI HUDUMA TCBL	207	28
Ledger fees	82,788	14,462
TIGO PESA Commission	2,357	395
ATM card fees	5,275	608
Agency banking commission	2,188	341
Commission on unpaid cheque	396	7
M-PESA Commission	4,434	64
Coop mobile commission	465	32
Commission Received -Insurance	89,071	-
TIPS Commission	52,106	-
Commission Received-Halopesa	789	-
Commission Received-Halopesa	266	-
Commission On TISS	1,278	-
Commission On TACH and EFTS	804	-
Commission And Service Charges USD	12	-
Commitment Charges Others	113	-
Loan Processing Fee SME USD	110,156	-
Loan Documentation Fee USD	611	-
Loan Applications Fee	10,980	-
	2,233,629	120,527

10. OTHER OPERATING INCOME

Other non-interest income	201,867	21,954
Bad debt recovery	125,883	6,586
Income from Forex	185,347	6,287
Currency revaluation	(106,438)	(39,684)
Amortization Of Grants	3,275	-
Miscellaneous Income	75,106	-
POS Non-Refundable Income	18,500	-
	503,540	(4,857)

NOTES OF THE FINANCIAL STATEMENTS (CONTINUED)



	2025 TZS '000	2024 TZS '000
11.EMPLOYEE BENEFIT EXPENSES		
Gross salaries	1,996,287	70,499
Skills and Development Levy	65,738	6,604
Employer contribution to NSSF	189,216	19,753
Staff welfare	118,183	178,138
Workers Compensation Fund (WCF)	9,329	1,139
National Health Insurance Fund (NHIF)	92,641	5,312
Staff recruitment	21,373	2,780
Adm. Exp-Staff Training Fees	10,909	-
Staff Retirement/ Retrenchment Benefit	49,406	-
Staff Subsistence Allowance	18,060	-
CRDB Management Support Expenses	593,821	-
Staff 13th Cheque	110,290	-
MDS Hand Shake to Staff	26,350	-
	3,301,603	284,225

NOTES OF THE FINANCIAL STATEMENTS (CONTINUED)



	2025 TZS '000	2024 TZS '000
12. GENERAL ADMINISTRATIVE EXPENSES		
Advertising expenses	-	1,720
Advisory and consultancy fee	159,352	31,075
Annual general meeting expenses	-	277,688
Audit and accountancy fee expenses	60,300	46,610
Bad debts on loans	3,811	-
Board of Directors expenses	-	4,895
Borrowing appraisal fee	135,000	-
Borrowing documentation fee	500	-
Borrowing filling fee	22	-
Borrowing stamp duty expenses	12,463	-
BR NET upgrade AMC	9,540	-
Capital building expenses	6,088	12,997
CBS upgrade expenses	-	1,225
City service levy	1,703	466
Cleaning and Gardening expenses	77,006	8,053
Consultation fee	31,556	-
Consumables TCBL	6	106
Coop bank launching expenses	1,483,868	-
Coop Wakala expenses	3,581	-
Credit reference Bureau	7,877	1,357
Electricity expenses	45,344	8,751
Entertainment expenses	42,012	805
Establishment expenses	-	32,109
Excise duty expenses	163,217	8,212
Financial statement publications expenses	36,673	3,186
Fuel and lubricants expenses	101,554	14,271
Generator and motorcycle fuel	9,382	2,000
Generator maintenance	-	335
Hired service expenses	5,180	1,030
Housing expenses	2,675	-
Insurance general	83,568	19,368
International travel expenses	5,820	-
Internet bills	1,055	600
Legal and professional fees	21,570	-
Local Bank charges expenses	9,639	1,362
Local travel expenses	225,674	-
Maintenance of furniture, machine and equipment	165	-
Management Board Expenses	618,499	48,750
Marketing expenses	1,460,465	134,927
Office entertainment expenses	9,061	-

NOTES OF THE FINANCIAL STATEMENTS (CONTINUED)



	2025 TZS '000	2024 TZS '000
12. GENERAL ADMINISTRATIVE EXPENSES (CONTINUED)		
Other administrative expenses	66,597	14,720
Repair and maintenance assets	6,901	-
Periodicals & news p.	1,653	-
POS device expenses	38,276	-
Postages expenses	8,456	181
Rent office premises	533	-
Repair and maintenance assets	12,459	-
Repair and maintenance Machinery and equipment	9,465	1,844
Repair Maintenance Motor vehicle	49,357	1,795
Repair maintenance, and other expenses	9,188	170
Repair of computers and other assets	787	1,665
Repairs and maintenance – POS device and thermal printer	38,793	-
Repairs and maintenance bank premises	23,488	320
Repairs and Maintenance –computers	2,270	-
Repairs and Maintenance –furniture and fixtures	2,576	-
Salary loans Deductions expenses	3,638	1,034
Security Charges	130,192	12,512
Software maintenance	181,048	1,080
Stationeries expenses	102,460	3,569
Subscription and Donation	58,711	1,528
Subscription expenses	28	6,000
Telephone expenses	105,393	9,329
TISS and TACH expenses	7,500	5,000
Trade licence	20,605	-
Training and workshop expenses	116,129	-
Travelling allowance-inland	106,704	30,688
Valuation Repair of Land and Building	3,703	7,971
VAT charges expenses	-702	6,524
VAT Input taxes	1,611	0
Water charges expense	9,293	2,518
Welfare expenses	23,072	-
Workshop expenses	900	-
Provision for other assets expenses	226,460	-
	6,202,796	770,346

NOTES OF THE FINANCIAL STATEMENTS (CONTINUED)



	2025 TZS '000	2024 TZS '000
13. DEPRECIATION AND AMORTIZATION		
Depreciation expense (Note 19)	247,441	29,573
Amortization of intangible asset (Note 20)	59,419	8,227
Amortization expense (Note 21)	107,726	-
	414,586	37,801

14. CASH AND BALANCES WITH BANK OF TANZANIA

Cash in hand	706,977	503,352
Statutory Minimum Reserves (SMR)	5,189,624	-
Unrestricted balance	2,720,824	6,966,491
	8,617,425	7,469,843

For the purpose of cashflow presentation

Cash and balances with Bank of Tanzania	8,617,425	7,469,843
Statutory Minimum Reserves (SMR)		-
Cash and cash equivalents for statement of cashflows	8,617,425	7,469,843

The SMR Deposits is not available to finance the bank's day to day operations and is excluded from cash and cash Equivalent for the purpose of cash flow statement.

15. PLACEMENTS WITH OTHER BANKS

Placement with other banks	39,742,500	8,700,000
Accrued interest	1,699,102	453,488
	41,441,602	9,153,488
Maturity analysis		
Maturity within 3 months	41,441,602	9,153,488

NOTES OF THE FINANCIAL STATEMENTS (CONTINUED)



16. TREASURY AND CORPORATE BONDS

Treasury bonds	13,462,448	13,566,700
Corporate bonds*	3,000,000	-
	16,462,448	13,566,700

*Investment in Corporate bonds is as follows:

Tembo Green Bond – CRDB Bank Plc	1,000,000	-
Jamii Bond – NMB Bank Plc	500,000	-
Samia Infrastructure Bond – Tanzania Rural and Urban Road Agency	500,000	-
Stawi Bond – Tanzania Commercial Bank	1,000,000	-
	3,000,000	-

The maturity profile is as follows:

Within 1 year	-	
Between 1 year – 5 years	3,000,000	
Over 5 years	13,462,448	
	16,462,448	

	2025 TZS '000	2024 TZS '000
17. LOANS AND ADVANCES TO CUSTOMERS		
Term loan	72,420,354	11,015,078
Overdraft	27,248,135	3,483,998
Staff loan	3,079,679	589,756
Less: Interest on suspense	(72,466)	(38,689)
Gross loans, overdrafts and advances	102,675,702	15,050,143
Less: Provision for impairment loss	(911,574)	(157,381)
Net loans, overdraft and advances	101,764,128	14,892,762

The movement of impairment of loans is as follows:

Balance as at 1 January	157,381	195,268
Impairment loss charge/(release) for the year (Note 8)	913,320	(37,887)
Write back	(158,759)	-
Loans and advances written off during the year – adjustments	368	-
Balance as at 31 December	911,574	157,381

18. OTHER ASSETS

Mobile wallet balances	205,296	-
VAT receivable	21	21
Sundry debtors	1,259,192	707,474
Staff imprest	10,070	20,821
WIP renovation building	276,301	85,404
Prepayments	518,266	28,590
ATM cards stock	20,000	20,000
	2,289,146	862,310

NOTES OF THE FINANCIAL STATEMENTS (CONTINUED)



	Land	Building	Furniture and fittings	Office Equipment	Generator	Motor Vehicles	Computers	Total
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
Cost								
At the beginning of the period	1,440,129	933,949	189,993	238,945	157,691	319,704	37,047	3,317,458
Additions		507,717	103,745	493,516	1831,603	295,033	93,476	1,675,090
As at 31December 2025	1,440,129	1,441,666	293,738	732,461	339,294	614,737	130,523	4,992,548
Depreciation								
At the beginning of the period	-	12,713	13,180	10,860	2,240	22,386	11,729	73,108
Write off accumulated depreciation	-	-	-	-	-	-	-	-
Charge for the year	-	31,811	45,922	68,936	30,063	58,450	12,259	247,441
As at 31 December 2025	-	44,524	59,102	79,796	32,303	80,836	23,988	320,549
Net Book Value	1,440,129	1,397,142	234,636	652,665	306,991	533,901	104,733	4,671,999
Cost								
At the beginning of the period	1,440,129	933,949	61,778	101,449	379,21	-	28,107	2,603,333
Additions	-	-	128,215	137,496	119,770	319,704	8,940	714,125
As at 31December 2024	1,440,129	933,949	189,993	238,945	157,691	319,704	37,047	3,317,457
Depreciation								
At the beginning of the period	-	-	-	-	-	-	-	-
Write off accumulated depreciation	-	-	-	-	-	-	-	-
Charge for the year	-	10,754	7,110	8,404	2,240	11,193	1,066	40,766
As at 31December 2024	-	10,754	7,110	8,404	2,240	11,193	1,066	40,766
Net Book Value	1,440,129	923,195	182,882	230,541	155,451	308,511	35,981	3,276,691

NOTES OF THE FINANCIAL STATEMENTS (CONTINUED)



	2025 TZS '000	2024 TZS '000
20. INTANGIBLE ASSET - COMPUTER SOFTWARE		
Cost		
As at 1 January	133,271	-
Additions	151,407	133,271
Work in progress	625,716	-
As at 31 December	910,394	133,271
Amortization		
As at 1 January	58,791	82,906
Charge for period	59,419	8,227
As at 31 December	118,210	91,133
Netbook value		
As at 31 December	792,184	42,138
Cost:		
At 1 January	850,786	-
Additions	540,960	-
At 31 December	1,391,746	850,786
Accumulated amortization:		
At 1 January	-	-
Charge for the year	107,726	-
At 31 December	107,726	-
Net book values	1,284,020	-
22. DEPOSITS		
Deposits from customers		
Current accounts	83,325,384	9,397,190
Savings accounts	15,749,649	4,028,176
Fixed time deposits	15,016,538	5,660,134
Interest payable-Saving accounts	104,919	60,644
Interest payable-Fixed deposits	155,675	135,824
	114,352,165	19,281,968
Deposits with other banks		
Proceed awaiting clearance	125,297	31,537
	114,477,462	19,313,505

NOTES OF THE FINANCIAL STATEMENTS (CONTINUED)



	2025	2024
	TZS'000	TZS'000
23.BORROWINGS		
23(i) Total Borrowing		
At 1 January	3,000,000	-
Loan received during the year	18,598,750	-
Interest charged	408,080	-
Interest paid	-	-
Repayment of principal	-	-
At 31 December	22,006,830	3,000,000
23 (ii) Maturity analysis:		
a. Current	8,598,750	-
b. Non-current	13,000,000	-
	21,598,750	-

The Bank has not had any defaults of principal, interest, or other breaches regarding borrowings

BANK OF TANZANIA BORROWING

At 1 January	-	-
Loan received during the year	2,000,000	-
Interest charged	-	-
Interest paid	-	-
At 31 December	2,000,000	-

TADB BORROWING

At 1 January	-	-
Loan received during the year	5,000,000	-
Interest charged	-	-
Interest paid	-	-
At 31 December	5,000,000	-

AGITF BORROWING

At 1 January	-	-
Loan received during the year	5,000,000	-
Interest charged	-	-
Interest paid	-	-
At 31 December	5,000,000	-

NOTES OF THE FINANCIAL STATEMENTS (CONTINUED)



	2025	2024
	TZS'000	TZS'000
23. BORROWINGS (CONTINUED)		
AZANIA BANK BORROWING		
At 1 January	-	-
Loan received during the year	7,608,750	-
Interest charged	-	-
Interest paid	-	-
Repayment of principal	-	-
At 31 December	7,608,750	-
MWANGA HAKIKA BORROWING		
At 1 January	-	-
Loan received during the year	990,000	-
Interest charged	-	-
Interest paid	-	-
At 31 December	990,000	-
CRDB BANK PLC BORROWING		
At 1 January	-	-
Loan received during the year	1,000,000	-
Interest charged	-	-
Interest paid	-	-
At 31 December	1,000,000	-
24. LEASE LIABILITIES		
At 1 January	850,786	-
Additions	540,960	-
Accretion of interest	-	-
Prepayments	(955,390)	-
Interest expense paid	-	-
At 31 December	436,356	850,786
Maturity analysis:		
Current	-	-
Non-current	436,356	-
	436,356	850,786

NOTES OF THE FINANCIAL STATEMENTS (CONTINUED)



	2025	2024
	TZS'000	TZS'000
25. OTHER LIABILITIES		
Audit fees	15,243	71,051
Bankers Cheque issued	-	23,302
Discount on Treasury bond	31,566	31,566
Dun & Brud Street payable	-	34
Forex position	41,705	31,566
Furniture Grant From CRDB	8,460	10,098
Government Levy	2,206	4,075
HESLB Payable	1,468	1,536
NHIF payable	9,641	8,613
Interest payable on loan	-	67,972
Lease liability	-	71,613
Loan	-	2,800,000
NSSF Payable	83,927	13,372
Other accruals	86,612	11,408
Other creditors	28,731	21,940
Other grants	69,707	67,944
Payable	95,621	128,357
PAYE payable	66,855	15,578
Provision for other assets	249,491	4,884
Provisional for various expenses	101,752	61,339
SDL payable	7,281	2,802
Tax payable	-	110
Tax Provision	120,131	44,570
Tellers Over/under		20,116
VAT payable	135,150	12,378
WCF payable	1,366	650
Short term Borrowing	8,598,750	-
Other liabilities	290,633	
Withholding Tax	32,482	5,077
	10,078,778	3,531,951

NOTES OF THE FINANCIAL STATEMENTS (CONTINUED)



	2025	2024
	TZS'000	TZS'000
26. INCOME TAX EXPENSE		
Current tax	(4,077)	8,702
Deferred tax (Note 28)	(800,073)	14,045
	(804,150)	22,747
Reconciliation		
Profit before income tax	(2,729,284)	60,863
Tax calculated at the statutory tax rate of 30% (2024: 30%)	(818,785)	18,259
Tax effect of:		
Expenses not deductible for tax purposes	8,862	441
Expenses deductible for tax purpose	9,850	-
Tax on turnover for the year	(4,077)	-
Tax loss carried forward	-	-
Unused tax credit	-	-
Income tax expense	(804,150)	18,670
27. CURRENT TAX PAYABLES		
Opening balance	-	-
Current tax (credit)/charge	8,702	-
Prior Year tax payable - 2023	(4,077)	8,702
Prior Year tax payable - 2023	111,429	-
Tax paid -Prior Year	(28,659)	-
Provision tax paid	(75,000)	-
Closing balance	12,395	8,702
28. DEFERRED TAX		
At beginning of the period	91,024	76,979
Property and equipment	20,340	-
General provisions	(341,934)	2,679
Revaluation	(495,278)	11,366
At end of period	(725,848)	91,024
29. ACQUISITION OF PPE		
Addition for the year-PPE	1,675,090	3,317,457
Addition for the year-Lease	1,391,746	-
Depreciation Charge for the year-PPE	(247,441)	(40,766)
Depreciation Charge for the year-Lease	(107,726)	-
Depreciation Prior Year - Relocation from Intangibles	(32,342)	-
Closing balance	2,679,327	3,276,691

NOTES OF THE FINANCIAL STATEMENTS (CONTINUED)



	2025	2024
	TZS'000	TZS'000
30. ACQUISITION OF INTANGIBLES		
Addition for the year-Intangibles	777,123	133,271
Depreciation Charge for the year	(59,419)	(91,133)
Depreciation Prior Year – Relocation from Intangibles	32,342	-
Closing balance	750,046	42,138

The Bank had a deferred tax asset of TZS (725 million). as at 31 December 2025 (2024: 91 million). The Directors of the Bank have not recognized this asset because it is uncertain as to whether the Bank may be able to generate sufficient taxable profits against which to utilize the asset. The Directors will review the position in future and make appropriate adjustments.

31. SHARE CAPITAL

Bank closed the financial year 2025 with 83,648,963 (2024: 54,881,530) number of shares with a value of TZS. 500 each, making a total share capital of TZS. 41,824,481,500 (2024: TZS. 27,440,765,000).

Ordinary shares are valued at TZS 500 per share. Ordinary share capital reported is the total nominal value of the shares issued. The Bank by laws is silent on the authorized share capital. The issue of ordinary shares is open to the public. All ordinary shareholders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Bank. All ordinary shares rank equally with regards to the Bank's residual assets.

32 REGULATORY RESERVE

Regulatory reserve represents the surplus of loan provision computed as per the Bank of Tanzania regulations over the expected credit loss (ECL) for loans and advances computed with accordance with International Financial Reporting Standards (IFRS) 9 Financial Instruments to comply with the requirement of the Bank of Tanzania's prudential guidelines. This is a non-distributable reserve and not part of the Bank's core capital. The movement on the regulatory reserve is as follows:

	TZS '000	TZS '000
As at 1 January	-	-
Appropriation to retained earnings	139,812	208,401
As at 31 December	139,812	208,401

33. RELATED PARTY TRANSACTION AND BALANCES

Identification of related parties

Parties are considered to be related if one party has the ability to control the other party and exercise significant influence over the party in making financial and operating decisions.

In the normal course of business, a number of transactions are entered into with related parties.

Bank entered into the Management agreement with CRDB Bank to provide six key management personnel being Managing Director, Head of ICT and Innovation, Head of Risk and Compliance, Head of Finance and Strategy, Head of Credit and Head of Business and Co-operative Banking. Key management are personnel described as those persons having authority and responsibility for planning, directing and controlling the activities of the Bank, directly or indirectly.

(a) Transactions with related parties

Transactions entered with related parties during the period ended 31 December 2025 include payments made to Directors, key management personnel as well as interest received from deposits made to CRDB Bank Plc.

NOTES OF THE FINANCIAL STATEMENTS (CONTINUED)



	2025	2024
	TZS '000	TZS '000
(b) Balances with related parties		
Loan to shareholders	57,074,764	-
Loans to management personnel	-	-
	57,074,764	-
Cash held in CRDB Bank Plc	1,082,618	3,800,000
Placements in CRDB Bank Plc	-	1,500,000
	1,082,618	5,300,000

During the period, the bank had a total of TZS. 3,800,000,000 as placement with CRDB during the financial period ending 31st December 2025.

33. RELATED PARTY TRANSACTION AND BALANCES (CONTINUED)

(c) CRDB Green bond

During the period ended 31 December 2025, the Bank maintained its investment in CRDB Bank of Green bonds worth TZS 1 billion at a coupon rate of 10.25% p. a for a maturity of 5 years which was placed in 2023. , and Samia Infrastructure Bond worth TZS. 500 million at a coupon rate of 12% p. a for a maturity of 5 years which was placed in 2025.

34. GOVERNMENT SECURITIES

While looking into liquidity management and investment diversification, during the financial period ended 31 December 2025, bank invested in government securities to the tune of TZS. 13.4Billion.

35. COMMITMENTS AND CONTINGENCIES

35.1 Capital commitments

As at 31 December 2025, the Bank had no capital commitments.

35.2 Contingent liabilities / asset

The Bank is currently involved in legal proceedings. Litigations, current or pending, are not likely to have a material adverse effect to the Bank. At the moment the bank has a Public Economy Case at the stage of DPP and is under proceedings while the bank waits for judgment.

36. ASSETS PLEDGED AS SECURITY

As at 31 December 2025, the bank has TZS.10Billion pledged by to secure borrowings from TADB and BOT.

37. EVENTS AFTER THE REPORTING DATE

Those charged with governance of the Bank are not aware of any further events since the date of the end of the reporting period not otherwise dealt with in these financial statements.

38. LEASE ARRANGEMENT

The Bank had lease arrangements with Tanzania Cooperative Development Commission and Tanzania Tobacco Board that require disclosure of right of use of asset and related lease liabilities during the period.

39. SEGMENT REPORTING

These financials statements do not include segment reporting. From the view of the Board, the Bank does not engage in activities that generate multiple sources of income which would require separate reports for the purpose of evaluating the Bank's performance and for making decisions about the future allocation of resources.



40. COMPERATIVES

During the current year, the Bank identified a presentation inconsistency in the Property, Plant and Equipment (PPE) and Intangible assets note, whereby the closing balance of accumulated depreciation and amortization respectively for 2024 differed from the opening balance reported in 2025. The variance arose from adjustments that had been appropriately recorded in the 2024 Trial Balance but were not reflected in the 2024 Financial Statements.

Accordingly, comparative figures have been adjusted to align the opening accumulated depreciation and amortization with the Trial Balance. This adjustment is presentational in nature and has no impact on the Bank’s profit or loss or overall financial position.



This image shows a full page of blank, lined paper. It features approximately 20 evenly spaced horizontal blue lines across its entire width. The paper is otherwise completely empty, with no margins, text, or other markings.[illegible]

NOTES



Lined area for notes on page 270.

NOTES



Lined area for notes on page 271.

