

Table 2:

PRUDENTIAL REGULATORY METRICS						
A bank or financial institution is required to disclose each metric's value using the corresponding standard's specifications for the reporting period-end (designated by T in the template below) as well as the four previous quarter-end figures (T-1 to T-4). (Amount in TZS Millions)						
S/ n	Metric	a	b	c	d	e
		T	T-1	T-2	T-3	T-4
		Dec-25	Sep-25	Jun-25	Mar-25	Dec-24
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	279,848	234,644	218,313	210,903	207,406
2	Tier 1	429,848	234,644	218,313	210,903	207,406
3	Total capital	429,848	234,644	218,313	210,903	207,406
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets(RWA)	1,756,088	1,761,429	1,582,224	1,517,151	1,424,534
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	15.94%	13.32%	13.80%	13.90%	14.56%
6	Tier 1 ratio (%)	24.48%	13.32%	13.80%	13.90%	14.56%
7	Total capital ratio (%)	24.48%	13.32%	13.80%	13.90%	14.56%
	Additional CET1 buffer requirements as a percentage of RWA					
8	Capital conservation buffer requirement (2.5%)	7.44%	1.32%	1.80%	1.90%	2.56%
9	Total of bank CET1 specific buffer requirements (%)	0.00%	0.00%	0.00%	0.00%	0.00%
10	CET1 available after meeting the bank's minimum capital	15.98%	4.82%	5.30%	5.40%	6.06%
	Basel III leverage ratio					
11	Total Basel III leverage ratio exposure measure	3,911,209	3,344,512	3,116,452	2,743,539	2,573,054
12	Basel III leverage ratio (%) (Tier 1 Capital / Exposure Measure)	10.99%	7.02%	7.01%	7.69%	8.06%
	Liquidity Coverage Ratio					
13	Total high-quality liquid assets (HQLA)	304,741	183,061	479,090	362,767	325,664
14	Total net cash outflow	336,851	217,435	384,754	436,786	403,038
15	LCR (%)	90.47%	84.19%	124.52%	83.05%	80.80%
	Net Stable Funding Ratio					
16	Total available stable funding	1,779,271	1,767,751	1,478,126	1,159,594	1,440,573
17	Total required stable funding	1,642,834	1,400,493	949,157	1,157,976	1,141,480
18	NSFR (%)	108.31%	126.22%	155.73%	100.14%	126.20%

Table 3

COMPOSITION OF REGULATORY CAPITAL			
CAPITAL ADEQUACY RETURN AS OF 31st DECEMBER 2025			
(Amount in TZS Millions)			
S/ n		Current Years	Prior Year
		31-Dec-25	31-Dec-24
		Amounts	Amounts
	Common Equity Tier 1 capital (CET1): Instruments and reserves		
1	Fully Paid-up Ordinary shares Capital	186,196	185,784
2	Share Premium arising from Ordinary shares	-	-
3	Retained earnings less foreseeable dividends	83,801	81,084
4	Other disclosed reserves;	-	-
5	Year to date profits of:		
6	Fifty per cent of the year to date profits less foreseeable dividends where accounts are unaudited	-	-

COMPOSITION OF REGULATORY CAPITAL			
CAPITAL ADEQUACY RETURN AS OF 31st DECEMBER 2025			
(Amount in TZS Millions)			
		Current Years	Prior Year
		31-Dec- 25	31-Dec- 24
		Amount s	Amount s
	or;		
7	One hundred percent of the year to date profits, less foreseeable dividends, where accounts have been audited subject to submission of the signed accounts to the Bank;	61,185	-
8	CET 1 before Regulatory Adjustments	331,182	266,868
9	Regulatory adjustments applied to CET1:	51,334	59,462
10	Year to date losses;	-	-
11	Goodwill;	-	-
12	Other intangible assets;	3,439	4,084
13	Deferred tax assets that rely on future profitability;	43,227	52,233
14	The amount of items where entities with which the bank has reciprocal cross holdings of Common Equity Tier 1 instrument that the Central Bank considers to have been designed to inflate artificially the own funds of the bank;	-	-
15	The amount of items required to be deducted from Additional Tier 1 items that exceed the Additional Tier 1 capital of the bank.	-	-
16	Pre-paid expenses;	4,669	3,144
17	Pre-operating expenses.	-	-
18	Common Equity Tier 1	279,848	207,406
19	Additional Tier 1 Capital		
20	Non-cumulative Irredeemable Preference Shares	150,000	-
21	Share Premium arising from Non-cumulative Irredeemable Preference Shares	-	-
22	Other Qualifying Additional Tier-1 capital instruments plus any related share premium	-	-
23	Additional Tier 1 Capital before regulatory adjustments	150,000	-
24	Total regulatory adjustment applied to Additional Tier 1 capital	-	-
25	The amount of items required to be deducted from Tier 2 items that exceed the Tier 2 capital of the bank.	-	-
26	Other Items Qualifying to be deducted from Additional Tier-1 Capital.	-	-
27	Additional Tier 1 capital recognized for capital adequacy	150,000	-
28	Available Tier 1 Capital	429,848	207,406
29	Tier 2 Capital		
30	Qualifying Tier 2 capital instruments and subordinated loans that meet the conditions stipulated by the Bank.	-	-
31	Share premium arising from capital instruments and subordinated loans qualifying as Tier 2 Capital	-	-
32	Instruments issued by consolidate subsidiaries and held by third parties that met the criteria stipulated by the Bank.	-	-
33	General provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk Weighted Assets	-	-
34	Total Tier Tier 2 capital admissible for capital adequacy	-	-
35	TOTAL CAPITAL (Tier Capital plus Tier 2 Capital).	429,848	207,406
36	Total Risk Weighted Assets (RWA)	1,756,088	1,424,534
37	Capital Ratios and buffers (in percentage of risk weighted assets)		
38	CET1 to total RWA	15.94%	14.56%
39	Tier-1 capital to total RWA	24.48%	14.56%
40	Total capital to total RWA	24.48%	14.56%
41	Capital conservation buffer	7.44%	2.56%
42	National minimum capital requirements prescribed by the Bank of Tanzania		
43	CET1 to total RWA	8.50%	8.50%
44	Tier-1 capital to total RWA	10.00%	10.00%
45	Total capital to total RWA	12.00%	12.00%
46	Capital conservation buffer	2.50%	2.50%

Table 4: Credit quality of assets

	a	b	c	d
	Gross carrying values of:		Allowances/ impairments	Net values (a+b-c)
	Defaulted exposures	Non-defaulted exposures		
Loans	103,332,335,272.35	2,604,447,541,492.95	51,183,512,451.90	2,656,596,364,313.40
Debt securities	-	355,243,752,487.56	12,898,608.29	355,230,853,879.27
Off balance sheet items	-	475,529,754,713.67	3,486,157.57	475,526,268,556.10
Total	103,332,335,272.35	3,435,221,048,694.18	51,199,897,217.76	3,487,353,486,748.77

Table 5

STANDARDIZED APPROACH CREDIT RISK EXPOSURE AND CREDIT RISK MITIGATION EFFECTS							
		a	b	c	d	e	f
		Exposures before CCF and CRM		Exposures post- CCF and post-CRM		RWA and RWA density	
	Asset classes	On- balance sheet amount	Off- balance sheet amount	On- balance sheet amount	Off- balance sheet amount	RWA	RWA density
1	Sovereigns and their central banks	-	-	-	-	-	0.00
2	Non-central government public sector entities	42,722,931,368.00	-	-	-	-	0.00
3	Multilateral development banks	-	-	-	-	-	0.00
4	Banks and financial institutions	12,766,040,002.12	-	-	-	-	0.00
5	Corporates and securities firms	1,850,215,952,651.95	-	-	-	-	0.00
6	Retail	670,666,398,213.56	-	-	-	-	0.00
7	Real estate	58,383,287,232.98	-	-	-	-	0.00
8	Defaulted exposures	21,841,754,843.79	-	-	-	-	0.00
9	Other assets	203,587,625,848.95	-	152,253,146,133.96	-	152,253,146,133.96	0.04
10	Total	2,860,183,990,161.35					

Table 6: Standardized approach – exposures by asset classes and risk weights						
	0%	20%	50%	100%	150%	Total credit exposure amount (post-CCF and post-CRM)
Sovereigns and their central banks						
						post-CCF and post-CRM)
	20%	50%	100%	150%		
Public sector entities	0	0	42,722,931,368.00	0	0	42,722,931,368.00

	0%	20%	50%	100%	150%	Total credit exposure amount (post-CCF and post-CRM)		
Multilateral development banks								
	20%	30%	40%	50%	100%	150%	Total credit exposure amount (post-CCF and post-CRM)	
Banks and financial institutions	0	0	0	0	12,766,040,002.12	0	12,766,040,002.12	
	0	20%	50%	100%	150%	Total credit exposure amount (post-CCF and post-CRM)		
Corporates and securities firms	620,304,661,920.32	0	0	1,229,911,290,731.63	0	1,229,911,290,731.63		
	0%	50%	75%	Total credit exposure amount (post-CCF and post-CRM)				
Retail	257,721,836,628.14	352,900,724,229.69	60,043,837,355.73	221,483,240,131.65				
	20%	25%	30%	40%	50%	60%	70%	Total credit exposure amount (post-CCF and post-CRM)
Residential real estate	17,802,636,899.30	5,156,647,578.12	12,399,250,616.71	4,626,559,315.12	3,694,727.683.20	-	10,061,213,541.29	19,310,301,505.95
	100%	150%	Total credit exposure amount (post-CCF and post-CRM)					
Defaulted exposures	21,841,754,843.79	0	21,841,754,843.79					
	0%	20%	50%	100%	150%	Total credit exposure amount (post-CCF and post-CRM)		
Other assets	51,334,479,714.99	0	0	152,253,146,133.96		152,253,146,133.96		

Table 7 Qualitative Disclosure

- a) Past due is a payment or obligation that has not been made by the agreed-upon date, meaning it is late payment

The scope of past due is as per below table:

Past due days	Class
0-30	Current
31-90	Especially mentioned
91-180	Substandard

181-360	Doubtfully
361+	Loss

- b) The extent of past due exposures (more than 90days) that are not considered to be impaired amount to Tzs 23,729,774,220 and the reasons for this as follows:
- i. Strong collateralization
 - ii. When default is not a result of customers inability to pay but other dispute which upon resolution the loan will be paid
 - iii. Past dues are caused by technical issues rather than payment defaults
- c) Methods of determining Impairment are as below:
- i. Loan Classification
 - ii. Exposure against collateral
 - iii. Sectorial probability of default

Table 7 Quantitative Disclosure

7di) Breakdown of exposures by geographical area

	Geographical area	Number of Borrowers	Number of Loan Accounts	Balances
a	b	m	n	o
1	Arusha	2,169.0 0	2,269.0 0	247,273,095,195.8 7
2	Coastal	-	-	-
3	Dar es Salaam	8,973.0 0	10,072.0 0	1,230,037,544,859.3 1
4	Dodoma	3,839.0 0	4,196.0 0	339,071,873,286.5 0
5	Geita	7,889.0 0	8,169.0 0	104,711,358,937.5 8
6	Iringa	-	-	-
7	Kagera	-	-	-
8	Katavi	-	-	-
9	Kigoma	-	-	-
10	Kilimanjaro	1,539.0 0	1,567.0 0	19,451,816,840.1 2
11	Lindi	-	-	-
12	Manyara	-	-	-
13	Mara	-	-	-
14	Mbeya	2,779.0 0	2,834.0 0	198,990,695,587.3 7
15	Morogoro	2,857.0 0	2,921.0 0	65,729,939,782.6 8
16	Mtwara	-	-	-
17	Mwanza	4,926.0	5,030.0	145,653,279,621.6

218,340. 94	69,015. 21	424,288. 83	66,848. 06	286 ,31 7.9 2	294,9 50.26	83,311. 99	190,954. 48	336,570. 58	755,422. 76	2,726,021. 03
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7ei) Impaired exposure by Industry

INDUSTRIAL	EXPOSURE
AGRICULTURE	13,621,558,365.61
CONSTRUCTION	9,530,416,978.53
EDUCATION	505,242,868.24
FINANCIAL INTERMEDIARY	12,585,841,538.42
GAS	860,128,772.70
HEALTH	25,207,601.00
HOTEL & RESTAURANT	5,195,965,095.01
MANUFACTURING	19,046,788,704.63
MINING & QUARRYING	-
MORTGAGE	2,852,253,509.41
OTHER SERVICES	2,221,686,460.36
PERSONAL	10,847,466,345.39
REAL ESTATE	1,485,460,039.03
TOURISM	-
TRADE	23,237,216,120.11
TRANSPORT & COMMUNICATION	1,317,102,873.86
	103,332,335,272.30

7eii) Impaired exposure by Geographical area

GEOGRAPHICAL AREA	NET LOANS
ARUSHA	4,496,599,228.37
DAR ES SALAAM	60,343,165,025.34
DODOMA	2,140,482,321.57
GEITA	3,311,486,538.81
IRINGA	6,405,606.18
KILIMANJARO	323,143,608.42
MBEYA	1,525,057,569.25
MOROGORO	7,359,667,685.06
MWANZA	17,216,588,005.79
NJOMBE	-
SHINYANGA	3,719,385,719.45
SIMIU	1,518,747,237.97
SONGWE	922,682,329.39
TANGA	127,170,188.79
UNGUJA	321,754,207.91
	103,332,335,272.30

7f) Ageing analysis of accounting past due exposures

Past dues	Amount
0-30	2,368,326,144,926.28
31-60	157,741,135,784.50
61-90	102,220,329,791.29

91-180	9,268,830,680.31
181-360	27,695,023,306.65
360 +	60,769,567,593.13
	2,726,021,032,082.17

7g) Breakdown of restructure exposures between Impaired and not Impaired

Restructured loans		
Impaired	Not impaired	Total
12,627,153,013.43	2,831,178,066.74	15,458,331,080.17

8a) The policy defines the framework within which Azania Bank measures, monitors and manages the credit risks. The core features of the policy are highlighted in the policy. On and off-balance sheet netting is also shown under Provision for Off Balance Sheet Items

8b) The bank shall obtain valuation reports for properties to be held as collaterals for new facilities and re-value the properties for existing facilities whose valuation dates exceed 3 years.

8c) This is captured in the section Credit Concentration & Other Exposure Limits. Other improvements in the credit policy will be done in the next review of our credit policy.

Table 9: Credit risk mitigation (CRM) technique overview

Table 9: Credit risk mitigation (CRM) techniques – overview			
	a	b	c
	Exposures carrying amount	Exposures secured by eligible collateral	Exposures not secured by eligible collateral ((a)-(b))
Loans	2,707,779,876,765.3 0	878,026,498,548.4 5	1,829,753,378,216.85
Debt securities	355,243,752,487.5 6	347,443,752,487.5 6	7,800,000,000.00
Total	3,063,023,629,252.8 6	1,225,470,251,036.0 1	1,837,553,378,216.85
Of which defaulted	103,332,335,272.3 5	23,634,679,409.0 0	79,697,655,863.35

Table 10: Operational Risk-Qualitative disclosures

- a)Policies, frameworks and guidelines for the management of operational risk
- **Operational risk policy-** The bank maintains a operational risk policy that defines the principles, roles, responsibilities, and

risk appetite for managing operational risk across all business units.

- **Risk management framework**-The operational risk management framework provides a structured approach for identifying, assessing, monitoring, controlling, and reporting operational risks, and risk appetite. It is aligned with overall enterprise risk management practices and regulatory requirements

- **Guidelines (Operational risk procedure manual)**- Operational risk procedure manual is in place to guide staff on risk identification, incident reporting, loss event classification, control assessments, and reporting procedures.

b) Structure and organization of operational risk management and control function

Under Risk Function – operational risk unit is responsible for day-to-day oversight of operational risk activities, including risk assessment and monitoring.

Operational risk committee-Provides Operational risk oversight, review key risk indicators, assesses major incidents, and ensures that appropriate mitigation actions are implemented.

Control function-Operational control function are embedded within business units and support the implementation of internal controls, compliance with policies, and early detection of operational risk events.

(c) Operational risk measurement system

- Bank use Risk and control self-assessment (RCSA) tool to evaluate inherent and residual risks
- Key Risk Indicators (KRIs) for ongoing monitoring of risk exposure trends
- Scenario analysis for estimating potential high-severity operational risk events
- Stress Testing on operational risk

(d) Scope and main context of reporting framework on operational risk

- **Executive management**

Operational risk reports are submitted monthly to executive management, highlighting key risk exposures, significant incidents, control weaknesses, and emerging risk trends for decision-making and corrective action.

- **Board of Directors**

Operational risk reports are submitted to the Board of Directors focusing on overall risk profile, compliance with risk appetite, significant losses, and the effectiveness of the operational risk management framework.