



**PRUDENTIAL REGULATORY METRICS
AS AT 31ST DECEMBER 2025
(Amount in million shillings)**

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).

S/N	Metric	a	b	c	d	e
		T	T-1	T-2	T-3	T-4
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	99,863	97,910	101,882	101,012	99,518
2	Tier 1	99,863	97,910	101,882	101,012	99,518
3	Total capital	101,210	102,000	101,882	101,012	99,619
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	73,384	65,277	71,899	69,678	74,077
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	136%	150%	142%	145%	134%
6	Tier 1 ratio (%)	136%	150%	142%	145%	134%
7	Total capital ratio (%)	138%	156%	142%	145%	134%
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5%)	126%	141%	130%	133%	122%
9	Total of bank CET1 specific buffer requirements (%)	0%	0%	0%	0%	0%
10	CET1 available after meeting the bank's minimum capital	128%	141%	133%	136%	126%
Basel III leverage ratio						
11	Total Basel III leverage ratio exposure measure	149,351	130,629	133,982	133,495	136,348
12	Basel III leverage ratio (%) (Tier 1 Capital / Exposure Measure)	67%	75%	76%	76%	73%
13	Total high-quality liquid assets (HQLA)	63,328	54,221	53,239	54,379	64,175
14	Total net cash outflow	2,994	2,244	3,728	3,445	2,927
15	LCR (%)	2115%	2416%	1428%	1578%	2192%
Net Stable Funding Ratio						
16	Total available stable funding	97,597	97,710	128,758	129,385	127,669
17	Total required stable funding	31,194	28,620	29,663	28,596	29,763
18	NSFR (%)	313%	341%	434%	452%	429%



**COMPOSITION OF REGULATORY CAPITAL
CAPITAL ADEQUACY RETURN AS AT 31ST DECEMBER 2025
(Amount in million shillings)**

	Current Year 31 / 12 / 2025 Amount	Prior Year 31 / 12 / 2024 Amount
1 Common Equity Tier 1 capital (CET1): Instruments and reserves		
2 Fully Paid-up Ordinary shares Capital	89,040	89,040
3 Share Premium arising from Ordinary shares	-	-
4 Retained earnings less foreseeable dividends	7,190	9,935
5 Other disclosed reserves;	-	-
6 Year to date profits of:	-	-
7 Fifty per cent of the year to date profits less foreseeable dividends where accounts are unaudited or;	-	898
8 One hundred percent of the year to date profits, less foreseeable dividends, where accounts have been audited subject to submission of the signed accounts to the Bank;	4,035	-
9 CET 1 before Regulatory Adjustments	100,265	99,873
10 Regulatory adjustments applied to CET1:	402	355
11 Year to date losses;	-	-
12 Goodwill;	-	-
13 Other intangible assets;	-	-
14 Deferred tax assets that rely on future profitability;	-	-
15 The amount of items where entities with which the bank has reciprocal cross holdings of Common Equity Tier 1 instrument that the Central Bank considers to have been designed to inflate artificially the own funds of the bank;	-	-
16 The amount of items required to be deducted from Additional Tier 1 items that exceed the Additional Tier 1 capital of the bank.	-	-
17 Pre-paid expenses;	402	355
18 Pre-operating expenses.	-	-
19 Available Common Equity Tier 1	99,863	99,518
20 Additional Tier 1 Capital	-	-
21 Non-cumulative Irredeemable Preference Shares	-	-
22 Share Premium arising from Non-cumulative Irredeemable Preference Shares	-	-
23 Other Qualifying Additional Tier-1 capital instruments plus any related share premium	-	-
24 Additional Tier 1 Capital before regulatory adjustments	-	-
25 Regulatory adjustment applied to Additional Tier 1 capital	-	-
26 The amount of items required to be deducted from Tier 2 items that exceed the Tier 2 capital of the bank.	-	-
27 Other Items Qualifying to be deducted from Additional Tier-1 Capital.	-	-
28 Available Additional Tier 1 Capital	-	-
29 Available Tier 1 Capital	99,863	99,518
30 Tier 2 Capital	-	-
31 Qualifying Tier 2 capital instruments and subordinated loans that meet the conditions stipulated by the Bank.	1,347	101
32 Share premium arising from capital instruments and subordinated loans qualifying as Tier 2 Capital	-	-
33 Instruments issued by consolidate subsidiaries and held by third parties that met the criteria stipulated by the Bank.	-	-
34 General provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk Weighted Assets	-	-
35 Available Tier 2 Capital	1,347	101
36 TOTAL CAPITAL (Tier Capital plus Tier 2 Capital).	101,210	99,619
37 Total Risk Weighted Assets (RWA) as BOT FORM 16-1 Schedule 15 (SUMMARY)	73,384	74,077
38 Capital Ratios and buffers (in percentage of risk weighted assets)	0	
39 CET1 to total RWA	136%	134%
40 Tier-1 capital to total RWA	136%	134%
41 Total capital to total RWA	138%	134%
42 Capital conservation buffer	126%	122%
43 Minimum capital requirements prescribed by the Bank of Tanzania	0	
44 CET1 to total RWA	8.50%	8.50%
45 Tier-1 capital to total RWA	10.00%	10.00%
46 Total capital to total RWA	12.00%	12.00%
47 Capital conservation buffer (Made of Instrument Qualifying to be included in CET1)	2.50%	2.50%

COMPUTATION OF CAPITAL CHARGE FOR OPERATIONAL RISK AS AT 31ST DECEMBER 2025

(Amount in million shillings)

S/No	Particulars	Amount				
		Year 1	Year 2	Year 3	Average of BI elements	Total BI
a	b	c	d	e	f	g
1	I. "Interest, Lease and Dividend": (A)+(C)+(D)					2,470
2	The Minimum of Net Interest Income and 2.25% of Interest bearing Assets	2,505	2,442	2,464	2,470	
3	Net Interest Income (A):	11,740	11,776	11,847		
4	Interest income	12,693	12,800	12,814		
5	Interest expense	953	1,025	967		
6	Interest bearing assets (B)	111,341	108,550	109,498		
7	2.25% of Interest bearing assets	2,505	2,442	2,464		
8	Net Financial and operating lease (C)	0	0	0	-	
9	Financial and operating lease income, profits from leased assets	0	0	0		
10	Financial and operating lease expenses, losses from leased assets, depreciation and impairment of operating leased assets	0	0	0		
11	Dividend income (D)	0	0	0	-	
12						
13	II. "Services" : (E)+(F)					9,925
14	Net Fee and Commission Income (E)	613	784	808	735	
15	Fee and commission income	613	784	808		
16	Fee and commission expenses	-	-	-		
17	Net Other Operating Income (F)	10,238	9,030	8,302	9,190	
18	Other operating income	1,498	379	402		
19	Other operating expenses	10,238	9,030	8,302		
20						
21	III. "Financial" : (I)+(J)	0	0	0	-	-
22	Net profit (loss) on the trading book	0	0	0		
23	Net profit (loss) on the banking book	0	0	0		
24						
25	Total (I+II+III)					12,395
26	Marginal Coefficient (a)					0.12
27	Capital Charge (Average*risk factor)					1,487
28	Conversion Factor					8.33
29	Calibrated Risk-Weighted Equivalent Amount					12,395

CAPITAL CHARGE FOR MARKET RISK (FOREIGN EXCHANGE RISK) AS AT 31ST DECEMBER 2025**(Amount in million shillings)**

S/No	Particulars	Amount
a	b	c
1	Greater of the Net Long Position or Absolute Value of the Net Short Position [Net Open Positions] as calculated under Form 16-4(b) as at the end of the month (Line item 32)	3,033
2	Absolute Value of Gold Position	-
3	Total (Item 1 plus 2)	3,033
4	Risk Factor	12%
5	Capital Requirement (total*risk factor)	364

LEVERAGE RATIO AS AT 31ST DECEMBER 2025**(Amount in million shillings)**

S/No	Particulars	Amount
a	b	c
1	Total Assets as calculated under BOT FORM 16-1 to be submitted Monthly (Line item 77)	135,597.66
2	Total Off Balance Sheet Exposures as calculated under BOT FORM 16-1 Schedule 15(ii) NEW (Line item 53)	13,753.14
3	Total Exposure Measure (Item 1 plus 2)	149,350.80
4	Tier 1 Capital as calculated under BOT Form 16-1 (Schedule 10(i)) NEW (Line item 28)	99,862.89
5	Leverage Ratio	66.86%



**COMPUTATION OF LIQUIDITY COVERAGE RATIO (LCR)
AS AT 31ST DECEMBER 2025
(Amount in million shillings)**

S/N	PARTICULARS	OUTSTANDING AMOUNT	Factor	Net Amount
a	b	c	d	e
1	Stock of High Quality Liquid Assets (HQLA)			
2	Cash (notes and coins)	1,099	100%	1,099
3	Balances with Bank of Tanzania to the extent that these balances can be drawn down in times of stress ¹	8,557	100%	8,557
4	Balances with Other banks and Interbank Loan Receivable callable on demand or with a maturity of less than 30 days	7,196	100%	7,196
5	Unencumbered Government securities maturing within 1 year	0	95%	0
6	Unencumbered Government securities maturing after 1 year	58,095	80%	46,476
7	Total high quality liquid assets	74,947		63,328
8	Cash Outflows			
9	Demand deposits	7,775	10%	778
10	Savings deposits	154	10%	15
11	Time deposits (maturing in 30 days)	118	100%	118
12	Deposits from banks and financial institutions (maturing in 30 days)	9,662	100%	9,662
13	Derivatives cash outflows (sum of all net cash outflows due within 30 days)	0	100%	0
14	All other contractual cash outflows (maturing in 30 days)	0	100%	0
15	Undrawn and unexpired overdrafts	145	30%	44
16	Undrawn balances of loans	0	10%	0
17	Other contingent funding liabilities (such as guarantees and letters of credit)	27,216	5%	1,361
18	Total cash outflows	45,071		11,978
19	Cash Inflows			
20	Loans and advances (maturing within 30 days)	36	50%	18
21	Due from banks and financial institutions (maturing in 30 days)	20,835	100%	20,835
22	All other contractual cash inflows (maturing in 30 days)	0	100%	0
23	Net derivatives cash inflows	0	100%	0
24	Total cash inflows	20,871		20,853
25	Total net cash outflows = Total cash outflows minus the lower of total cash inflows and 75% of gross outflows			2,994
26	Liquidity Coverage Ratio =(Total high quality liquid assets)/(Total net cash outflows)			2115%

[1] Balances with Bank of Tanzania excluding Statutory Minimum Reserve



COMPUTATION OF NET STABLE FUNDING (NSFR)
AS AT 31ST DECEMBER 2025
(Amount in million shillings)

S/NO	PARTICULARS	Carrying Amount	Factor	Weighted Amount(B*C)
a	b	c	d	e
1	Available Stable Funding (ASF)	-		-
2	Common equity Tier 1	89,040	100%	89,040
3	Additional Tier 1	7,190	100%	7,190
4	Tier 2 Capital (excluding Tier 2 instruments with residual maturity of less than one year)	-	100%	-
5	Borrowings and liabilities with maturities of one year or more	-	100%	-
6	Stable demand and/or term deposits from retail and small business customers with residual maturity of less than one year.	1,439	95%	1,367
7	Less stable demand and/or term deposits from retail and small business customers with residual maturity of less than one year.	-	90%	-
8	Funding with residual maturity of less than one year provided by non-financial corporate customers	-	50%	-
9	Operational Deposits	-	50%	-
10	Funding with residual maturity of less than one year from sovereigns, public sector entities (PSEs), and multilateral and national development banks	-	50%	-
11	Other funding maturing within a period of six months to one year and not included in the line items above, including funding provided by central banks and financial institutions, including banks within the same cooperative network	-	50%	-
12	Deferred tax liabilities (if the effective maturity of the liability greater than one year).	-	100%	-
13	Deferred tax liabilities maturing within a period of six months to one year.	-	50%	-
14	Deferred tax liabilities maturing within six months.	-	50%	-
15	Minority Interest – If perpetual or with effective maturity of greater than or equal to one year	-	100%	-
16	Minority Interest with residual maturity between six months and less than one year.	-	50%	-
17	Minority Interest with effective maturity of less than six months.	-	0%	-
18	All other liabilities and equity not included in the above categories, including liabilities without a stated maturity.	-	0%	-
19	NSFR derivative liabilities net of NSFR derivative assets if NSFR derivative liabilities are greater than NSFR derivative assets	-	0%	-
20	NSFR derivative liabilities (derivative liabilities less total collateral posted as variation margin on derivative liabilities).	-	0%	-
21	"Trade date" payables arising from purchases of financial instruments, foreign currencies	-	0%	-
22	Total Available Stable Funding (ASF) [sum (1)-(21)]	-	0%	97,597
23	Required Stable Funding (RSF)	-	0%	-
24	On-balance sheet	-	0%	-
25	Cash	1,099	0%	-
26	Balances with Bank of Tanzania (All balances including Statutory Minimum Reserve).	9,152	0%	-
27	Claims on Bank of Tanzania with residual maturities of less than six months.	-	0%	-
28	Receivables arising from sales of financial instruments and foreign currencies.	-	0%	-
29	Unencumbered HQLA excluding cash and balance with the Bank of Tanzania.	58,095	5%	2,905
30	Unencumbered loans to banks and financial institutions with residual maturities of less than six months, where the loan is secured against Level 1 assets, where a bank or financial institution has the ability to freely rehypothecate the received collateral	-	10%	-
31	All other unencumbered loans to banks and financial institutions with residual maturities of less than six months not included in the above categories.	20,835	15%	3,125
32	HQLA encumbered for a period of six months or more and less than one year.	-	50%	-
33	Loans to Bank of Tanzania, banks and financial institutions with residual maturities between six months and less than one year.	-	50%	-
34	Deposits held at other banks and financial institutions for operational purposes	7,196	50%	3,598
35	All other assets not included in the above categories with residual maturity of less than one year.	14,247	50%	7,124
36	Unencumbered residential mortgages with a residual maturity of one year or more and with a risk weight of less than or equal to 75%.	-	65%	-
37	Other unencumbered loans not included in the above categories, excluding loans to banks and financial institutions, with a residual maturity of one year or more and with a risk weight of less than or equal to 50%.	-	65%	-
38	Cash, securities or other assets posted as initial margin for derivative contracts and cash or other assets provided to contribute to the default fund of a Central Counter Party.	-	85%	-
39	Other unencumbered performing loans with risk weights greater than 50% and residual maturities of one year or more, excluding loans to banks and financial institutions.	-	85%	-
40	Unencumbered securities that are not in default and do not qualify as HQLA with a remaining maturity of one year or more and exchange-traded equities	-	85%	-
41	Physical traded commodities, including gold	-	85%	-
42	All other assets that are encumbered for a period of one year or more	0	100%	0
43	Derivative assets net of derivative liabilities if derivative assets are greater than derivative liabilities.	-	100%	-
44	All other assets not included in the above categories, including non-performing loans, loans to banks and financial institutions with a residual maturity of one year or more, non-exchange-traded equities, fixed assets, items deducted from regulatory capital, retained interest, insurance assets, subsidiary interests and defaulted securities.	14,170	100%	14,170
45	Off-balance sheet	-	0%	-
46	Irrevocable and conditionally revocable credit and liquidity facilities to any client	-	5%	-
47	Unconditionally revocable credit and liquidity facilities	-	5%	-
48	Trade finance-related obligations (including guarantees and letters of credit)	-	1%	-
49	Guarantees and letters of credit unrelated to trade finance obligations	26,473	1%	265
50	Other non-contractual obligations	-	1%	-
51	All other off balance-sheet obligations not included in the above categories.	145	5%	7
52	Total Required Stable Funding (RSF) [sum (22)-(47)]	-	0%	31,194
53	Net Stable Funding Ratio = (Total available stable funding)/(Total required stable funding) [B/D]	-	0%	313%

Qualitative disclosure

Qualitative information about credit risk for the period ended 31st December 2025

Credit risk at CDB arises primarily from credit facilities extended to retail, business, and corporate customers operating across sectors such as trade, healthcare, real estate, mining, personal lending, and construction. This risk is influenced by factors including changes in the business environment, sector-specific dynamics, and the reliability of borrowers' cash flows. To mitigate these risks, the Bank enforces robust credit risk management practices, including the requirement for adequate collateral (such as land, equipment, cash, and other acceptable securities), the use of internal credit rating models for thorough credit assessments, and continuous monitoring of exposures through site visits and periodic financial reviews. Governance and oversight are provided by the Board Credit Committee, with all practices aligned to regulatory requirements set by the Bank of Tanzania and accounting standards under IFRS 9. The Bank incorporates forward-looking information in estimating probability of default and expected credit losses, and actively manages non-performing loans through restructuring, end-to-end portfolio monitoring, and dedicated remedial and recovery processes. Overall, the Bank's credit risk profile reflects both borrower-specific factors and the broader macroeconomic conditions prevailing in Tanzania.

CREDIT QUALITY OF ASSET FOR THE PERIOD ENDED 31ST DECEMBER 2025				
(Amount in million shillings)				
Amount in TZS Millions	A	B	C	D
	Gross Carrying value of ;		Allowances Impairment	Net Value (a+b-c)
	Defaulted Exposure	Non- Defaulted exposure		
Loan and Advances	11,327	19,100	11,058	19,369
Off balance sheet items		27,216		27,216
Total	11,327	46,316	11,058	46,585

Additional disclosure related to the Credit Quality of Assets.

CBD Bank manages asset quality through a well-defined credit risk appetite across Retail, Business/SME, and corporate segments. The Bank maintains a robust end-to-end credit process framework that clearly delineates responsibilities at each stage, ensuring the delivery of services to customers in a consistent and professional manner. Credit quality is further supported by a comprehensive loan management process, which facilitates the timely identification and classification of past due facilities where borrowers fail to meet their contractual obligations. A financial asset is considered impaired when it is probable that the Bank will not recover the full contractual cash flows, while past due status primarily reflects loan delinquency. Impairment assessment is conducted based on the classification of

exposures into staging categories (Stage 1 to Stage 3) in line with significant increases in credit risk. Stage 3 includes exposures that have migrated from performing to non-performing status. Impairment is measured in accordance with IFRS 9 requirements, using the Expected Credit Loss (ECL) model, which incorporates Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD) over the relevant time horizon. The impairment framework also incorporates qualitative factors to ensure a comprehensive assessment of credit risk. In addition, credit quality reporting considers restructured facilities granted to customers experiencing financial difficulties. Such facilities involve modifications to original terms and conditions and remain classified as non-performing until regulatory criteria for reclassification to performing status are fully satisfied.

Qualitative disclosure requirements related to credit risk mitigation techniques.

The Bank's Credit Policy provides a comprehensive framework for credit risk origination, administration, mitigation, and management of both funded and non-funded exposures. The policy outlines key risk mitigation techniques and offers guidance to business, credit, legal, approval, and post-disbursement monitoring functions to ensure sound facility structuring and appropriate security arrangements acceptable to the Bank. It also emphasizes proper loan booking, timely perfection of securities prior to drawdown, and continuous portfolio monitoring.

Furthermore, the Bank actively monitors credit concentration risk, including portfolio and sectorial concentrations, as well as emerging risks related to climate change and ESG considerations. These risks are managed through a structured governance framework with oversight extending from Management to the Board level, ensuring effective mitigation of the Bank's overall credit risk exposure.