CRDB BANK

The bank that listens

Building Resilience for **Sustained Growth**

2024 INTEGRATED REPORT
& CONSOLIDATED FINANCIAL STATEMENTS

About our Theme

CRDB Bank is pleased to present its annual report for the financial year 2024, which highlights our commitment to **'Building Resilience for Sustained Growth.'** This theme reflects our performance and dedication to delivering long-term value to all stakeholders through strategic foresight and adaptability.

By establishing clear goals and implementing targeted initiatives, we have successfully navigated a dynamic landscape that drives financial growth, innovation, and market expansion. Strengthening strategic alliances remains central to our growth strategy, enabling us to create a greater impact while providing value to businesses and communities.

Our resilience is built on a solid foundation, a forward-looking vision, and a highly skilled workforce. As we continue to take the lead in digital transformation, regional expansion, and sustainability, we remain focused on deepening stakeholder relationships and shaping a more innovative, inclusive, and sustainable future.

Board Responsibility and Approval Statement

The Board of Directors acknowledges its responsibility for the integrity of this report. It has reviewed the operating context, strategy, and value creation model, ensuring that the report addresses all material issues that may impact the Group's ability to create value. In the Board's opinion, this report provides a fair and accurate representation of the Group's performance.

Report Scope and Boundary

This Integrated Report and Financial Statements cover the financial period from January 1, 2024, to December 31, 2024. It provides an overview of the Group's business activities during the year and offers insights into anticipated prospects for 2025 and beyond. CRDB Bank Group comprises CRDB Bank Plc (the 'Bank') and its subsidiaries: CRDB Bank Burundi S.A., CRDB Bank Foundation, CRDB Bank DRC, and CRDB Insurance Company Limited.

Reporting Frameworks

This report has been prepared in compliance with industry best practices and guided by the principles and requirements of the Integrated Reporting Framework. It adheres to the laws and guidelines governing listed companies, including the Bank of Tanzania's (BoT) prudential guidelines, as well as regulations set by the National Board of Accountants and Auditors (NBAA), Dar es Salaam Stock Exchange (DSE), and Capital Markets and Securities Authority (CMSA).

The Group and Bank consolidated Financial Statements were prepared in accordance with IFRS Accounting Standards and the Tanzania Financial Reporting Standards (TFRS1). To enhance clarity and transparency regarding our value creation process.

Materiality

We apply the principle of materiality to determine what information should be included in our report. This principle emphasises the issues, opportunities, and challenges that significantly impact the CRDB Group and its ability to consistently deliver value to our stakeholders in a sustainable way.

Process and Quality Assurance

Management and internal audit conducted a combined review to ensure the accuracy of the report's content, with the Board and its subcommittees providing oversight. While this report is not audited, it includes information extracted from the consolidated Group and Bank financial statements. The Group's consolidated annual financial statements were audited by PricewaterhouseCoopers (PwC) and received a clean audit report.

Contents

04
About Us
Performance Snapshot 06
Value Added Statement 10

12
CRDB Bank Group
Key Highlights 2024 14
Mission, Vision, Values 16
Products & Services 18
Factors Impeding Our Creation of Value 20
Value-creation Model 22
Awards & Recognition 24
Management Team 26
Investor Factsheet 28

30
Driving Success Sustainably
Message from the Chairman 32
Operating Environment 36
Stakeholders Engagement 42
Materiality 44
Strategy 48

52
Strategic Execution for Long-Term Value
Message from the Group CEO 54
Our Capitals
- Financial Capital 62
- Manufactured Capital 82
– Intellectual Capital 88
– Human Capital 94
– Social and Relationship Capital 106
– Natural Capital 116
Our Subsidiaries
- CRDB Bank Burundi 122
– CRDB Bank DRC 124
– CRDB Bank Foundation 126
– CRDB Insurance Company 130

132
Sustaining Growth Through Governance & Risk Oversight
Corporate Governance 134
Risk Management Report – FY 2024 180
Strategic Outlook 188

194
Financial Statements
The Report by those Charged with Governance 196
Statement of Directors' Responsibilities 326
Declaration of The Chief Financial Officer 327
Independent Auditor's Report 328
Statement of Profit or Loss 332
Statement of Other Comprehensive Income 333
Statement of Financial Position 334
Statement of Changes in Equity 335
Statement of Cash Flows 339
Notes to the Financial Statements 340

Abbreviations

ADA	Advanced Diploma in Accountancy
AfDB	African Development Bank
AGM	Annual General Meeting
ALCO	Asset and Liability Committee
ALM	Asset Liability Management
AML	Anti-Money Laundering
ATMs	Automated Teller Machines
Basel II	Basel Accord II
Basel III	Basel Accord III
BCBS	Basel Committee on Banking Supervision
BCMS	Business Continuity Management System
BFIA	Banking and Financial Institutions Act, 2006
BIF	Burundian Francs
BOT	Bank of Tanzania
BSI	British Standards Institute
CASA	Current Account and Savings Account
CASAs	Current/ Savings Accounts
CCO	Chief Commercial Officer
CDD	Customer Due Diligence
CEO	Chief Executive Officer
CFT	Combating the Financing of Terrorism
CIR	Cost-to-income ratio
CISD	Critical Incident Stress Debriefing
CMSA	Capital Markets and Securities Authority
COO	Chief Operating Officer
CPA(T)	Certified Public Accountant (Tanzania)
CSR	Corporate Social Responsibility
DANIDA	Danish International Development Agency
DEG	Deutsche Investitions- und Entwicklungsgesellschaft
DFIDs	Department for International Development
DR Congo	Democratic Republic of Congo
EaR	Earning at Risk
ECL	Expected Credit Loss
EIB	European Investment Bank
ESG	Environmental, Social, and Governance
EWSM	Early Warning Signs Models
EXCO	Executive Committee
FinTech	Financial Technology
FTP	Fund Transfer Pricing
GCF	Green Climate Fund
GDP	Gross Domestic Product
GHG	Greenhouse Gas
HQ	Headquarters
HR	Human Resources
ICT	Information and Communications Technology
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
INEDs	Independent Non-Executive Directors
ISO	International Organisation for Standardisation
KfW	Kreditanstalt für Wiederaufbau
KPI	Key Performance Indicator
KYC	Know Your Customer
LC	Letter of Credit
LCR	Liquidity Coverage Ratio
MA	Master of Arts
MBA	Master of Business Administration
MEMARTS	Memorandum and Articles Association
MIS	Management Information System
MNOs	Mobile Network Operators
MSc	Master of Science
MSMEs	Micro, Small, and Medium Enterprises
MtM	Mark to Market
NBAA	National Board of Accountants and Auditors
NBC	National Bank of Commerce
NDA	National Designated Authority
NDC	Nationally Determined Contribution
NEDs	Non-Executive Directors
NGOs	Non-Governmental Organisations
NOP	Foreign exchange open positions
NPL	Non-Performing Loan
NPS	Net Promoter Score
NSFR	Net Stable Funding Ratio
OSHA	Occupational Safety and Health Administration
PCI-DSS	Payment Card Industry Data Security Standard
PGDA	Postgraduate Diploma in Accounting
POS	Point of Sale
PSSSF	Public Service Social Security Fund
PV01	Present Value of a Basis Point
QR	Quick Response
RAS	Risk Appetite Statement
RCKM	Rockham Capital Kimberlite
RCSAs	Risk Control Self Assessments
ROA	Return on Assets
ROE	Return on Equity
SDGs	Sustainable Development Goals
SLA	Service Level Agreement
SOPs	Standard Operating Procedures
TAT	Turn Around Time
TFRS	Tanzanian Financial Reporting Standards
TIB	Tanzania Investment Bank
TIRA	Tanzania Insurance Regulatory Authority
TMRC	Tanzania Mortgage Refinance Company
TZS	Tanzanian Shilling
UN	United Nations
UN	SDGs United Nations Sustainable Development Goals
UNFCCC	United Nations Framework Convention on Climate Change
USD	United States Dollar
USSD	Unstructured Supplementary Service Data
VaR	Value at Risk
YoY	Year-on-Year

About CRDB Bank Group

We are an integrated financial services provider listed on the Dar es Salaam Stock Exchange (DSE) in Tanzania. Our vision is to transform lives and develop economies to their fullest potential. The Bank contributes to sustainable growth and financial inclusion by offering a comprehensive range of financial services. These services cater to individuals, small and medium-sized enterprises (SMEs), corporate banking, treasury and capital markets, premier banking and insurance services. We operate through a network of 259 branches, 684 ATMs (including deposit ATMs), 4,708 point-of-sale (POS) terminals, and 36,566 agents spread across the country.

Our Presence

We are based in Tanzania, where our headquarters are located. We have three wholly owned subsidiaries, including CRDB Bank Burundi S.A., which was incorporated in the Republic of Burundi in 2012; CRDB Insurance Company Limited, which was incorporated in the United Republic of Tanzania under TIRA in 2023; and CRDB Bank Foundation, which was registered in 2022 by the Registrar of NGOs. Additionally, the Bank controls another subsidiary, 'CRDB Bank Congo,' which was incorporated in the Democratic Republic of Congo in 2023 with 55% ownership. Each subsidiary contributes to an integrated financial services model that reinforces economic stability and long-term progress.

Through our commitment to empowering communities and fostering economic resilience, we remain focused on creating lasting socio-economic value for all stakeholders.

Burundi

CRDB Bank Burundi S.A. (2012)

Tanzania

Headquarters, with a strong regional presence

CRDB Insurance Company Limited (2023)

CRDB Bank Foundation (2022)

Democratic Republic of Congo

CRDB Bank Congo (2023)

Our Subsidiaries

CRDB Bank Burundi S.A.

A licensed Bank in Burundi under the Banks and Financial Institutions Act, 2003

CRDB Bank DR Congo

A limited company and licensed Bank registered under the Ohada Uniform Act, G.I.E., and the Banking Regulation of DR Congo

CRDB Insurance Company Limited

A licensed insurance company in Tanzania that engages in providing insurance services

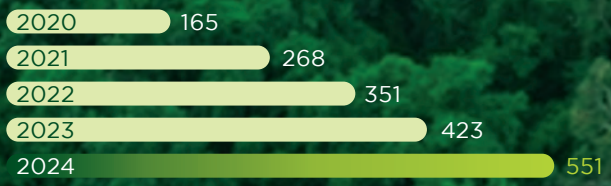
CRDB Bank Foundation

A non-profit organisation registered in Tanzania, aiming to promote inclusive growth through community-focused initiatives

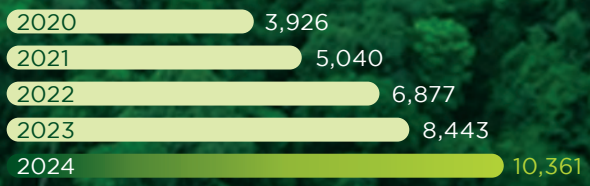
A snapshot of Group Performance

Amount in TZS Billions

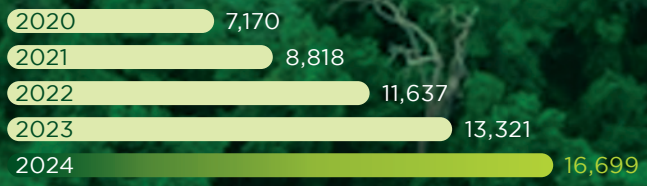
Profit After Tax (PAT)



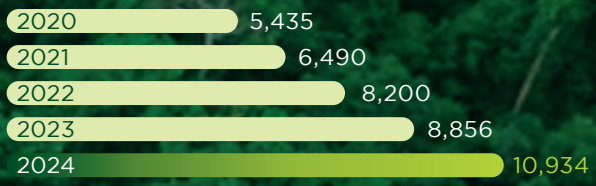
Loans and Advances



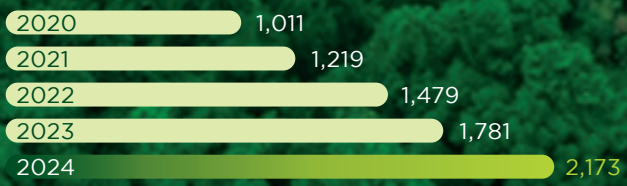
Total Assets



Total Deposits

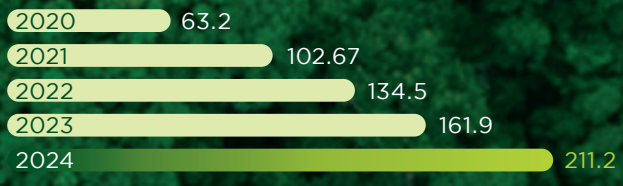


Total Equity

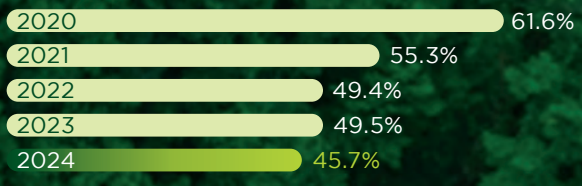


Key Ratios

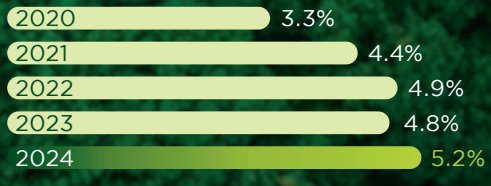
Earnings Per Share



Cost to Income Ratio

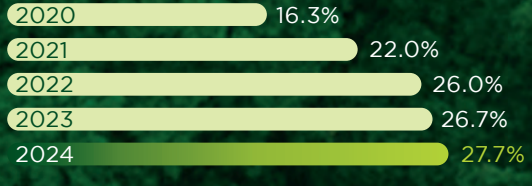


ROA



NPL Ratio

ROE



PERFORMANCE SNAPSHOT

Year in Review:
Financial Performance

Group Performance

Profitability

Profit Before Tax
TZS 778.8 Billion

Profit After Tax (PAT)
TZS 551.5 Billion

Interest Income
TZS 1,562.1 Billion

Non-interest Income
TZS 560.1 Billion

Balance Sheet Growth

Total Assets: Increased by
25.3% to **TZS 16,698.8** Billion
(from TZS 13,321.3 Billion in FY 2023)

Customer Deposits: Increased by
23.5% to **TZS 10,934.1** Billion
(from TZS 8,856.0 Billion in FY 2023)

Net Loans and Advances: Increased by
22.7% to **TZS 10,360.8** Billion
(from ZS 8,443.5 Billion in FY 2023)

Business Growth

Market Share

Customer Deposits
CRDB Bank
27%

Assets
CRDB Bank
26%

CRDB's Performance in Selected KPIs Against the Industry

KPI	Industry Average	CRDB Bank
Non-performing Loans	5%	2.9%
Return on Assets	5%	5.2%
Return on Equity	22.1%	27.7%
Cost-to-Income Ratio	44.0%	45.7%

Subsidiary Performance

CRDB Bank Burundi S.A.

PAT	Total Deposits	Total Assets	Loans and Advances
TZS 40.3 Billion	**TZS 693.3** Billion	**TZS 1,484.4** Billion	**TZS 751.2** Billion

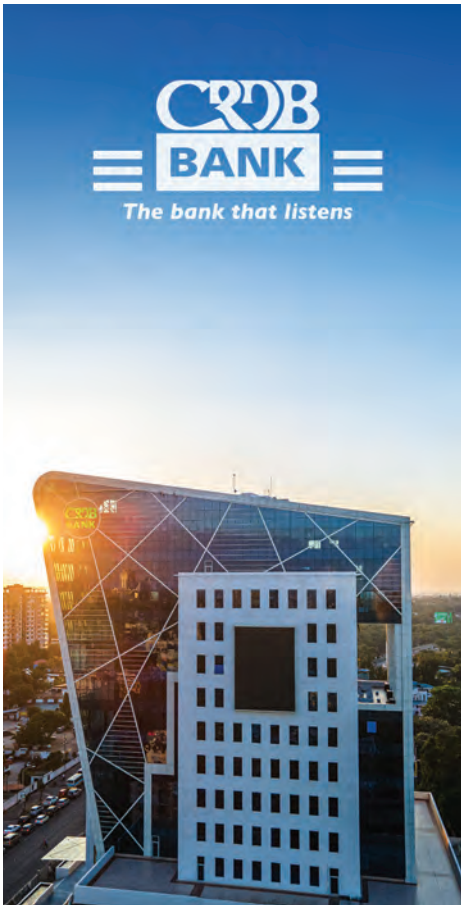
CRDB Bank Congo

Post-Tax Loss
TZS 6.7 Billion

Total Deposits
TZS 22.1 Billion

Total Assets
TZS 184.6 Billion

Loans and Advances
TZS 5.7 Billion



CRDB Insurance Company Limited

Gross Written Premium
TZS 26.9 Billion

Profit After Tax
TZS 0.3 Billion

Net Claims Incurred
TZS 2.9 Billion

Total Assets
TZS 19.2 Billion

CRDB Bank Foundation

Capacity Building	Accounts Opened (Financial Inclusion)
196,650 Youth and Women	**144,810**

Total Subsidiary Contribution

2024	2023
6.2%	**5.6%**

Non-Financial Performance

Planet

Disbursement to Green Projects
TZS 86.9 Billion

Reduction of paper usage by
21%
(Number of reams to 17,810 from 22,535 in 2023

Green bond (Medium-Term Note Programme)
TZS 86.9 Billion

EDGE Certification Standards
Awarded 'Green Building Certification'*

People

Employee satisfaction survey score
94%

Employee satisfaction survey participation
81%

Male and Female Employee Ratio
55% : 45%

No of Employees Trained During the Year
4,251

Community

Investment in CSR initiatives
TZS 2.3 Billion

Increase in Usage of Digital Channels
53%

Customers Net Promoters Score
56%

YoY growth of number of customers
60%

YoY growth of number of agents banking
6%

*CRDB Bank was awarded a "Green Building Certification" after achieving the required minimum efficiencies of 20% in three key EDGE indicators: energy savings of 21%, water savings of 21%, and a reduction of 27% in embodied carbon in materials.

VALUE ADDED STATEMENT

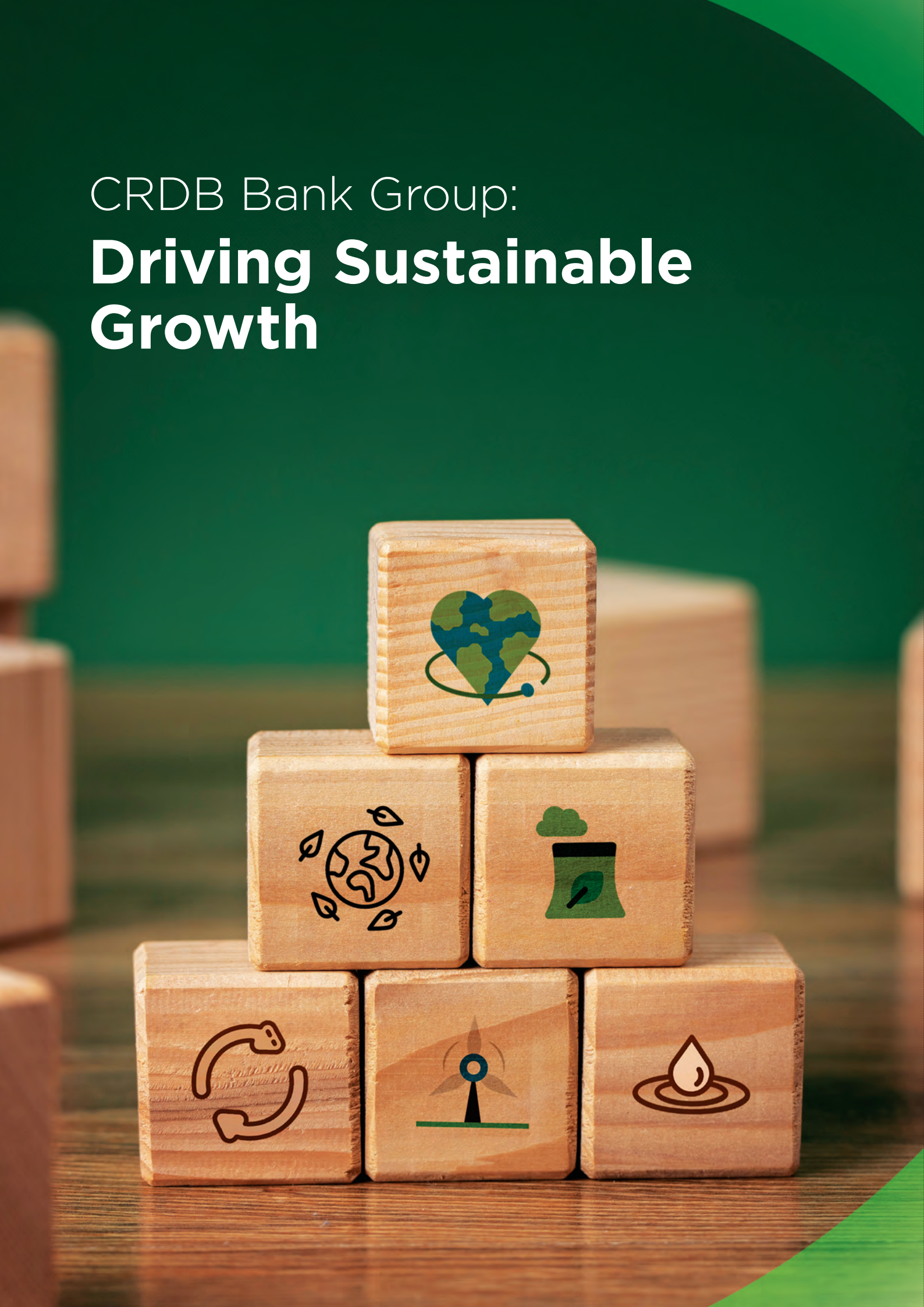
Value We Created

Value-added Statement	2024	2023
	TZS Millions	TZS Millions
Income earned from financial services	**1,562,110**	1,227,431
Cost incurred in provision of services	**(422,649)**	(350,133)
Value added from financial services	**1,139,461**	877,298
Non-operating income	**426,686**	417,040
Non-operating expenditure	**(274,856)**	(233,086)
Value - added	**1,291,291**	1,061,252

Distribution of Value-added	2024	2023
To Employees:		
Salaries and other benefits	**380,448**	338,243
To Shareholders:		
Dividend to other shareholders	**86,191**	77,572
Dividend to the government	**44,401**	39,961
To Government:		
Corporate tax	**218,714**	194,922
PAYE	**69,860**	64,089
Skills & development levy	**8,586**	8,022
Excise duty/ Service levy and other taxes	**55,541**	49,910
VAT on services	**109,119**	86,334
Total taxes	**461,819**	403,277
To expansion and growth:	**318,432**	202,199
Value distributed	**1,291,291**	1,061,252

CRDB Bank Group:

Driving Sustainable Growth



CRDB Bank Group stands as a trusted financial partner, driving inclusive and sustainable growth across the region. With a strong foundation in purpose, performance, and presence, we continue to expand our impact through customer-centric services, innovation, and a values-led approach. Guided by our mission and vision, we create long-term value for all stakeholders while advancing economic progress across Tanzania, Burundi, and the DRC.

Key Highlights 2024

TZS 1.749.9 Billion
Market Capitalisation

37,658
Number of shareholders

TZS 2,173.2 Billion
Total Shareholder's Equity

6.4 Million
Number of customers

TZS 16,698.8 Billion
Total Assets

4,251
Employees (Group)

27.7%
Return on equity

55:45
Male: Female ratio

TZS 318.5 Billion
Reinvested to grow and Sustain Operations

7%
Employees >50

TZS 670
Share price

55%
Employees aged 35-50 years

38%
Employees below 35 years of age

CRDB Bank is accredited by the UN GCF as a Direct Access Entity (DAE) for green financing in Tanzania.

Value Shared 2024

TZS 65
Dividend per share

TZS 2.3 Billion
Invested in corporate social initiatives

TZS 8.0 Billion
Spent on for Learning & development

TZS 461.8 Billion
Total taxes paid

Our Service Channels

259
Branches (including mobile branches)

684
ATMs (including depository ATMs)

36,566
Banking Agents

4,708
Point of Sales (POS) terminals

Strategic Partnerships for Sustained Progress

We forge strategic partnerships with global development organisations and financial institutions to enhance resilience, unlock growth opportunities, and drive sustainable impact.

MISSION, VISION, VALUES

The Foundation of Our Success

Driven by a clear purpose and bold vision, we are transforming the way we create value and drive impact. By nurturing synergy between our ambitions and strategic priorities, we aim to exceed stakeholders' expectations and build a lasting legacy of innovation and sustainability. Grounded in accountability and collaboration, we continue to strengthen our foundation and contribute to meaningful progress.

Our Purpose
Improve livelihoods and deliver

Our Vision
Transform lives and develop economies to their fullest potential.

Our Mission
Provide disruptive solutions to unlock social-economic value for our stakeholders.

Our Values

Deliver Impact
Deliver distinguished experiences to our stakeholders while caring for our community.

Behave Responsibly
Value integrity and hold ourselves accountable; being ethical and trustworthy in all we do.

Learning Continuously
Work with a growth mindset to unlock our fullest potential and stay ahead.

Achieve Together
Deliver as a team and ensure that every voice is heard, valued and respected.

Our Strengths

- Strong capital base with a well-established regional network.
- Modern, scalable technology infrastructure driving innovation.
- Commitment to world-class governance practices.
- Diverse, talented workforce with a multicultural outlook.
- Strategic partnerships to meet diverse market needs.
- Strong, Recognisable Brand.

Our Aspiration

We strive for growth that creates meaningful value for all stakeholders, reflected in thriving communities, improved livelihoods, and satisfied shareholders.

PRODUCTS & SERVICES

Innovative Banking Solutions

Retail Banking

What We Offer

We serve individuals, MSMEs, and businesses with a wide range of tailored financial solutions, ensuring financial empowerment across all customer segments.

Key Solutions

- Deposits & Savings
- Loans & Credit Facilities
- Investment Options (Fixed deposits)
- Insurance Solutions (Bancassurance offerings covering motor, personal accident, medical, fire, and group life insurance)
- Digital Banking Services (including CRDB Wakala – agency banking)

Whom We Serve

- Individuals
- Micro, Small & Medium Enterprises (MSMEs)
- Community-Based Groups (Vicoba, AMCOs, and cooperatives)

Our Competitive Advantage

- Strong Financial Performance & Governance
- Extensive Service Network – 250+ outlets, 36,000+ agents
- Regional Presence (Tanzania, Burundi, and the DRC)
- Diverse Product Offerings

KPIs

- Customer growth & retention
- Deposits
- Portfolio growth
- Income & Portfolio Quality
- Channel performance
- Digital adoption
- Accessibility and penetration

Future Plans

- Enhancing digital banking experiences
- Expanding insurance penetration
- Strengthening financial inclusion

Al-Barakah Banking

What We Offer

We offer Shariah-compliant banking solutions tailored to the evolving needs of businesses and individuals. Operating under the Directorate of Retail Banking, this specialised window provides both Retail and Corporate Banking customers with ethical financial products that align with Islamic banking principles.

Key Solutions

- Shariah-compliant financing
- Shariah-compliant asset-based financing

Whom We Serve

- Individuals
- Groups
- SMEs
- Corporates
- Institutions

Our Competitive Advantage

- Tanzania's only Shariah-compliant financing service
- Offers asset-based financing to new and existing customers
- Provides vehicle, equipment, and machinery financing
- No requirement for landed property as collateral

KPIs

- Customer growth & retention
- Deposits & Portfolio growth
- Income and Portfolio Quality

Future Plans

- Developing new Shariah-compliant investment products.
- Leveraging fintech solutions to enhance customer experience.
- Expanding financial literacy and awareness on Islamic banking.

Corporate Banking

What We Offer

We support large businesses and institutions with tailored solutions that enhance liquidity, enable investments, and ensure long-term sustainability through structured financing, trade services, and strategic advisory.

Key Solutions

- Working Capital Financing
- Trade Finance Solutions
- Project Financing & Investments
- Advisory Services
- Asset Financing
- Treasury & Transactional Services

Whom We Serve

- Large-scale businesses
- Government institutions
- Multinational corporations
- Parastatals

Our Competitive Advantage

- Seasoned professionals
- Strong goodwill
- Innovative products
- Advanced technology
- Structured financial solutions
- Strategic partnerships

KPIs

- Customer growth & retention
- Deposits, Portfolio growth
- Income & Portfolio Quality

Future Plans

- Expanding syndicated finance
- Enhancing agribusiness financing
- Driving digital transformation

Treasury & Capital Markets

What We Offer

We offer solutions tailored to the evolving needs of individuals, businesses, and financial institutions, focusing on liquidity, risk mitigation, and investment growth to drive long-term resilience.

Key Solutions

- Foreign Currency Payment Solutions
- Hedging Solutions
- Custodial Services
- Advisory Services

Whom We Serve

- Individuals & High-Net-Worth Clients
- MSMEs & SMEs
- Retail & Corporate Clients
- Financial Institutions & Interbank Participants

Our Competitive Advantage

- Extensive Branch Network
- Strong Capital Base
- Expert Treasury Team
- Global Credit Ratings
- Robust Liquidity
- Strategic Market Relationships

KPIs

- Balance sheet health
- Trade Income/Forex
- Capital Management
- Investments

Future Plans

- Expanding capital market participation
- Enhancing digital treasury services
- Fostering strategic partnerships

Factors Impeding Our Creation of Value

CRDB Bank Plc operates in a dynamic environment shaped by rapid technological advancement, evolving stakeholder expectations, regulatory changes, and environmental challenges. These factors, while posing risks, also present opportunities for transformation and value creation. Below is a summary of material issues that may impede value creation and how the Bank is actively responding.

Issue	Increasing Competition	Disruptive Technologies & Digital Adoption	Rising Stakeholder Expectations
Risk/Impact on Value Creation	Heightened competition from FinTechs, Mobile Network Operators (MNOs), and regional banks may lead to revenue pressure and market share erosion if offerings are not differentiated or customer-centric.	The pace of technological change demands constant innovation; failure to adapt may render systems and services obsolete.	Inadequate stakeholder alignment can negatively affect trust, reputation, funding access, and long-term value creation
Our Response	• Accelerating our digital transformation through innovative products and agile service delivery • Enhancing customer experience via multiple channels: branches, agency banking, SimBanking, and CRDB Wakala • Reinforcing brand loyalty through the "Bank that Listens" customer philosophy	• Launched a scalable core banking system to support future innovation • Investing in AI, data analytics, and cybersecurity • Strengthening partnerships with technology providers to ensure agility and resilience	• Expanded sustainability and ESG reporting, integrated into strategic planning • Established channels for ongoing stakeholder engagement, e.g., CEO Town Halls, investor updates, CRDB Foundation outreach • Elevated customer satisfaction (CSAT 90%, NPS 56%) and employee engagement (94% satisfaction index)

Ongoing Regulatory and Policy Changes	Cybersecurity Threats & Information Risk	Climate Change & Environmental Risk	Demographic and Social Shifts
Regulatory changes can increase operational complexity and compliance costs, potentially affecting profitability	Increasing risk of cyber-attacks (e.g., phishing, ransomware) threatens data security, operational continuity	Both physical risks (e.g., flooding, drought) and transition risks (e.g., policy shifts, stranded assets) may impact lending portfolios and operations.	Youth unemployment, income disparities, and underserved populations can impede inclusive growth.
• Dedicated Risk & Compliance department to monitor and manage policy shifts • Proactive participation in industry and regulatory forums • Significant investment in compliance, AML/CFT, ESG, and consumer protection frameworks	• Established a comprehensive Cyber Risk Management Framework • Continuous monitoring, penetration testing, and cybersecurity training for staff • Strengthened IT governance aligned with Bank of Tanzania and global standards	• Embedded ESG considerations in credit risk appraisal through Environmental & Social Management System (ESMS) • Accredited by Green Climate Fund; mobilising green finance for climate-resilient initiatives • Invested TZS 281.3 million in 2024 towards climate resilience and sustainability campaigns	• Focus on financial inclusion through Imbeju program: 196,650 reached in 2024 • Products tailored to demographic needs (e.g., Malkia, Scholar, Pension, Junior Jumbo accounts) • Expansion of agent network to 36,566 agents serving rural and peri-urban areas

VALUE-CREATION MODEL

Strategic Value Creation Model

Inputs

Capital

Financial Capital:

- Shareholder's fund
- Customer deposits
- Borrowings

Manufactured Capital

- Banking outlets, including mobile branches
- ATMs cash deposit and withdrawal machines
- Agency Banking
- Merchants

Intellectual Capital

- Focus on technology
- Robust loan origination & underwiring
- Risk Enterprise Management framework
- Collaboration with fintech and start-ups branded as 'IMBEJU
- Brand positioning

Human Capital

- Total workforce: 4,251 - 2,351 (55%) males & 1,896 (45%) females
- Experienced and competent key personnel management team
- Experienced and competent Board of Directors with diverse skills

Social and Relationship Capital

- 1% of CSR budget on net profit
- Strategic partnership(s) for the execution of community matters

Natural Capital

- LED lights
- Digital solutions
- Installation of sensor taps in our office buildings

Value Creation (Group)

- Accepting customers' deposits
- Provisions of loans and advances
- Local and international fund transfer
- Insurance services

- Reduction of paper usage through:
  - Implementation of digital banking, mobile and internet banking, ATM.
  - Automated processes.
  - Implementation of a paperless solution 'Optima'
- Implementation of energy consumption initiatives

- CSR programmes focusing on health, education, and the environment were executed
- Youth and women empowerment programmes
- Engagement with the community via marathons and sports

Group Responses

Financial Capital

- We maintained a strong capital base and diversified funding sources, ensuring competitive banking solutions across our markets
- We access funds at competitive rates to optimise returns and maximise shareholder value

Manufactured Capital

- We continue to drive awareness and training on digital solutions.
- We continuously enhance our systems and processes for greater efficiency.
- We are expanding our outreach to improve financial accessibility.

Intellectual Capital

- Our robust technology and infrastructure ensure seamless customer experiences and strengthen resilience.
- We invest in our brand, subsidiaries, strategic partnerships, and innovative solutions to enhance customer value.

Outputs

- Equity: **TZS 2.2 Trillion**
- Total assets: **TZS 16.7 Trillion**
- Customer deposits: **TZS 10.9 Trillion**
- Borrowings: **TZS 1.7 Trillion**
- Market share: **27%** deposits and **26%** total assets

- Easy access to financial services
- Financial inclusion

- Innovative products & solutions
- Automated processes
- Collaborative teams through a shared service model

- Improved staff morale
- Increase in staff productivity
- Lower staff turnover rate
- Improved staff skills
- Good health and safety records – award from OSHA

- We contributed to the implementation of UN SDGs 1 (No Poverty), 3 (Good Health and Well-being), and 4 (Quality Education).
- Reduced the unemployment rate

- Innovative and sustainable digital solutions

Outcomes

- Return on equity: **27.7%**
- Return on asset: **5.2%**
- Dividend per share: **TZS 65**
- Cost to income ratio: **45.7%**
- Total tax paid: **TZS 461.8 Bn**

- Banking outlets: **259**
- ATMs: **684**, including deposit ATMs
- POS machines: **4,708**
- Registered agents: **36,566**

- Strong brand
- Increase in digital transactions
- Operational efficiency

- Remarkable performance resulted from staff morale improvement
- Competent & efficient workforce
- Increased customer satisfaction, evidenced by an increase in NPS of **56%** (up from **53%** reported in 2023)

- **TZS 1 Bn** invested in education
- **TZS 156 Mn** supported healthcare
- **TZS 281Mn** allocated to environmental initiatives
- **TZS 432Mn** invested in women & youth programmes
- **TZS 438 Mn** directed to philanthropic activities

- Reduced electricity cost
- Improvement of TAT
- Reduced usage of paper by **21%** (number of reams to **17,810** from **22,535** in 2023)

Human Capital

- We prioritise continuous training and development to enhance employee skills and competitiveness
- We foster a culture of continuous learning to equip our workforce for the digital future
- We offer additional compensation, including risk allowances and rent subsidies, to support staff in rural and high-risk areas

Social and Relationship Capital

- We will continue increasing our annual budget to serve a larger population.
- We remain focused on enhancing customer experience, ensuring seamless interactions across all touchpoints.

Natural Capital

- We will continue monitoring resource usage, including water, fuel, power, and paper
- We are strengthening governance and oversight of environmental matters

AWARDS & RECOGNITION

Excellence in Action

With a proud legacy of excellence, we continue to be recognised among the top financial institutions in our region. In 2024, we received 45+ awards from esteemed local and international organisations—an achievement that reaffirms our leadership and commitment to Building Resilience for Sustained Growth.

Excellence Awards
European Society for Quality Research (ESQR)

GIFA Award
GIFA Award

Most Innovative Customer-Centric Banking Brand - Tanzania 2024
Global Brands Magazine

Most Sustainable Financial Service Provider- Tanzania 2024
Global Brands Magazine

Best Bank for SMEs - in TZ
Euromoney

CEO of the Year
African Bank 4.0 Awards (Pan Africa)

Best SME Bank
World Economic Magazine

Best Customer Service Bank
World Economic Magazine

Best Internet Banking
World Economic Magazine

Best Bancassurance Provider
World Economic Magazine

Best Bank in Mobile Banking App
International Business Magazine Award

Best Trade Finance Bank
International Business Magazine Award

Best Commercial Bank Tanzania
Global Business Magazine Awards

Best SME Bank Tanzania
Global Business Magazine Awards

Best Domestic Retail Bank Tanzania
Global Magazine Awards

Bank of the Year
The Banker

Africa's Outstanding Professional
The Business Executive Award

Best Bank for Trade Finance
Middle East and Africa Innovation Award

Best Bank in Tanzania
Global Finance

Best SME Banks Awards
Global Finance

Bond of the Year Deal in Local Currency
Bonds, Loans & ESG Capital Markets Africa Awards

Fire Award
Winner in the Country Category

1st Runner-Up
in the Banking Category
Fire Award

Fire Award
2nd runner-up in the Listed Companies Category

Best SME Bank Tanzania
Brands And Business Magazine

Best Retail Bank Tanzania
Brands And Business Magazine

Best Commercial Bank Tanzania
International Banker Awards

Africa Bank 4.0 Awards (Pan Africa)
Bii World

Fastest Growing Islamic Banking window for Retail Banking, Tanzania 2024
Global Banking & Finance Review

Fastest Growing Islamic Banking window for Corporate Banking Tanzania 2024
Global Banking & Finance Review

Most Sustainable Bank – TZ
Gazette International Awards

Most Innovative - TZ
Gazette International Awards

ACOYA-ICT & Knowledge Management, Bank of the Year 2023
ACOYA

Best Mobile Banking App in Tanzania 2024
Global Finance Best Digital Bank

Best Consumer Digital Bank in Tanzania 2024
Global Finance Best Digital Bank

The Preferred Convenient and Accessible Bank in Eastern Africa
Consumer Choice Awards

The most creative and innovative consumer benefitting campaign of the year, 'Miamala inalipa, Swahiba'
Consumer Choice Awards

Youth lead women empowerment program – CRDB Bank Foundation Imbeju Program
Tanzania Emerging Youth Awards

STI Partner Award
9th STICE AWARDS

NGO's 2nd Runner Up: Partnership Category
Business SDG Awards

NGO's 2nd Runner Up: Planet Category
Business SDG Awards

NGO's 2nd Runner Up: People Category
Business SDG Awards

NGO'S Winner: Tanzania
Business SDG Awards

Country Winner: Tanzania
Financial Reporting Awards

Banks Category: 1st Runner Up
Financial Reporting Awards

Listed Category: 2nd Runner Up
Financial Reporting Awards

Best Presented Financial Statements on IFRS Reporting
NBAA

Best Presented Financial Statements - Large Banks
NBAA

2nd Runner: Best Custodian Bank of the Year
DSE Members Awards

3rd Runner Up: Best Bond Dealer of the Year
DSE Members Awards

2nd Runner: Best Listed Company of the Year Under MIMs Banking and Investment Category
DSE Members Awards

2nd Runner: Best Bond Issuer of the Year
DSE Members Awards

3rd Winner
on outstanding Tax Contribution TRA

MANAGEMENT TEAM

CRDB Group

Executive Leadership

Abdulmajid Nsekela

Group CEO and Managing Director

MBA-IBF, Birmingham University (UK)

PGD (Business Administration)-Birmingham University, UK, Adv. Dip (Banking)-IFM

Boma O. Raballa

Chief Commercial Officer (CCO)

MBA, Mzumbe University

BA (Accounting) Kampala International Univ. UG

Bruce Mwile

Chief Operations Officer (COO)

MBA - Finance (UDSM)

B.com (Finance), (UDSM)

Frederick Nshekanabo

Chief Finance Officer (CFO)

MSc. Finance - University of Strathclyde (UK), ACPA (T)

Advanced Dip Accountancy (IFM)

Management Team

Tully Esther Mwambapa

Director of Corporate Affairs & Public Relations and MD CRDB Foundation

MBA, BA Public Administration

& International Relations, (UDSM)

Leo Patrick Ndimbo

Director of Business Transformation

PGD- BA (CBE)

Int'l Adv. Dip in Computer Engineering (IADCE) - New Horizon University

Alexander Ngusaru

Director of Treasury

& Capital Markets

MBA, UDSM Strategic Leadership Training (DBS, University of Virginia), B.com (Finance)

Pendason Philemon

Director of Procurement

MBA- ESAMI, CSP (T), CIPP- Zhuhai-CHINA, Certified Company Director-IoD, United Kingdom and Tanzania.

Xavery Makwi

Director of Credit

CPA (T), PGD (Legal Practice)

LST, LLB (Open University of Tanzania)

MBA, B. Com (Accountancy) UDSM

John Baptiste Rugambo

Company Secretary

Business Administration (USIU, KE), BA, MA (International Business Administration) – USIU

Godfrey Rutasingwa

Director of Human Resources

MPA - Public Administration (Mzumbe) B.Ed., UDSM

Deusdedit Massuka

Director of ICT

MSc. Computer Numerical Control (CNC) Systems - St-Petersburg STU, Russia

Bonaventure Paul

Director Retail Banking

MSc. Accounting & Finance, Mzumbe University, CPA (T), Certified Professional Banker (CPB)

Jessica Nyachiro

Managing Director CRDB DRC Subsidiary

MA international business (IFM)

B.Ed., University of Nairobi (KE)

Godfrey Sigalla

Director of Internal Audit

CPA (T) PGD (Tax management), B. Com (Accounting), UDSM

MBA (Finance), UDSM

Frederick Siwale

Managing Director CRDB Burundi Subsidiary

MBA (UDSM) PGD in Business Administration – CBE

Mussa Kitambi

Director of Corporate Banking

MSc., Business Management (Birmingham City University),

BA, Economics (UDSM), ADA

Adv. Certificate in Credit Skills, London Institute of Banking & Finance (LIBF)

Willson Mnzava

General Manager CRDB Subsidiary

Insurance Broker Limited

MSc. in Insurance & Actuarial Science – IFM

Post Graduate Diploma in Cooperative – SUA, ADA

Admin Mwansasu

Director of Business Operations

B. Com (Finance) – UDSM Higher Dip. Banking (Milpark Business School, SA), CPB

James Mabula

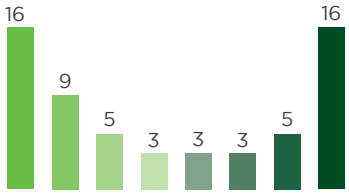
Director, Risk & Compliance

MSc. Finance (University of Strathclyde, UK) PG Dip. Financial Management (IFM)

Certified Company Director – Izod UK

Advanced Diploma in Certified Accounting (IDM Mzumbe)

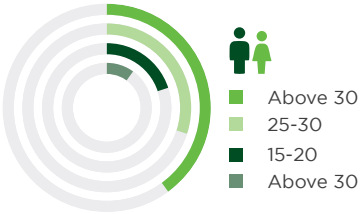
Expertise



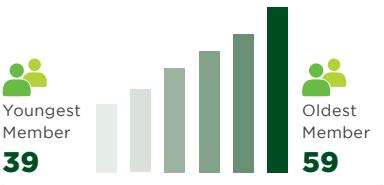
- Risk Management
- Business Management
- Banking Operation
- Finance & Audit
- Strategy & Innovation
- Digital Transformation
- HR, Marketing and Strategy
- Retail Banking

Gender Diversity (%)

Experience (Years)



Age Diversity (Years)



Average age **49**

INVESTOR FACTSHEET

CRDB Bank Plc. Share Information as of 31 December, 2024

Number of Issued shares	2,611,838,584
Total number of authorised shares	4,000,000,000
Number of shareholders as of 31st December 2024	36,399
Primary listing exchange	Dar es Salaam Stock Exchange (DSE)
Ticker	CRDB
Listing year	June 2009
Cross-listed exchange	NIL
Free float	65.3%
Closing share price on 31st December 2024	TZS. 670.00
Price appreciation in December 2024	46%
Market capitalisation as of 31 December 2024	TZS. 1,749.9 Billion
Price/book	0.8X
Earnings per share as of December 2024	TZS.211
Dividend per share	**TZS. 65**
Dividend policy	Up to 35% distributable profits
Total shareholder's equity	TZS. 2,175 Billion

2025 Investor Calendar	Event
Date	
28th January 2025	**FY 2024 financial results announcement**
10th April 2025	**Publication of 2024 audited financial statement**
30th April 2025	**1Q 2025 financial results announcement**
17th May 2025	**Annual general meeting (AGM)**
30th July 2025	**IH 2025 financial results announcement**
30th October 2024	**Q3 2025 financial results announcement**

Shareholders Per Category

48%
GVT. Institutions & Cooperatives

33%
Local Investors

19%
Foreign Investors

No. of Shares

10% and more	894,828,676	**34.3%**
Less than 10%	605,829,559	**23.2%**
Less than 1%	1,111,180,349	**42.5%**

Major Shareholders (Above 5%) as of 31st December 2024

Entity	Number of Shares	%Shareholding
Danida Investment Fund	548,067,648	**21.0%**
PSSSF Pension Fund	346,761,028	**13.3%**
National Social Security Fund - UGANDA	196,456,402	**7.9%**

Driving Success Sustainably:

Strengthening Purpose, Strategy and Stakeholder Impact

Rooted in our purpose and strengthened by our values, we are driving success with a sharp focus on sustainability. This section outlines our strategic direction amid a dynamic operating environment, shaped by the insights of our stakeholders and the issues that matter most. It reflects the Board's guidance, our materiality-led approach, and our unwavering commitment to delivering value responsibly—today and into the future.

MESSAGE

Message from the Chairman

These results affirm our commitment to maximising shareholder returns while maintaining financial resilience.

Dear Shareholders,

It is my privilege to present to you the Group Annual Report for the financial year ended 31 December 2024. For CRDB Group, the 2024 financial year was one of exceptional progress, anchored in resilience, strategic clarity, and a strong commitment to delivering long-term value to you, our esteemed shareholders.

Navigating a Complex Operating Environment

The economic environment in 2024 presented both challenges and opportunities. Inflation remained largely stable in Tanzania, with a year-end rate of 3.1%, while the foreign exchange market saw improvements due to favourable global conditions and enhanced policy coordination.

Despite liquidity pressures and currency volatility in some of our regional markets, CRDB Bank maintained strong fundamentals, thanks to prudent risk management and a diversified funding base.

Importantly, we advanced our efforts in sustainability and green finance, securing strategic partnerships to finance environmentally responsible initiatives and obtaining the IFC EDGE certification for green building standards, a first for our region.

Delivering Value to Shareholders

Our strategic focus on creating long-term value yielded strong returns in 2024. The Group posted a record Profit After Tax (PAT) of TZS 551.5 billion, representing a 30.4% increase from the previous year. This outstanding performance was driven by sustained growth in our core business lines, disciplined cost management, and improved asset quality.

Return on Equity (ROE) rose to 27.7%, reflecting enhanced capital efficiency and prudent financial stewardship. These results affirm our commitment to maximising shareholder returns while maintaining financial resilience.

The Bank's share price increased from TZS 460 to TZS 670 during the year—an impressive 45.7% growth; driving our market capitalisation to TZS 1.75 trillion, up from TZS 1.2 trillion in 2023. This performance underscores growing investor confidence and the strong fundamentals of our business.

Dividend Recommendation

In view of these achievements, and subject to approval at the forthcoming Annual General Meeting, the Board is pleased to recommend a dividend of TZS 65 per share, representing a 30% increase from the prior year. This reflects both the strength of our capital position and our commitment to returning value to you, our shareholders.

The Role of the Board in Strategy and Oversight

Our mandate as a Board remains focused on what matters most: protecting and growing shareholder value.

During the year, we provided active oversight as management continued to execute the Group's five-year strategic plan, "EVOLVE" (2023–2027). While the strategy's execution is rightly in management's domain, the Board's role has been to provide clear direction, evaluate performance, and ensure alignment with our long-term vision.

We remained vigilant in overseeing risk, supporting digital transformation, and strengthening our governance frameworks. Our committees - spanning audit, risk, credit, and nomination - worked diligently to ensure that our oversight remained fit for purpose in a rapidly evolving operating environment.

We also reviewed and updated the Bank's Memorandum and Articles of Association (MEMART) to ensure

compliance with evolving legal and regulatory frameworks and to support our governance posture for future growth.

Governance Transitions and Board Strengthening

During the year under review, we made some changes at both the Board and executive levels that reflect our commitment to continuity and succession.

At the Board level, we bid farewell to Mr. Hosea Kashimba, whose guidance and insight over the years were instrumental in advancing our governance agenda. On behalf of the Board and our shareholders, I express deep gratitude for his valuable service. We also extend a warm welcome to Mr. Abdulrazak Badru, who brings a wealth of experience and will no doubt strengthen our collective oversight.

In management, Mr. Leslie Mwaikambo retired after years of dedicated service, during which he significantly shaped our operational architecture. He was succeeded by Mr. Admin Mwansasu, whose expertise and leadership are already advancing our Group's capabilities. Similarly, we recognise Mr. Prosper Nambaya for his impactful tenure as Director of Corporate Banking. His successor, Mr. Mussa Kitambi, steps into the role with a clear mandate to drive further growth and deepen our client engagement in this critical segment.

Stakeholder Engagement as a Catalyst for Growth

We recognise that our success in 2024 was not achieved in isolation. Strong engagement with key stakeholders, ranging from regulators, policymakers, employees and development partners to our customers and the communities we serve, was central to the Bank's progress.

We maintained constructive dialogues with the Bank of Tanzania and other regulatory bodies, ensuring compliance and contributing to national financial sector reforms. Our engagements extended to government ministries, regional economic platforms, and international partners, all of whom played a pivotal role in supporting our growth ambitions and reinforcing our leadership across East and Central Africa.

We also strengthened shareholder engagement, holding regular investor briefings, AGM dialogues, and transparency sessions that helped reinforce investor confidence in our governance and long-term strategy.

Regional Presence and Group Contributions

Our subsidiaries in Burundi and the Democratic While this report focuses on the consolidated Group's performance, I would like to acknowledge the valuable contributions of our subsidiaries in Burundi, the Democratic Republic of Congo (DRC), and CRDB Insurance. Their strategic relevance continues to support our broader goals of diversification, regional integration, and financial inclusion.

We remain committed to investing in their growth and ensuring that each subsidiary aligns with the Group's vision of building a sustainable and pan-African financial institution.

Future Outlook

As we look ahead to 2025, the Board remains firmly committed to securing the Group's long-term growth and resilience. Our focus will centre on safeguarding the interests of our shareholders through strong oversight, disciplined financial management, and well-defined succession planning. We will continue to support the management team as they lead the charge in driving digital innovation and enhancing operational efficiency across all areas of the business. At the same time, we are deepening our commitment to responsible banking, ensuring that environmental, social, and governance (ESG) considerations are integrated into every level of decision-making. Regional expansion will also remain a strategic priority, as we seek to capitalise on growth opportunities across East and Central Africa and strengthen our role in driving regional integration.

While we remain mindful of ongoing global uncertainties, our solid capital position, talented workforce, diversified portfolio, and robust governance framework provide a strong foundation for continued success. We approach the year ahead with confidence and optimism.

Appreciation

In closing, I would like to thank our shareholders for your continued confidence and partnership. Your trust fuels our determination to excel.

To our regulators and government stakeholders, thank you for your collaboration in enabling a robust and competitive financial sector.

To our Group CEO and Managing Director, Mr. Abdulmajid Nsekela, and the entire management team and staff — thank you for your dedication, professionalism, and resilience.

CRDB Bank is well-positioned to lead the future of financial services in our region, and together, we will continue to build a bank that not only delivers value, but also transforms lives and economies.

Dr. Ally H. Laay

Chairman

UJUMBE

Taarifa ya Mwenyekiti wa Bodi

Ndugu Wanahisa,

Ninayo furaha kuwasilisha taarifa ya Mwaka ya Kampuni kwa mwaka wa fedha ulioishia tarehe Desemba 31, 2024. Mwaka huu umekuwa mzuri sana kwa Benki yetu ya CRDB, kwa matokeo yake thabiti kifedha na kiutendaji yanayoakisi mikakati bora na utekelezaji wenye ufanisi na kuongeza thamani ya muda mrefu ya wanahisa.

Matokeo haya yanathibitisha ahadi tuliyoitoa ya kukuza thamani ya wanahisa huku tukiendelea kuimarisha ustahimilivu wa kibiashara'.

Mazingira ya Uendeshaji

Pamoja na fursa za kibiashara zilizojitokeza, kulikuwepo pia na changamoto mbalimbali katika mazingira ya kiuchumi kwa mwaka 2024. Tanzania iliweza kudhibiti mfumuko wa bei na kuendelea kuwa imara hadi mwisho wa mwaka, ambapo kiwango cha mfumuko wa bei kilifikia asilimia 3.1. Kwa upande mwingine, soko la fedha za kigeni liliimarika kutokana na kuimarika kwa uchumi wa dunia pamoja na ushirikiano madhubuti katika usimamizi wa sera za kifedha na kiuchumi.

Licha ya kuwepo msukumo na mahitaji makubwa ya upatikanaji wa fedha, pamoja na udhaifu wa sarafu katika baadhi ya masoko yetu ya kikanda, Benki ya CRDB ilijiimarisha katika usimamizi na udhibiti wa athari zote za kifedha pamoja na kufanya uwekezaji kwenye maeneo mbalimbali.

Zaidi ya hayo, benki yetu ikishiriana na wadau wake wa kimkakati iliendelea kuchangia juhudi za kutunza mazingira kwa kufadhili miradi inayolenga kuimarisha mazingira endelevu (Green finance). Kutokana na ushiriki wetu kwenye miradi mbalimbali ya kuboresha mazingira benki yetu imepata cheti usimamizi wa mazingira kwa viwango vya kimataifa (IFC EDGE certification for green building standards). Benki yetu imekua ya kwanza kupata ithibati hiyo katika ukanda huu.

Kuongeza Thamani kwa Wanahisa

Benki ya CRDB imeendelea kutekeleza mikakati ya kuongeza thamani kwa wanahisa, ambapo utekelezaji thabiti wa mikakati hiyo umezaa matokeo chanya katika mwaka wa fedha 2024. Benki ilipata faida baada ya kodi (Profit After Tax) ya Shilingi bilioni 551.5, ongezeko la asilimia 30.4 ikilinganishwa na mwaka uliopita.

Mafanikio haya yametokana na uboreshaji wa huduma, ukuaji wa shughuli za kibiashara katika maeneo mbalimbali, usimamizi madhubuti wa gharama za uendeshaji, pamoja na matumizi bora ya rasilimali.

Uwiano wa Faida kwa Mtaji (Return on Equity - ROE) uliongezeka hadi asilimia 27.7, jambo linalodhihirisha ufanisi wa matumizi ya mtaji na usimamizi bora wa fedha. Matokeo haya yanathibitisha dhamira ya benki katika kuongeza mapato kwa wanahisa huku ikiendelea kuimarisha nidhamu ya kifedha.

Bei ya hisa za Benki iliongezeka kutoka shilingi 460 hadi shilingi 670 wakati wa mwaka - ukuaji wa kuvutia wa 46%; kupelekea mtaji wa soko letu kufikia shilingi trilioni 1.75, kutoka shilingi trilioni 1.2 mwaka 2023. Utendaji huu unaonyesha jinsi wawekezaji wanavyoendelea kufaidika na kua na Imani na uwekezaji wao na misingi thabiti ya biashara yetu.

Pendekezo la Gawio

Kufuatia mafanikio haya, na endapo Mkutano Mkuu wa Mwaka utaridhia, Bodi inayo furaha kupendekeza gawio la shilingi 65 kwa kila hisa, ambalo ni ongezeko la 30% kutoka mwaka uliopita. Hii inaonyesha uwezo wa mtaji wetu na ahadi yetu ya kukuza thamani kwa wanahisa wetu.

Jukumu la Bodi katika Mkakati na Usimamizi

Jukumu kubwa na kipaumbele cha Bodi ni kulinda na kukuza thamani ya wanahisa.

Katika kipindi cha mwaka 2024, Bodi iliendelea kusimamia na kutoa maelekezo kwa uongozi wa benki juu ya utekelezaji wa mpango mkakati wa miaka mitano, "EVOLVE" (2023-2027). Pamoja na ukweli kwamba suala la utekelezaji wa mkakati ni jukumu la uongozi wa benki, Bodi imeendelea kutoa miongozo, kutathmini utendaji, na kuhakikisha kuwa utekelezaji wa mikakati unaendana na matarajio yetu ya muda mrefu.

Tuliendelea kuwa macho katika kusimamia hatari za kibiashara na uendeshaji, kuwezwsha mabadiliko ya kidijitali, na kuimarisha mifumo yetu ya utawala. Kamati zetu - za ukaguzi, hali za hatari, mikopo, na uteuzi - zilifanya kazi kwa bidii ili kuhakikisha kuwa uangalizi wetu unabaki imara na hasa katika kipindi hiki ambacho mazingira ya soko na uendeshaji yanayobadilika haraka sana.

Pia, tulipitia na kuboresha Katiba ya Benki (Memorandum and Articles of Association - MEMART) ili kuhakikisha kwamba inaendana na mabadiliko ya kisheria na mifumo ya usimamizi kwa lengo la kuendeleza utawala bora kwa maendelea wa baadaye.

Mabadiliko kwenye Bodi na Uongozi wa Benki

Katika kipindi cha mwaka 2024, palikua na mabadiliko kwenye Bodi ya wakurugenzi na uongozi kwa lengo la kuendeleza usimamizi na utekelezaji wa mpangomkakati wa benki na hivyo kuiwezesha benki kupata mafanikio makubwa zaidi.

Kwa upande wa wakurugenzi wa Bodi, Bwana Hosea Kashimba alimaliza muda wake na Bwana Abdulrazak Badru alichaguliwa kushika nafasi yake. Kwa niaba ya Bodi na wanahisa wetu ninapenda kutoa shukrani kubwa kwa Bwana Hosea Kashimba mchango wake kwenye Bodi na maendeleo ya benki yetu kwa miaka mingi na namtakia mafanikio katika shughuli zake za baadae., Pia, tunamkaribisha sana Bwana Abdulrazak Badru, ambaye analeta uzoefu mwingi na bila shaka atatusaidia sana tutakaposhirikiana naye katika usimamizi.

Katika uongozi wa benki, Bwana Leslie Mwaikambo alistaafu baada ya kuitumikia benki hii kwa uadilifu na bidii kwa miaka mingi nafasi yake imechukuliwa na Bwana Admin Mwansasu, ambaye tunaamini taaluma na uongozi wake utachangia kwenye maendeleo endelevu ya benki yetu. Pia Bwana Mussa Kitambi amekua Mkurugenzi wa Benki Idara ya Wateja Wakubwa akichukua nafasi ya Bwana Prosper Nambaya aliitumikia benki yetu kwa weledi na ufanisi mkubwa katika kukuza biashara kwenye idara ya wateja wakubwa.

Mahusiano na Ushirikiano na Wadau Mbalimbali

Tunatambua kuwa mafanikio yetu katika 2024 pia yalichangiwa na ushiriano wetu na wadau mbalimbali wa kibiashara. Tumekua na ushirikiano mkubwa na wadau muhimu, wakiwemo wasimamizi wa kisheria, watunga sera, na washirika wa maendeleo, wateja wetu na jamii inayotuzunguka.

Benki yetu imekua na mawasiliano ya mara kwa mara na Benki Kuu ya Tanzania pamoja na mamlaka nyingine za udhibiti wa shughuli za kibenki. Kwa kiasi kikubwa mazungumzo haya yamechangia kuboresha na kuleta mageuzi ya sekta ya fedha hapa nchini. Pia tuliweza kudumisha ushirikiano wetu na wizara za serikali, majukwaa ya kiuchumi ya kikanda, na washirika wetu wa kimataifa, ambao walitoa mchango mkubwa katika kusaidia kutimiza azma yetu ya ukuaji na kuimarisha uongozi wetu katika nchi za Afrika Mashariki na Kati.

Pia tuliimarisha ushiriki wa wanahisa kwa kufanya mikutano ya mara kwa mara na wawekezaji, majadiliano katika AGM, na vikao vya uwazi ambavyo vilisaidia kuimarisha imani ya wawekezaji waliyonayo kwa Bodi na uongozi wa benki na mkakati wetu wa muda mrefu.

CRDB Benki Yajitanua Kikanda na Mchango wa Kampuni Tanzu

Katika kutanua wigo wa uwekezaji benki ya CRDB iliwekeza katika kampuni nchini Burundi, Jamhuri ya Kidemokrasia ya Kongo (DRC) na kampuni ya Bima ya CRDB. Wakati tukiendelea kufurahia mafanikio ya benki yetu kwa ujumla, napenda kutambua michango muhimu kutoka kampuni zetu tanzu. Umuhimu wao wa kimkakati unaendelea kusaidia malengo yetu mapana ya kuongeza uwekezaji makini wa kikanda, na kufikisha huduma zetu za kifedha kwa watu wengi zaidi.

Mtazamo ya Kipindi Kijacho

Tunapoingia mwaka 2025, Bodi itaendelea kujizatiti katika kusimamia mfumo wa biashara ili kuhakikisha ukuaji na uthabiti wa muda mrefu wa benki. Lengo letu litazingatia kulinda maslahi ya wanahisa wetu kupitia utawala thabiti, usimamizi wa kifedha wenye nidhamu, na huku tukijikita katika fursa mpya za kibiashara. Tutaendelea kuisaidia uongozi wa benki katika kufanikisha uvumbuzi wa kidijitali na kukuza ufanisi wa kiutendaji katika maeneo yote ya biashara. Wakati huo huo, tutaendelea na dhamira ya benki ya kuhakikisha kuwa masuala ya mazingira, jamii, na uongozi bora (ESG) yanajumuishwa na kuzingatiwa katika ngazi zote za kufanya maamuzi. Pia, mkakati wa upanuzi wa benki kikanda utaendelea kuwa kipaumbele huku tukitafuta fursa za uwekezaji katika nchi za Afrika mashariki na kati na hii itatuwezeza kutimiza jukumu letu kuleta mtangamano wa kikanda.

Kwa kutambua kuwa mazingira ya biashara yanayobalidika kila mara duniani, benki yetu imejipanga kukabiliana nayo kwa kutumia Ingawa tunaendelea kutambua hali ya mtaji wetu imara, wafanyakazi wetu wenye bidii na ueledi, uwekezaji wa kitaalamu, na mfumo thabiti wa uongozi unaotuwezesha kufikia malengo tuliyojiwekea,. Tuna matumainin makubwa kwamba mwaka ujao utakua wa mafanikio makubwa zaidi.

Shukrani

Kwa kumalizia, ningependa kuwashukuru wanahisa wetu kwa kuendelea kua na imani na kutoa ushirikiano kwa Bodi na menejiment ya Benki. Imani yenu na heshima kubwa mliyotuma imetuongezea mori wa kuyi, miza majukumu yetu kwa weledi na juhudi kubwa ili kendelea kukuza uwekezaji wenu.

Pia tunatoa shukurani kwa serikali na ma, laka za udhibiti kwa kuendelea kutuunga mkono na kuweka mazingiza wezeshi ya ushindani wa kibiashara.

Kipekee napenda kutoa shukurani kwa Mkurugenzi Mtendaji wa Kampuni yetu, Bwana. Abdulmajid Nsekela, uongozi na wafanyakazi wote kwa weledi wao, kujitoa, kujituma kwao.

Benki ya CRDB imejiandaa na mikakati ya kuongoza na kuwa mfano wa huduma bora za kifedha katika ukanda huu., na kwa pamoja, tutaendelea kujenga benki ambayo si tu inatoa huduma bora, lakini pia inayogusa maisha ya watu na kuchangia kwenye uchumi.

Dkt. Ally H. Laay

Mwenyekiti

Operating Environment

Macro and Micro Economic Overview

Global Economic Growth

The global economy sustained its recovery towards the end of December 2024, driven by private consumption and easing monetary policies in major economies. Global trade remained strong, particularly in emerging markets and developing economies, amid rising demand. The global GDP growth is estimated at 3.2% in 2024 and is projected at 3.3% in 2025, with emerging and developing economies contributing most of the growth. Global headline inflation is expected to decline to 4.2% in 2025 and to 3.5% in 2026, converging back to the target earlier in advanced economies than in emerging markets and developing economies.

Among advanced economies, growth forecast revisions vary. In the United States, underlying demand remains robust, reflecting strong wealth effects, a less restrictive monetary policy stance, and supportive financial conditions. Growth is projected to be at 2.7% in 2025.

In the euro area, growth is expected to pick up but at a more gradual pace than anticipated, with geopolitical tensions continuing to weigh on sentiment. Weaker-than-expected momentum at the end of 2024, especially in manufacturing, and heightened political and policy uncertainty explain a downward revision of 0.2% point to 1.0% in 2025. In 2026, growth is set to rise to 1.4%.

Tanzania

The economy maintained robust performance in 2024, growing at an average of 5.6% and is projected to grow at 6% in 2025, mainly supported by agriculture, construction, improvement of transport and logistics, and stable power supply. Inflation remained stable throughout 2024, well below the target of 5%. We closed the year with inflation rate of 3.1% compared to 3.0% in December 2023. Inflationary pressures are projected to remain at around 3.1% to 3.5% due to adequate food supply, a stable exchange rate, and moderate oil prices in the world market.

Zanzibar's economy demonstrated steady growth in 2024, driven by a strong recovery in tourism, increased trade activities, and enhancements in infrastructure investments. The real GDP growth rate was estimated at 6.2%, a rise from 5.8% in 2023, fueled by expansions in tourism, construction, and agriculture. The economy is projected to grow robustly at 6.8% in 2025, supported by the implementation of blue economy initiatives and ongoing construction projects.

Headline inflation remained low and stable throughout 2024. By December 2024, the headline inflation rate was recorded at 4.9%, down from 5.5% in 2023. Inflation is expected to remain below the 5% target in 2025.

Money Supply and Credit Developments in Tanzania

During the year, the extended broad money supply (M3) grew by 11.1%, compared with 14.1% in December 2023, largely driven by credit to the private sector. Credit to the private sector grew by 12.4%, in line with the thrust of monetary policy, reflecting a strong and sustained demand for new loans, driven by improving global and domestic economic conditions and decreased lending risks, evidenced by a reduction in non-performing loans. In 2024, the ratios of credit to GDP and M3 to GDP (key indicators of financial deepening) were 19.4% and 26.2%, respectively, higher than 16.8% and 23.1% recorded in 2023.

Personal loans, particularly those extended to small and medium enterprises (SMEs), have consistently represented the largest portion of outstanding credit in the financial sector. These loans play a pivotal role in stimulating private sector credit growth. Following personal loans, trade financing also contributes significantly to this growth, facilitating the movement of goods and services and enabling businesses to capitalise on market opportunities. The combined impact of these lending practices underscores the importance of SMEs in driving economic development and maintaining robust financial health within the private sector.

Interest Rates

During the year, the overall lending rate slightly decreased to 15.2%, down from 15.3% in 2023. Similarly, the negotiated lending rates have dropped to 12.8%, compared to 13.0% in the previous year. On the other hand, the overall deposit rates have increased to 8.33%, rising from 7.5% in 2023. Likewise, the negotiated deposit rate has risen to 10.4%, up from 9% reported in 2023. As a result, the spread between short-term lending and deposit interest rates has narrowed to 6.12%, down from 7.0% during the same period in 2023.

Developments in the Foreign Exchange Market

Foreign exchange liquidity improved significantly during the year ending December 2024, on account of external and domestic factors. The main external factor was the improvement in global economic conditions, particularly interest rate cuts by central banks in advanced economies, a decrease in oil prices in the world market, and a decline in inflation, contributing to the improvement in foreign currency inflows. Interest rate cuts eased financial conditions in the international capital markets and reduced capital flows to the advanced economies. The decrease in oil prices and global inflation reduced demand for foreign exchange in the country.

Our Response

We strategically expanded our financing solutions for infrastructure and industrial projects, ensuring that businesses in construction, agriculture, and manufacturing had access to affordable credit. Our SME lending initiatives continued to empower businesses, while our digital banking services provided seamless financial solutions across sectors.

Burundi

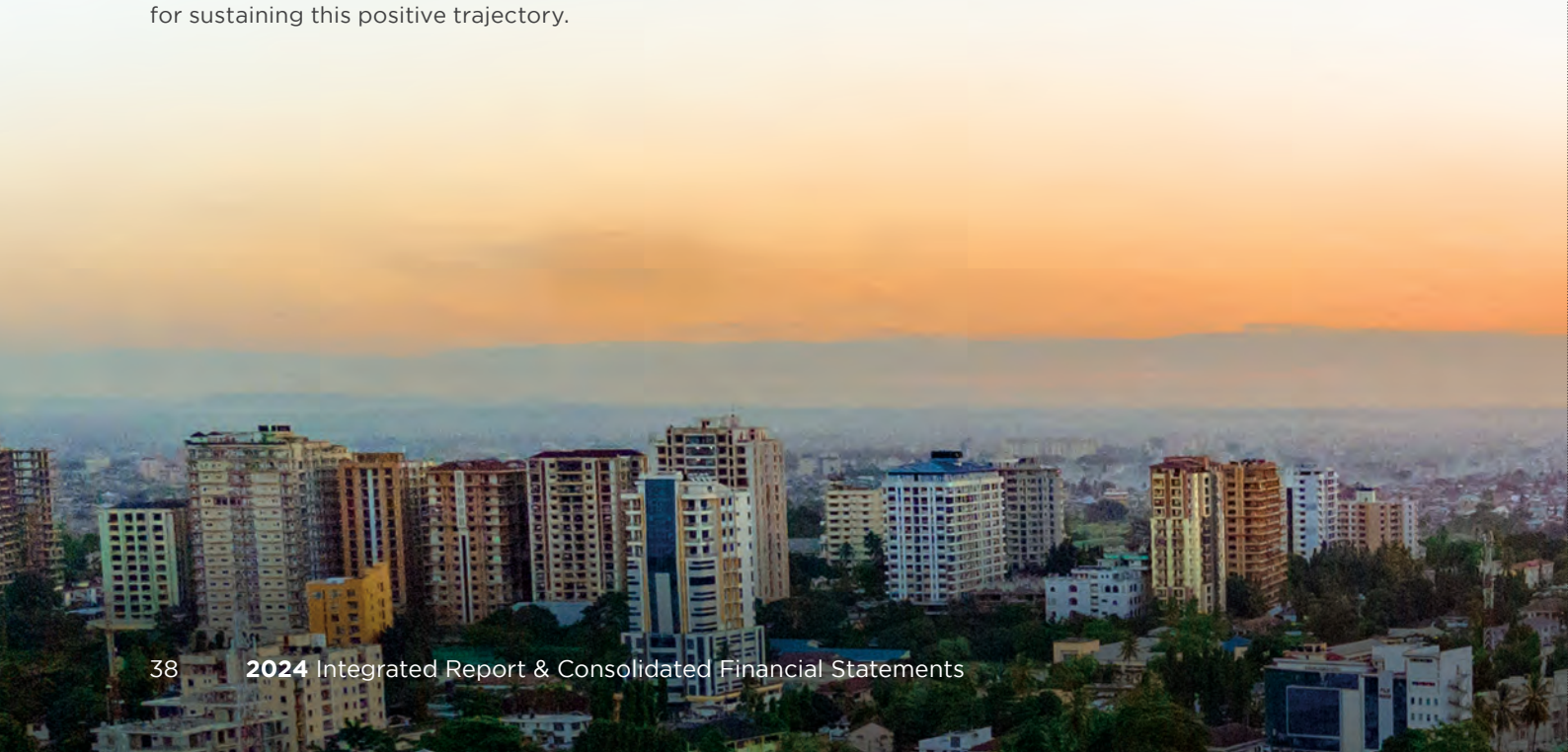
The outlook for the Burundi economy for 2024 and 2025 is positive, with real GDP growth estimated at 4.6% in 2024 and projected to grow at 5.9% in 2025, This growth is expected to be driven primarily by significant investments in the mining sector and increased public spending. The mining sector is anticipated to play a crucial role in boosting economic activity, while public investment in infrastructure and social services will further support growth. Additionally, the government's efforts to improve the business environment and attract foreign investment are likely to contribute positively to the economic landscape.

Inflation in Burundi is expected to decrease significantly, from 22% in 2024 to 12.6% in 2025, largely due to improvements in local food supplies and better fiscal management. The reduction in inflation will help stabilise the economy and improve the purchasing power of Burundians. Furthermore, the budget deficit is projected to improve, falling to 4.4% of GDP in 2024 and 3.8% in 2025, as the government continues its fiscal consolidation efforts. However, potential risks such as political instability, regional security issues, and external economic shocks could pose challenges to these positive projections. Therefore, continued economic and financial reforms, along with support from international development partners, will be essential for sustaining this positive trajectory.

Democratic Republic of Congo (DRC)

GDP growth is estimated at 4.9% in 2024 and expected to stabilise at 4.8 % in 2025. This growth is expected to be driven by the continued expansion of major mines and a gradual acceleration of the non-extractive sector. The mining sector, particularly copper and cobalt, remains a key driver of economic activity, benefiting from high global demand and prices. Additionally, investments in infrastructure and energy projects, such as the Inga hydropower project, are anticipated to support growth in the non-extractive sectors.

The government's efforts to improve the business environment and attract foreign investment are also likely to contribute positively to the economic landscape. Inflation in the DRC is expected to decrease from 11.6% in 2024 to 9.2% in 2025. This reduction in inflation will help stabilise the economy and improve the purchasing power of Congolese citizens. However, the Congolese Franc (CDF) is forecasted to depreciate by 5% against the US Dollar, with the exchange rate shifting from USD/CDF 2,845 in 2024 to USD/CDF 2,977 in 2025.



Industry Landscape

Banking Sector Trends

The banking sector in Tanzania, Burundi, and the Democratic Republic of Congo (DRC) has continued to evolve as authorities implement new policies aimed at strengthening financial stability, enhancing consumer protection, and promoting responsible banking practices. This evolution is influenced by technological advancements, financial inclusion initiatives, increased competition, and regulatory reforms. The rapid adoption of digital banking and fintech solutions has transformed the delivery of financial services, resulting in a greater emphasis on mobile transactions, online lending platforms, and AI-driven customer engagement.

The demand for innovative financial products remained strong, particularly in agriculture, SMEs, and trade finance sectors, where businesses sought more flexible and tailored banking solutions. Governments and regulatory bodies focused on enhancing financial stability, improving consumer protection, and strengthening governance frameworks, leading to new compliance obligations and bank capital adequacy requirements.

The competitive landscape has become more intense, with traditional banks, mobile network operators, and fintech startups all competing for market share. The emergence of non-bank financial service providers has both created opportunities and posed challenges, pushing established banks to accelerate their digital transformation and broaden their service offerings to stay competitive.

Regulatory Environment in Tanzania

The banking environment remains stable and resilient, with sufficient capital to support economic activities. The Bank of Tanzania (BOT) plays a crucial role in maintaining the integrity and stability of the country's financial system. To fulfil this important mandate, the Bank developed guidelines on fees and charges for banks and financial institutions during the year. The guidelines are designed to provide directions on how banks and financial institutions should impose fees and charges for the financial products and services they offer to customers.

In developing these guidelines, the Central Bank adopted a consultative approach, involving various stakeholders to ensure that the guideline strikes a balance between the sustainability of financial institutions and the protection of consumer interests.

These detailed guidelines provide clear directions on the fair imposition of fees and charges related to the range of products and services offered by banks and financial institutions. They aim to create an equitable pricing structure that benefits consumers and financial providers, thus fostering a healthy competitive environment. By encouraging innovation in delivering financial products and services, these guidelines ultimately support the broader goal of financial inclusion, ensuring that a wider segment of the population has access to essential financial services.

Regulatory Environment in Congo and Burundi

In Burundi, the government launched comprehensive financial sector reforms, including new anti-money laundering (AML) measures, revised banking compliance regulations, and stricter risk management protocols. These reforms aimed to modernise the financial industry, attract investment, and improve access to credit.

In the DRC, the Central Bank of Congo (BCC) introduced stricter foreign exchange controls and capital requirements, aiming to limit dependence on the US dollar and stabilise the Congolese franc. Additionally, new licensing and compliance obligations for banks were enforced to improve governance and financial system integrity.

The Group Response to the Regulatory Environment

- The Group takes compliance with laws and regulations very seriously. We are committed to meeting the requirements to promote positive effects on the industry, our customers, and other stakeholders. To ensure compliance, we have a dedicated Risk and Compliance department with the primary responsibility of ensuring that our business operations adhere to laws, regulations, rules, and codes of conduct concerning proper standards of market conduct, managing conflicts of interest, and specifically dealing with matters such as the prevention of money laundering and terrorist financing.

  The Risk and Compliance department achieves this by regularly conducting physical and virtual meetings to inform all staff of new regulatory changes. These meetings help staff stay current on the latest compliance requirements so that we better serve customers and maintain the Group's reputation as a responsible and ethical business. The Group's commitment to compliance and risk management ensures that we continue to operate in a safe and responsible manner, providing our customers with the best possible service while adhering to all applicable laws and regulations.

- The Group maintains a good and ethical relationship with Government and Regulatory bodies to support the implementation of laws and regulations through engagement to ensure sustainable economic development.

- We deepened our digital transformation efforts, introducing enhanced mobile and internet banking solutions to meet the rising demand for seamless, technology-driven financial services. Recognising the shift towards digital payments, we strengthened partnerships with fintech firms and mobile network operators, expanding financial access to underserved communities.

- Additionally, we focused on expanding SME financing, ensuring businesses in key growth sectors received the support needed to scale operations and contribute to economic development. Our commitment to financial inclusion remained strong, with initiatives aimed at extending banking services to rural and unbanked populations through agent banking and mobile-based financial solutions.

By staying ahead of regulatory shifts, we positioned ourselves as a trusted, stable, and forward-thinking financial institution capable of navigating an increasingly complex banking landscape.

Risks and Opportunities

The macroeconomic and financial environment in 2024 presented both challenges and opportunities for banks operating in Tanzania, Burundi, and the DRC. Key risks included inflationary pressures, currency fluctuations, evolving regulatory frameworks, geopolitical uncertainties, and credit market volatility. Meanwhile, digital transformation, sustainable finance, SME growth, and cross-border trade expansion emerged as significant opportunities for the banking industry.

Inflationary risks persisted, particularly in Burundi and the DRC, where rising costs of essential goods and currency depreciation created economic strain on businesses and consumers. Regulatory changes introduced new compliance burdens, requiring banks to enhance risk management strategies and capital allocation models. Additionally, geopolitical factors, including regional trade policies and economic partnerships, influenced business confidence and investment flows.

However, technological advancements, fintech partnerships, and ESG-focused investment opportunities unlocked new growth areas for banks. The demand for sustainable finance solutions continued to rise, with green bonds, climate financing, and responsible lending initiatives gaining momentum. Furthermore, the growth of digital banking, mobile transactions, and AI-driven financial services created new avenues for customer engagement and operational efficiency.

CRDB's Response

We adopted a multi-layered risk management approach, integrating currency hedging strategies, enhanced credit risk assessments, and robust compliance monitoring to mitigate macroeconomic and regulatory risks. Our teams closely monitored inflation trends and exchange rate movements, ensuring agile financial planning and treasury management.

Recognising the potential in green finance and sustainable investments, we expanded our ESG-focused lending portfolio, launching new financial products that support renewable energy, conservation, and climate-resilient projects.

In response to the growing fintech and digital banking revolution, we accelerated investment in AI-powered financial services, offering enhanced digital experiences for customers while maintaining secure, efficient, and accessible banking operations.

By combining strong risk mitigation strategies with targeted growth initiatives, we reinforced our position as a leading financial institution, capable of sustaining long-term profitability and resilience in a dynamic market.

STAKEHOLDER ENGAGEMENT

Fostering Meaningful Stakeholders Relationships

	Shareholders/ Investors	Employees	Customers
Areas of Engagement	• Annual General Meeting (AGM) • Annual Report • Shareholders' seminar • Investors' meeting • Quarterly reports	• Annual performance appraisal • Employee engagement initiatives • Employee annual feedback survey	• Customer visits • Call centre to ensure constant engagement • CRDB website • Social media platforms • Customer Satisfaction Survey
Frequency	Continuous	Continuous/Annual performance review	Continuous
Key Expectations	• Return on investment • Compliance Governance & ethical practices	• Fair remuneration • Effective performance management and recognition • Career development • A safe & healthy work environment	• Innovative financial solutions and services • Convenient access to banking services through digital channels • Excellence in client service • Strong cyber risk management
CRDB Group's Response	• Continuous engagement • Robust risk management and internal control processes • Continuous improvements in business performance	• Employee engagement • Health and wellness programmes • Continuous training • Embracing equity, diversity, and inclusiveness	• Awareness of data security & privacy • Improvement of products & services to cater to financial goals • Work on feedback obtained from the survey
Outcome	• Dividend per share declared: TZS 65 (2024) vs. TZS 50 (2023) • Share price rose to TZS 670 (from TZS 460) • Market capitalisation increased to TZS 1.75 trillion (from TZS 1.2 trillion) • Maintained strong governance and transparent disclosures	• Satisfaction Index: 94% (up from 87%) • Training spends: TZS 7.98 billion (from TZS 6.6 billion) • Training staff: 4,081 (from 3,338) • Counselling support: 393 employees supported in 2024 • Workforce: 4,251 (45% women, 38% under age 35)	• Customer base: 6.4 million (up from 4.0 million) • NPS: 56% (from 53%) • CSAT: 90% (from 81%) • Digital transactions increased by 53% • Agents network: 36,566 (from 34,627)
Capitals Impacted	• Financial Capital • Social & Relationship Capital	• Human Capital • Financial Capital	• Human Capital • Financial Capital

	Suppliers	Regulatory Authorities	Community/ Society
	• Regular meetings • Phone calls • Surveys	• Regular meetings • Policy updates and directives • Mandatory filings with key regulators	• Regular meetings
	Continuous	Continuous	Continuous
	• Fair bidding and timely payments • Governance & ethical practices • Feedback on delivery of goods & services • Timely settlement of invoices	Compliance	• Financial literacy • Financial inclusion • Digital transformation
	• Ensure timely payments for services • Whistleblower Policy to ensure good practices • Continuous engagement through meetings • Monthly reconciliations of suppliers' accounts	• Compliance – including formulation of relevant policy framework and enforcement thereof	• Providing support to our communities and access to financing to address societal needs • Partnering with the community to address common social & environmental issues to build a thriving society
	• 80%+ local supplier base retained • Timely payments and contract fulfilment maintained • Enhanced ESG compliance in procurement policies	• Liquidity ratio of 28.2% above the regulatory threshold of 20%. • NPL ratio of 2.9% below the requirement of 5%. • CIR of 45.7 below the regulatory ratio of 55%. • CAR ratio of 17.2% above the ratio of 14.5% • Compliance of Tax payments with a Total Tax paid to Government TZS 461.8bn (2023:403.3bn)	• TZS 2.3 billion invested in CSI (2024) • Reached 196,650 women and youth (up from 109,722) • Promoted tree planting, clean cooking, and digital inclusion • Expanded access to financial literacy and MSME support
	• Social & Relationship Capital • Financial Capital	• Financial Capital • Natural Capital • Social & Relationship Capital • Manufactured Capital • Intellectual Capital • Human Capital	• Social & Relationship Capital • Natural Capital

Materiality: A Strategic Lens for Resilience and Growth

Our approach to materiality balances regulatory requirements, stakeholders expectations, and long-term sustainability goals. We prioritise disclosures—both mandatory and voluntary—that are most relevant to our business and stakeholders.

For voluntary ESG and climate reporting, we tailor materiality assessments to fit the evolving landscape. While aligned with International Sustainability Standards Board (ISSB) standards, we integrate external frameworks, stakeholder insights, and industry best practices. We adopt new standards where they enhance our ability to address sustainability challenges effectively.

Our climate disclosures follow ISSB and Task Force on Climate-related Financial Disclosures (TCFD) guidelines, ensuring transparency in assessing ESG matters. While mandatory reporting governs our core sustainability disclosures, voluntary reporting allows us to address emerging investor and client priorities.

We apply a double materiality perspective to climate, evaluating both financial and environmental impacts. Our long-term assessments enable us to capture risks and opportunities that are critical to resilience and sustained growth.

A Structured Approach to Materiality

In FY 2024, we conducted a comprehensive materiality assessment to identify key ESG topics where our actions could create a meaningful impact. Our sustainability commitments align with both global and local frameworks, including:

- **UNFCCC**
- **UN SDGs**
- **IFC**
- **Tanzania's environmental regulations**
- **Paris Agreement**

Using a double materiality lens, we assessed risks and opportunities from both a business and stakeholders perspective. This approach allowed us to evaluate our operational impact on society and the environment holistically.

Our material topics are structured around the 4Ps—Planet, People, Prosperity, and Partnership—ensuring a focused and strategic approach to sustainability.

The assessment followed a four-step process:

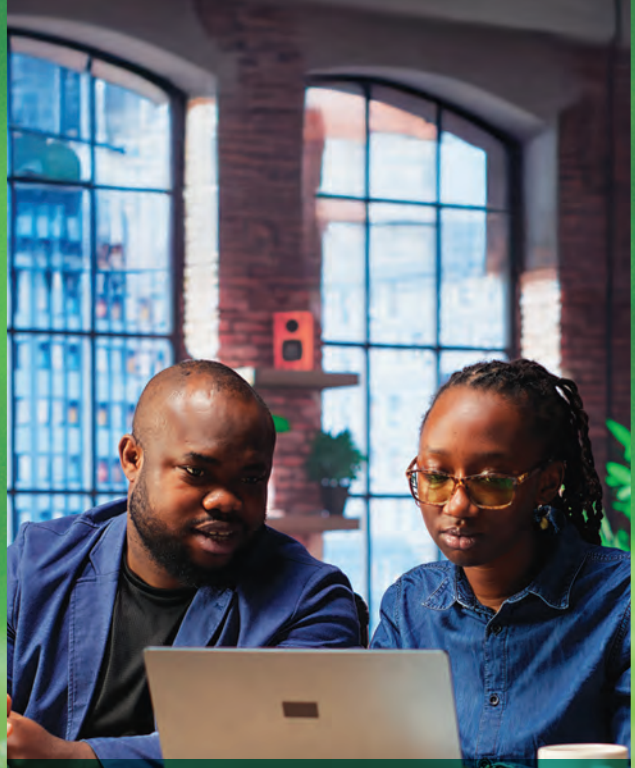
Our Material Priorities

Planet

Managing our environmental footprint	GRI 302 GRI 305
Water and waste management	GRI 303
Energy efficiency	GRI 302
Sustainable financing	GRI 203 GRI 201
ESG integration in credit analysis	GRI 419

Capitals Impacted

People



Employees engagement	GRI 402 GRI 403
Employees wellbeing	GRI 403
Workforce diversity	GRI 405
Training and education	GRI 404
Talent management and succession planning	GRI 404
Performance management	GRI 404
Employees benefits	GRI 401

Capitals Impacted

Financial Capital Manufactured Capital Intellectual Capital Human Capital

Social & Relationship Capital Natural Capital

Prosperity

Financial inclusion and capacity building	GRI 203 GRI 413
Digital transformation	GRI 418 GRI 203
Enhancing community welfare	GRI 413
Customer relationship management	GRI 416 GRI 418
Data security	GRI 418
Business ethics	GRI 205 GRI 206

Capitals Impacted

Partnership

Sustainable procurement	GRI 204, GRI 308, GRI 414
Strategic partnerships	GRI 102-13, GRI 203
Broader stakeholders engagement	GRI 102-40, GRI 413

Capitals Impacted

STRATEGY

Strategic Focus for Long-Term Value

Our Strategy: E.V.O.L.V.E

We are on a strategic journey to rise above the competition and establish ourselves as the undisputed market leader.

Our Strategic Approach

- Leveraging digital capabilities
- Fostering an inclusive culture
- Prioritising well-being
- Ensuring customer-centricity
- Continuous self-assessment to address vulnerabilities

Strategic Pillars

Ring-fence the Business

Unlock untapped potential and introduce new offerings.

Grow the Business

Strengthen services and reinforce market presence.

Future-proof the Business

Enhance sustainability, governance, and adaptability.

Priority Segments

MSMEs

Providing comprehensive financial support and customised solutions through loans, education, networking, innovative tools, and market linkages.

Youth

Assisting the youth in developing financial literacy skills, providing access to customised services, and supporting entrepreneurship through digital banking solutions.

Agriculture

Empowering farmers to bolster food security, and drive sector growth.

Women

Promoting gender equality, leadership diversity, and financial empowerment.

Our Envisioned Impact

Building Economies

Expanded financial solutions drive economic development, with increased MSME and agribusiness financing. Greater accessibility that reaches remote areas, benefiting women and youth, while job creation across various sectors strengthens the broader economy.

Generating Value

Growth in community investment, benefiting businesses, women, and youth while increasing social return on investment. More community initiatives will be supported, amplifying the Bank's economic impact.

Optimising Talent

Employees satisfaction, wellness, and engagement improve alongside customer experience. Increased productivity with more employees participating in professional development, leadership, and women-focused programmes. Improved gender diversity in leadership will reinforce CRDB reputation as a top employer.

Leveraging Partnerships

Strategic partnerships will deliver higher business growth and enhance customer satisfaction. Increased joint initiatives and projects that highlight successful collaboration and mutual benefit.

Addressing Vulnerabilities

Efforts are focused on strengthening our credit rating and loan portfolio, while minimising security breaches and operational risks. Enhanced responsiveness to emerging market risks and improved compliance scores that reflect a proactive approach to stability and performance.

Environmental Stewardship

Financing for sustainable projects will increase, with additional funds raised for green initiatives. Resource efficiency efforts, including reduced water and energy consumption, will continue to align with our commitment to environmental sustainability and responsible business practices.

KEY INDICATOR	VALUE DRIVERS	YOY Change	KPI UNIT
PROFITABILITY			
Group Profit After Tax (PAT)	Growth/productivity	↑	TZS (Billion)
Subsidiary Contribution to Group PAT	Growth/productivity	↑	Percentage
Return on Equity (ROE)	Productivity/value creation	↑	Percentage
Return on Assets (ROA)	Productivity/value creation	↑	Percentage
Cost-to-income Ratio (CIR)	Capital Risk Management	↑	Percentage
Net Interest Margin	Growth/Productivity	↑	Percentage
Non-Funded Income Contribution to Total Income	Growth/Productivity	↓	Percentage
BUSINESS GROWTH			
Total Assets	Business Growth	↑	TZS (Billion)
Loans and Advances	Growth/Productivity	↑	TZS (Billion)
Customers Deposits	Business Growth	↑	TZS (Billion)
Shareholders' Funds	Growth/Productivity	↑	TZS (Billion)
ASSET QUALITY			
NPL Ratio	Capital Risk Management	↑	TZS (Billion)
Cost of Risk	Capital Risk Management	→	TZS (Billion)
Gross Loans to Customer Deposit	Capital Risk Management	↑	TZS (Billion)
CAPITAL & LIQUIDITY			
Core Capital (Tier 1)	Capital Risk Management	↑	Percentage
Total Capital (Tier 1 + Tier 2)	Capital Risk Management	→	Percentage
Liquidity Ratio	Capital Risk Management	↑	Percentage
SHAREHOLDER VALUE			
Earnings Per Share (EPS)	Growth/Productivity	↑	TZS
Dividend Per Share	Growth/Productivity	↑	TZS
Share Price	Growth/Productivity	↑	TZS
DEEPENING ACCESS TO FINANCE			
Number of Bank Agents (CRDB Wakala)	Productivity/Efficiency	↑	Number
Digital Adoption & Usage (Accounts)	Productivity/Efficiency	↑	No (Millions)
Digital Channel Usage	Productivity/Efficiency	↑	Percentage
SERVICE EXPERIENCE			
Net Promoter Score (NPS)	Productivity	↑	Percentage
Mystery Shopping Score*	Productivity	↑	Percentage
Customer Satisfaction Index (CSAT)	Productivity	↑	Percentage
EMPLOYEE EXPERIENCE AND INCLUSIVITY			
Retention Rate	Productivity	↑	Percentage
Diversity & Inclusion (Male:Female)	Productivity	↑	Ratio

↑ Positive Growth | ↓ Negative Growth | → No Change | MBO- Management And Board Oversight

2024	2023	2022	2021	2020	BENCHMARK	2024 TARGET	MEDIUM TERM	LONG TERM	ASSURANCE TYPE
551.5	422.8	351.4	268.2	165.2	422.8	608	Increase	Increase	MBO
6.2%	5.6%	6.6%	4.8%	6.8%	5.6%	>6.0%	Increase	Increase	MBO
27.7%	26.7%	26.0%	22.0%	16.3%	26.7%	>28%	Increase	Increase	MBO
5.2%	4.8%	4.9%	4.4%	3.3%	4.8%	>5.0%	Increase	Increase	MBO
45.7%	49.5%	49.4%	55.3%	61.6%	49.5%	<44.0%	45.0%<	Lower	MBO
9.3%	7.8%	8.2%	9.7%	10.7%	11.0%	>7.6%	Increase	Increase	MBO
31.7%	35.0%	34.5%	32.6%	29.2%	35.0%	39.0%	Grow	Grow	MBO
16,698.8	13,321.3	11,636.6	817.6	7,170.5	13,321.3	16,365	Grow	Grow	MBO
10,360.8	8,443.5	6,876.6	5,040.4	3,929.1	8,443.5	9,915	Grow	Grow	MBO
10,214.7	8,856.0	8,200.4	6,489.6	5,434.6	8,856.0	11,502	Grow	Grow	MBO
2,173.2	1,737.9	1,479.1	1,219.3	1,011.0	1,737.9	0	Increase	Increase	MBO
2.9%	2.8%	2.8%	3.3%	4.4%	<3.0%	<2.8%	Maintain	Maintain	MBO
0.3%	0.3%	1.0%	1.1%	2.5%	3.0%	<2.0%	Maintain	Maintain	MBO
103.0%	96.7%	85.8%	78.8%	75.0%	96.7%	<75%	Sustain	Sustain	MBO
16.3%	16.0%	17.0%	20.0%	17.8%	12.5%	17%	Optimise	Sustain	MBO
17.2%	17.3%	18.5%	20.0%	17.9%	14.5%	18%	Optimise	Sustain	MBO
28.2%	27.0%	27.0%	27.5%	25.5%	20.0%	28%	Optimise	Sustain	MBO
211.15	161.9	134.1	102.7	63.2	161.9	>140.0	Increase	Increase	MBO
65	50	45	36	22	50	>60	Increase	Increase	MBO
670	460	380	280	225	460	Book Value	Book Value	Increase	MBO
36,566	34,627	28,241	19,165	17,031	34,627	26,000	Increase	Grow	MBO
4.1	3.3	2.5	1.8	1.2	3.3	>2.0	Increase	Grow	MBO
97%	96%	96%	96%	90%	96%	>90.0%	Optimise	Increase	MBO
56%	53%	45%	41%	-	53%	52.0%	Increase	Increase	Management
90%	91%	81%	79%	-	91%	82.0%	Increase	Increase	Management
90%	90%	87%	77%	-	90%	>80.0%	Increase	Increase	Management
97.9%	97.2%	98.0%	98.0%	98.0%	98.0%	>80.0%	Maintain	Sustain	Management
55:45	56:44	57:43	57:43	56:44	50:50	60:40	Optimise	Sustain	MBO

↑ Positive Growth | ↓ Negative Growth | → No Change | MBO- Management And Board Oversight

Strategic Execution for
Long-term Value

Focused Growth, Strong Integration, Lasting Impact

With a clear vision and disciplined execution, we continue to deliver long-term value for our stakeholders. This section highlights strategic actions led by our Group CEO, the strength and stewardship of our six capitals, and the growing contribution of our subsidiaries. It reflects how we are building a resilient, diversified, and future-ready financial institution anchored in performance, innovation, and impact.

Message from the Group CEO

> Our achievements in 2024 demonstrate the effectiveness of our five-year strategy, which is based on three key priorities: growing the business, protecting its core areas, and preparing for the future.

Dear Shareholders,

The 2024 financial year marked a defining chapter in CRDB Bank Group's journey; one characterised by disciplined strategy execution, operational excellence, and a focus on value creation. Amidst global volatility and regional liquidity constraints, our Group demonstrated strategic clarity and resilience, posting record performance across financial and non-financial metrics. Our Profit After Tax (PAT) grew to TZS 551.5 billion, representing a robust 30.4% YoY growth. This growth is a result of intentional leadership and rigorous delivery on our strategic priorities.

Without a doubt, our accomplishments in 2024 are a testament to the strength of our five-year strategy, underpinned by three imperatives: growing the business, ringfencing the business, and future-proofing it. These imperatives continue to guide our approach in responding to evolving customer needs, market dynamics, and long-term sustainability goals; firmly positioning CRDB Bank as a regional leader in financial services.

Strategic Context and Market Realities

The global economy in 2024 was marked by widespread uncertainties. Geopolitical tensions, tightening monetary cycles, and persistent inflationary pressures weighed heavily on investor sentiment and cross-border liquidity. Across East Africa, structural constraints such as foreign exchange shortages and subdued credit flow tested the agility and resilience of financial institutions. In Tanzania, however, macroeconomic fundamentals held firm, driven by sound fiscal policies, increased infrastructure spending, and stable inflation.

For our Group, these external conditions necessitated a balance of prudence and ambition. We adopted adaptive strategies tailored to local conditions in Burundi and the DRC while continuing to drive growth in our home market through risk-sensitive lending, digital expansion, and innovation-led customer engagement.

Strategic Execution and Institutional Transformation

During FY 2024, we executed our strategy with dexterity, with a view of translating ambition into tangible results. Admittedly, our five-year strategy, which is in second year of implementation, continues to show resilience and adaptability, allowing us to build long-term value across retail, corporate, and institutional banking segments.

Growing the Business

Growth came through insight and execution. Guided by deep market research and insights, we explored opportunities in underserved segments, addressing needs across faith-based communities, prompting the successful rollout of the Sadaka Account - a Shariah-compliant solution tailored for religious giving. In partnership with Mpesa and Mixx by Yas (formerly Tigopesa), we expanded into micro-lending and device financing, unlocking access for previously unbanked and underbanked customers.

Beyond retail banking, we remained a strategic enabler for transformative economic ventures. A notable highlight was our co-financing of the Mahenge Graphite Project alongside the Development Bank of Southern Africa (DBSA) and the Industrial Development Corporation (IDC). Our participation in this project highlights our position as a key financier of national and regional industrialisation.

Ring-fencing the Business

Our foundational imperative remained to safeguard the integrity and efficiency of our operations. During the year, we deepened automation, streamlined customer journeys, and fortified internal systems. A highlight of the year was the rebranding and expansion of Huduma Dhahabu, our service excellence programme, which empowered front-line teams and institutionalised a culture of high-performance service delivery across the Group.

Similarly, we enhanced our core propositions including revamping our MSME proposition to integrate insurance services, simplifying business continuity for MSMEs. These improvements reflect our desire to deliver functional, inclusive, and agile banking solutions aligned to customer realities.

Future-proofing the Business

The third strategic thrust. - future readiness- remained a guiding principle to our transformation agenda. During the year under review, we completed critical technology infrastructure rollouts, including the successful implementation of a Card Switch and migration to our Enterprise Service Bus (ESB). These upgrades enhanced the stability and performance of our alternative channels, improving service reliability and transaction velocity.

In addition to the above, we strengthened our Enterprise Risk Management framework by embedding new capabilities to manage fast-evolving cyber risks, macro shocks, and ESG-linked exposures. Institutional agility and real-time responsiveness were key pillars of our operating model in the 2024 financial year.

In line with our human capital strategy, we continued to invest in internal culture and change leadership. Our staff engagements focused not only on operational excellence but on engendering a shared understanding of our sustainability agenda, reinforcing the shift towards climate-conscious and socially responsible banking.

Performance Review

Our strong financial outcomes in 2024 reflect the cumulative impact of strategic discipline, market insight, and risk-aware execution.

- Total Assets grew 25.3% to TZS 16,698.8 billion, affirming our ability to attract and deploy capital efficiently while maintaining portfolio quality.
- Customers' Deposits increased 23.5% to TZS 10,934.1 billion, driven by rising confidence in CRDB's stability, security, and digital capability.
- Loans and Advances rose 22.7% to TZS 10,360.8 billion, reinforcing our commitment to enabling inclusive economic participation through accessible and tailored credit solutions.

We closed the year with non-performing loans (NPLs) of 2.9%, below the minimum regulatory threshold of 5%. This achievement reflects the effectiveness of our credit risk frameworks and the proactive measures we have implemented to maintain a high-quality loan portfolio. Additionally, our Cost-to-Income Ratio (CIR) improved to 45.7%, underscoring the Group's operational efficiency. We continue to leverage technology, streamlining processes, and optimising resource utilisation to reduce costs while maintaining exceptional service quality.

This performance is not only commendable but sustainable, since it is built on a foundation of informed risk management, responsive operations, and inclusive growth.

Critical Enablers of Value Creation

As a Group, we have learned from experience that for us to succeed in our endeavours of value creation, it is critical to identify key enablers and pay close attention

to them. During the year under review, three enablers - partnerships, sustainability, and financial strength; reinforced our strategic journey.

Strategic Partnerships

Building on our sustained engagements, we deepened collaborations with global institutions such as UNDP, DFC, FMO, PROPARCO, MUFG, Investec, Intesa San Paolo, and Water.org; unlocking access to blended finance, technical assistance, and cross-market opportunities. These alliances have advanced our goals in green finance, social impact lending, and capacity building across the Group.

Sustainability and ESG Leadership

At CRDB Bank Group, sustainability is no longer a peripheral agenda - it is embedded at the core of our strategy. During FY 2024, we expanded our financing of climate-smart agriculture, green infrastructure, and social enterprises. We also reduced our carbon footprint through resource optimisation and energy-efficient practices. In principle, our commitment to ESG, as a Group, is not only about compliance but also about leadership in building an inclusive, climate-resilient financial system.

Financial Soundness and Risk Management

Our financial strength was again affirmed by Moody's, which upgraded our credit rating from B2 to B1, with the outlook adjusted from Positive to Stable. This upward revision validates our capital adequacy, risk governance, and earnings consistency—placing us among the top-rated banking institutions in the region.

Subsidiaries Driving Regional Momentum

Our business diversification and regional expansion strategies is paying off with the continued positive outlook of our subsidiaries. During the year under review, the subsidiaries continued to play a key role in advancing the Group's strategic objectives and strengthening its footprint across East and Central Africa.

CRDB Burundi S.A. delivered strong performance, recording notable growth in both assets and income. This success was driven by enhanced service offerings, increased operational efficiency, and the continued rollout of digital solutions, which deepened customer engagement and supported the subsidiary's competitive positioning in the market.

CRDB Congo, despite operating in a complex and evolving environment, focused on strategic customer acquisition efforts, particularly in Kinshasa. The subsidiary laid important groundwork by building brand visibility, expanding its retail footprint, and initiating targeted market penetration efforts. While challenges remain, our long-term outlook for the Congolese market remains positive, underpinned by the country's economic potential and CRDB's commitment to strengthening its operational base.

CRDB Insurance made significant strides in revenue growth and market relevance by expanding its digital distribution channels and introducing innovative insurance products that respond to the evolving needs of customers. These initiatives have positioned the subsidiary as a key contributor to the Group's non-funded income and as a growing force within Tanzania's insurance landscape.

Together, the performance of these subsidiaries reflects CRDB Bank Group's commitment to regional diversification, financial inclusion, and integrated value delivery across all markets we serve.

Future Outlook

As we look to the future, our strategic vision is clear - to be the most dynamic, inclusive, and sustainable financial institution in the region.

Going into 2025, we will intensify our regional expansion, with a focus on East and Central Africa. This includes scaling cross-border financing, leveraging trade corridors, and deploying digital-first models to reach

underserved markets. Our objective is to unlock new growth frontiers and solidify our regional leadership.

We will also deepen our commitment to proactive risk management, anticipating and responding to market shocks with agility and precision. As macroeconomic uncertainty persists, our risk posture will remain vigilant and adaptive.

Customer-centric innovation will continue to guide our product and service evolution. We are embedding AI and data analytics to enhance personalisation, improve risk prediction, and strengthen fraud detection, ensuring relevance, responsiveness, and resilience.

Above all, we are anchoring every initiative around stakeholder value. From SMEs to large corporates, from youth to pensioners, from urban centres to rural communities; our ambition is to serve with purpose, innovation, and integrity.

Acknowledgement

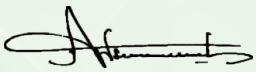
I wish to express my gratitude to the various stakeholders whose support has been instrumental in CRDB Bank's continued progress throughout 2024.

I extend my appreciation to the Board of Directors for their strategic guidance and governance oversight, which ensured the Bank remained aligned with its long-term objectives. I also acknowledge the invaluable contribution of our staff, who form the backbone of our operations and played a central role in executing key initiatives and maintaining momentum across our network.

I am grateful to our customers, whose continued engagement with our products and services significantly contributed to the Bank's financial performance and market relevance. Development partners and regulators also played a critical role by facilitating compliance, enabling strategic partnerships, and enhancing our capacity to implement key programmes.

Lastly, I thank our shareholders for their commitment to the Bank's vision. Their continued support provided the capital confidence necessary to drive growth and deliver long-term value.

Together, these stakeholders have strengthened our Group's foundation and positioned us for sustained success in the years ahead.



Abdulmajid M. Nsekela

MESSAGE

Taarifa kutoka kwa Mkurugenzi Mtendaji

> Mafanikio yetu katika mwaka 2024 ni uthibitisho wa nguvu ya mkakati wetu wa miaka mitano, wenye mihili mikuu mitatu, ambayo ni kukuza biashara, kulinda biashara, na kutoa uhakikisho wa kibiashara wa siku zijazo.

Wapendwa Wanahisa,

Mwaka wa Fedha 2024 umetoa sura ya kipekee katika safari ya Taasisi ya Benki ya CRDB; ulikuwa mwaka ulioshuhudia utekelezaji wa kinidhamu wa mkakati, ubora wa utendaji kazi, na uzingatiaji wa utengenezaji wa thamani. Katikati ya hali tete ya kimataifa na vikwazo vya ukwasi wa kikanda, taasisi yetu ilionesha uwazi na uthabiti wa kimkakati, ikidhihirisha utendaji kazi wa hali ya juu katika vipimo vyote vya kifedha na visivyo vya kifedha. Faida yetu baada ya kodi ilikua hadi kufikia shilingi bilioni 551.5, ikiwa ni ukuaji thabiti wa asilimia 30.4 mwaka hadi mwaka. Ukuaji huu ni matokeo ya uongozi thabiti na utekelezaji madhubuti wa vipaumbele vyetu vya kimkakati. Bila shaka, mafanikio yetu katika mwaka 2024 ni uthibitisho wa nguvu ya mkakati wetu wa miaka mitano, wenye mihili mikuu mitatu, ambayo ni kukuza biashara, kulinda biashara, na kutoa uhakikisho wa kibiashara wa siku zijazo. Mihimili hii iliendelea kuongoza mbinu zetu katika kukabiliana na mahitaji yanayobadilika ya wateja wetu, mienendo ya soko, na malengo ya kudumu ya muda mrefu; na kuifanya Benki ya CRDB kuwa taasisi kinara ya huduma za kifedha kikanda.

Muktadha wa Kimkakati na Hali Halisi ya Soko

Katika mwaka 2024 uchumi wa kimataifa ulikabiliwa na ukosefu wa uhakika. Mivutano ya kisiasa kijiografia, ongezeko la mzunguko wa fedha, na shinikizo la kuendelea kwa mfumuko wa bei ni masuala yaliyotawala sana hisia za wawekezaji na ukwasi wa kimataifa. Katika ukanda wa Afrika Mashariki, vikwazo vya kimfumo kama vile uhaba wa fedha za kigeni na mtiririko mdogo wa mikopo ulitikisa ustahimilivu na uimara wa taasisi za fedha. Hata hivyo, nchini Tanzania, misingi ya uchumi mkuu ilisimama imara, ikichagizwa na sera nzuri za fedha, ongezeko la matumizi ya miundombinu, na mfumuko madhubuti wa bei.

Kwa taasisi yetu, masuala haya ya nje yaliwezesha uwiano kati ya ukwasi na matarajio. Tulipitisha mikakati inayonyumbulika ili kuendana na hali ya ndani nchini Burundi na Jamhuri ya Kidemokrasia ya Kongo, huku tukiendelea kuchochea ukuaji katika soko letu la nyumbani kupitia utoaji wa mikopo unaozingatia vihatarishi, upanuzi wa matumizi ya mifumo ya kidijiti, na ushirikishaji wa wateja unaoongozwa na uvumbuzi.

Utekelezaji wa Kimkakati na Mageuzi ya Kitaasisi

Katika Mwaka wa Fedha 2024, tulitekeleza mkakati wetu kwa ustadi ili kutafsiri matarajio kuwa matokeo halisi. Ni kweli kwamba mkakati wetu wa miaka mitano, ambao uko katika mwaka wa pili wa utekelezaji, unaendelea kuonesha uthabiti na unyumbufu, unaoturuhusu kujenga thamani ya muda mrefu katika maeneo ya huduma za kibenki kwa wateja binafsi, huduma za kibenki kwa kampuni kubwa, na huduma za kibenki kwa taasisi.

Kukuza Biashara

Ukuaji ulitokana na maono na utekelezaji. Tukiongozwa na utafiti wa kina wa soko na maono, tuligundua fursa katika sehemu ambazo zilikuwa hazijafikiwa, tukishughulikia mahitaji ya huduma za kibenki katika jumuiya za kidini, hivyo kufanikiwa kuanzisha Akaunti ya Sadaka - Suluhu Inayotii Sharia – iliyobuniwa kwa ajili ya miamala ya kidini. Kwa kushirikiana na Mpesa na Mixx by Yas (zamani Tigopesa), tulipanua huduma na kujumuisha utoaji wa mikopo binafsi na mikopo ya kununua vifaa, na kuwafikiaji wateja, ambao walikuwa wanapata huduma pungufu au hawakuwa na huduma kabisa za kibenki. Mbali na huduma za kibenki za wateja binafsi, tuliendelea kuwa wawezeshaji wa kimkakati

wa kuleta mageuzi ya kiuchumi. Jambo muhimu zaidi lilikuwa ufadhili wa pamoja kati yetu na Benki ya Maendeleo Kusini mwa Afrika (DBSA) na Shirika la Maendeleo ya Viwanda (IDC) katika Mradi wa Kiwanda cha Grafiti cha Mahenge. Ushiriki wetu katika mradi huu ulidhihirisha msimamo wetu kama mfadhili mkuu wa maendeleo ya viwanda kitaifa na kikanda.

Kulinda Biashara

Sharti letu la msingi liliendelea kuwa kulinda uadilifu na ufanisi wa shughuli zetu. Katika mwaka huu, tulikuza uwekaji kiotomati, tukarahisisha safari za wateja, na tuliimarisha mifumo ya ndani. Jambo lililotia fora mwaka huu lilikuwa urekebishaji na upanuzi wa Huduma Dhahabu, programu yetu ya ubora wa huduma, ambayo iliwezesha timu za watoahuduma kwa wateja kuanzisha utamaduni wa utoaji huduma kwa ubora wa hali ya juu kote katika taasisi yetu. Vilevile, tuliboresha mpango wetu wa msingi ikiwa pamoja na kuandaa upya mpango wetu wa biashara ndogo sana, biashara ndogo, na biashara za kati (MSME) ili kuunganisha huduma za bima kwa lengo la kurahisisha mwendelezo wa biashara kwa biashara ndogo sana, biashara ndogo, na biashara za kati. Maboresho haya yaliakisi shauku yetu ya kutoa masuluhisho ya kibenki yanayofanya kazi, jumuishi, na ya haraka kulingana na hali halisi ya wateja.

Uthibitishaji wa Baadaye wa Biashara

Msukumo wa tatu wa kimkakati - utayari wa siku zijazo – uliendelea kuwa kanuni elekezi kwa ajenda yetu ya mageuzi. Katika mwaka uliomalizika, tulikamilisha uzinduzi rasmi wa miundombinu muhimu ya kiteknolojia, ikijumuisha utekelezaji wenye mafanikio wa Ubadilishaji Kadi na kuhamia kwenye Njia ya Kati ya Mawasiliano (ESB). Maboresho haya yaliimarisha uthabiti na utendaji kazi wa vyanzo vyetu mbadala, na kuboresha hali ya kuaminika kwa huduma zetu na kasi ya miamala.

Zaidi ya hayo, tuliimarisha mfumo wetu wa Udhibiti wa Vihatarishi vya Biashara kwa kujumuisha uwezo mpya wa kudhibiti vihatarishi vya kimtandao vinavyobadilika kwa kasi, majanga makubwa, na vibainishi vinayohusishwa na vihatarishi vya kimazingira, kijamii, na kiutawala (ESG). Uharaka wa kitaasisi na mwitiko kwa wakati halisi ulikuwa nguzo kuu za muundo wetu wa uendeshaji katika mwaka wa fedha 2024.

Kwa kuzingatia mkakati wetu wa rasilimali-watu, tuliendelea kuwekeza katika utamaduni wa ndani na mabadiliko ya uongozi. Ushirikishaji wa wafanyikazi wetu haukulenga tu ubora wa utendaji bali pia kukuza uelewa wa pamoja wa ajenda yetu ya uendelevu na uimarishaji wa mabadiliko kuelekea benki inayozingatia mabadiliko ya tabianchi na huduma za kibenki zinazozingatia uwajibikaji wa kijamii.

Tathmini ya Utendaji

Matokeo yetu madhubuti ya kifedha kwa mwaka 2024 yanaonesha athari za jumla za nidhamu ya kimkakati, maono ya soko, na utekelezaji wa utambuzi wa vihatarishi.

- Jumla ya mali ilikua kwa asilimia 25.3 hadi kufikia shilingi bilioni 16,698.8, hivyo kuthibitisha uwezo wetu wa kuvutia na kutumia mtaji kwa ufanisi huku tukidumisha ubora wa potifolio.
- Amana za wateja ziliongezeka kwa asilimia 23.5 hadi kufikia shilingi bilioni 10,934.1 kutokana na kuongezeka kwa imani kwa uthabiti, usalama, na uwezo wa kidijiti wa Benki ya CRDB.
- Mikopo na malipo ya awali yalipanda kwa asilimia 22.7 hadi kufikia shilingi bilioni 10,360.8, hivyo kusisitiza dhamira yetu ya kuwezesha ushirikishaji wa kiuchumi kupitia suluhu za mikopo zinazoweza kupatikana na mahususi.

Tulifunga mwaka kwa mikopo isiyolipika (NPLs) ya asilimia 2.9, zaidi ya kiwango cha chini cha asilimia 5 kinachotakiwa na mamlaka ya udhibiti. Mafanikio haya yanaonesha ufanisi wa mifumo yetu ya hatari za mikopo na hatua makini tulizozitekeleza ili kudumisha potifolio ya ubora wa juu wa mikopo. Vilevile, uwiano wetu kati ya gharama na mapato (CIR) uliimarika hadi kufikia asilimia 45.7, hivyo kuonesha ufanisi wa utendaji wa taasisi yetu. Tunaendelea kutumia teknolojia, kurahisisha michakato, na kuboresha matumizi ya rasilimali ili kupunguza gharama huku tukidumisha ubora wa kipekee wa huduma zetu.

Utendaji huu si tu ni wa kupongezwa, bali pia ni endelevu kwa kuwa umejengwa katika msingi wa usimamizi bainifu wa vihatarishi, utendaji kazi sikivu, na ukuaji jumuishi.

Viwezeshi Muhimu vya Utengenezaji wa Thamani

Kama taasisi, tumejifunza kutokana na uzoefu kuwa ili tufanikiwe katika jitihada zetu za kutengeneza thamani, ni lazima tutambue viwezeshi muhimu na kuvizingatia kwa makini. Katika mwaka unaotathminiwa, viwezeshi vitatu - ubia, uendelevu, na nguvu za kifedha - viliimarisha safari yetu ya kimkakati.

Ubia wa kimkakati

Kwa kuzingatia ushirikiano wetu endelevu, tulikuza ushirikiano na taasisi za kimataifa kama vile Shirika la Maendeleo la Umoja wa Mataifa (UNDP), Shirika la Kimataifa la Maendeleo ya Kifedha (DFC), Benki ya Maendeleo ya Uholanzi (FMO), Taasisi ya Maendeleo ya Kifedha ya Ufaransa (PROPARCO), Kampuni Kubwa ya Huduma za Kifedha Duniani (MUFG), Benki ya Kimataifa ya Uwekezaji na Usimamizi wa Mali (Investec), Intesa San Paolo, na Water.org. Pia, tulianzisha upatikanji wa huduma mseto za kifedha, msaada wa kitaalamu, na fursa mbalimbali za masoko. Ushirikiano huu uliendeleza malengo yetu katika utoaji wa fedha unaozingatia mazingira (kijani), ukopeshaji wa fedha unaozingatia manufaa ya kijamii, na ujenzi wa uwezo katika taasisi yote.

Uendelevu na Uongozi Unaozingatia Maslahi ya Kimazingira, Kijamii, na Kiutawala (ESG)

Katika Taasisi ya Benki ya CRDB, uendelevu si ajenda tena ya pembezoni – bali imejumuishwa katika kitovu cha mkakati wetu. Katika mwaka 2024, tulipanua utoaji wetu wa fedha kwa shughuli za kilimo kinachozingatia mabadiliko ya tabianchi, miundombinu ya kijani, na biashara za kijamii. Pia, tulipunguza kiwango chetu cha kaboni kupitia uboreshaji wa rasilimali na mbinu za matumizi bora ya nishati. Kama taasisi, dhamira yetu kwa maslahi ya kimazingira, kijamii, na kiutawala, hatufanyi tu kwa ajili ya kutimiza vigezo, bali pia kwa lengo la kuongoza mageuzi.

Umadhubuti wa Kifedha na Usimamizi wa Vihatarishi

Umadhubuti wetu wa kifedha ulithibitishwa tena na Moody's, ambayo iliboresha ukadiriaji wetu wa mkopo kutoka B2 hadi B1, na mtazamo uliorekebishwa kutoka chanya hadi imara. Mapitio haya ya juu yanathibitisha utoshelevu wetu wa mtaji, usimamizi wa vihatarishi, na uthabiti wa mapato—hivyo kutuweka miongoni mwa taasisi za kibenki zilizofanya vizuri zaidi katika ukanda huu.

Kampuni Tanzu Zinazochochea Mwamko wa Kikanda

Mikakati yetu ya utawanyaji wa biashara na upanuzi wa kikanda inazaa matunda kutokana na kampuni zetu tanzu kuendelea kwa mtazamo chanya. Katika mwaka unaotathminiwa, kampuni tanzu ziliendelea na jukumu muhimu la kufanikisha malengo ya kimkakati ya taasisi yetu na kuimarisha athari zake katika ukanda wa Afrika Mashariki na Kati.

Benki ya CRDB Burundi S.A. ilifanya vizuri na kupata ukuaji mkubwa wa mali na mapato. Mafanikio haya yalitokana na utoaji wa huduma ulioimarishwa, kuongezeka kwa ufanisi wa utendaji kazi, na kuendelea kutoa suluhu za kibenki kidijiti, ambazo zilikuza ushirikishaji wa wateja, hivyo kuunga mkono nafasi ya ushindani katika soko kwa kampuni yetu tanzu.

Benki ya CRDB Kongo, licha ya kufanya kazi katika mazingira magumu na yanayoendelea, ililenga jitihada za kimkakati za kupata wateja, hususani Jijini Kinshasa. Kampuni tanzu iliweka msingi muhimu kwa kujitangaza, kupanua wigo wake wa huduma za kibenki kwa watu binafsi, na kuanzisha juhudi mahususi za kuingia katika

soko la huduma za kibenki. Ingawa bado kulikuwa na changamoto, mtazamo wetu wa muda mrefu kwa soko la Kongo bado ni wa kutia matumaini, ukichagizwa na uwezo wa kiuchumi wa nchi hiyo na dhamira ya Benki ya CRDB ya kuimarisha msingi wake wa kufanya kazi.

Kampuni ya Bima ya CRDB ilipiga hatua kubwa katika ukuaji wa mapato yake na umuhimu wa soko kwa kupanua njia zake za usambazaji wa bidhaa na huduma zake kidijiti na kuanzisha bidhaa za kibunifu za bima zinazokidhi mahitaji yanayobadilika ya wateja. Juhudi hizi zimeifanya kampuni tanzu kuwa mchangiaji mkuu wa mapato yasiyofadhiliwa ya taasisi na kama msukumo unaokua katika tasnia ya bima nchini Tanzania.

Kwa pamoja, utendaji wa kampuni hizi tanzu unaonesha dhamira ya Benki ya CRDB ya kuleta mtawanyo wa shughuli zake kikanda, ushirikishaji wa kifedha, na utoaji wa thamani jumuishi katika masoko yote tunayoyahudumia.

Mtazamo wa Baadaye

Tunapotazama mbele, dira yetu ya kimkakati iko bayana - kuwa taasisi madhubuti ya kifedha, jumuishi, na endelevu zaidi katika ukanda huu.

Tunapoingia mwaka 2025, tutaongeza upanuzi wetu wa kikanda, tukilenga Afrika Mashariki na Kati. Hatua hii ni pamoja na kuongeza uwekezaji wa kifedha unaovuka mipaka, kutumia njia na miundombinu ya kibiashara, na kupeleka programu mpya za kidijiti ili kuyafikia masoko ambayo hayajafikiwa. Lengo letu ni kufungua mipaka mipya ya ukuaji na kuimarisha utawala wetu wa kibiashara wa kikanda.

Pia, tutaongeza dhamiri yetu kwa udhibiti wa vihatarishi, kujitayarisha na kushughulikia majanga ya soko kwa haraka na usahihi. Kadiri kukosekana kwa uhakika wa uchumi mkuu kunavyozidi kuendelea, utayari wetu dhidi ya vihatarishi utaendelea kuwa macho na nyumbufu.

Uvumbuzi unaowalenga wateja utaendelea kuongoza mageuzi ya bidhaa na huduma zetu. Tunajumuisha matumizi ya akilimnemba (AI) na uchanganuzi wa data ili kuboresha uchakataji wa taarifa, kuboresha ubashiri wa vihatarishi; na kuimarisha utambuzi wa ulaghai, kuhakikisha umuhimu, uwajibikaji, na uthabiti.

Vilevile, tunahakikisha kuwa kila mpango unazigatia thamani ya wanahisa wetu. Kuanzia biashara ndogo na za kati hadi kampuni kubwa, kutoka vijana hadi wastaafu, kutoka mijini hadi jamii za vijijini; nia yetu ni kuwatumikia wateja wetu kwa shabaha, uvumbuzi, na uadilifu.

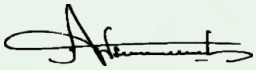
Shukrani

Ninapenda kutoa shukrani zangu kwa wadau mbalimbali ambao msaada wao umekuwa muhimu katika maendeleo ya Benki ya CRDB kwa mwaka mzima wa 2024.

Ninatoa shukrani zangu kwa Bodi ya Wakurugenzi kwa mwongozo wao wa kimkakati na usimamizi wa kiutawala, ambao ulihakikisha kuwa Benki inaendana na malengo yake ya muda mrefu. Aidha, ninatambua mchango mkubwa wa wafanyakazi wetu, ambao ni uti wa mgongo wa shughuli zetu. Wao walibeba jukumu kuu katika kutekeleza mipango muhimu na kudumisha mwamko katika mtandao wetu.

Ninawashukuru wateja wetu, ambao kuendelea kwao kujihusisha na bidhaa na huduma zetu kulichagiza, kwa kiasi kikubwa, utendaji wa kifedha wa Benki na umuhimu wa soko. Washirika wa maendeleo na mamlaka za udhibiti pia zilitekeleza jukumu muhimu kwa kuwezesha uzingatiaji, kuwezesha ubia wa kimkakati, na kuongeza uwezo wetu wa kutekeleza program zetu muhimu.

Mwisho, ninawashukuru wanahisa wetu kwa kujitolea kwao kwa ajili ya dira ya benki. Msaada wao unaoendelea ulitoa uhakika wa mtaji, ambao ni muhimu katika kuchochea ukuaji na kutoa thamani ya muda mrefu. Kwa pamoja, wanahisa hawa wameimarisha msingi wa taasisi yetu na kutuweka katika nafasi nzuri ya kupata mafanikio endelevu miaka ijayo.



Abdulmajid M. Nsekela

Mkurugenzi Mtendaji

Financial Capital

Innovating Financial Solutions for Enduring Growth

At CRDB Bank PLC, financial capital represents more than just the monetary resources on our balance sheet—it serves as the critical foundation that enables us to deliver value to all stakeholders while contributing to Tanzania's broader economic development.

Message from the Group CFO

Reflecting on FY 2024, we showcase our Group's commitment to excellence, evident in our strong financial performance and significant growth across all key financial metrics. The Group achieved a remarkable 30.4% growth in Profit After Tax (PAT), to TZS 551.5 billion, up from TZS 422.8 billion in 2023. This growth underscores the successful implementation of our strategic initiatives and reaffirms our dedication to delivering sustained returns for our stakeholders.

In 2024, CRDB Bank Group continued demonstrating a strong performance despite the changing global economic landscape. This success is attributed to effective strategy implementation, sound financial management, and a resilient local business environment. Additionally, our strategic partnerships played a crucial role in driving our progress and enhancing the Group's operational capabilities.

As we reflect on 2024, we underscore the Group's steadfast commitment to excellence, which is evident in strengthening the Group's financial position and attaining significant growth across all key financial metrics. Our emphasis on cultivating strategic alliances and improving operational efficiency remained central to promoting sustainable development and fostering innovation for the future.

Sustained Performance

During the 2024 financial year, the Group achieved a notable 30.4% growth in Profit After Tax (PAT), reaching TZS 551.5 billion, from TZS 422.8 billion in 2023 mainly driven by growth in interest income by 27.3% and NFI by 11.2%, mostly from alternative channels, particularly simbanking, with a YoY growth of 48%. This growth underscores the successful execution of our strategic initiatives and reaffirms our commitment to delivering sustained returns to our stakeholders.

Total operating income before impairment charges increased by 24.6% YoY, rising to TZS 1,613.6 billion, from TZS 1,295.2 billion recorded in 2023. This growth was primarily driven by a 29.9% rise in net interest income, attributed to strong growth in retail loans and advances.

Successfully implementing various cost management initiatives effectively contained operating expense growth to 12.6%. This growth is primarily attributable to inflation, general appreciation of dollar against shilling – affecting dollar related costs and our strategic business expansion.

Our subsidiaries significantly contributed to the Group's performance, with Burundi achieving an impressive 27.5% YoY growth in PAT, reaching TZS 38.5 billion. The subsidiary's assets increased by 48.2% YoY to TZS 1,457.4 billion, while total deposits grew by 30.9% YoY to TZS 716.4 billion. Insurance Company Limited was able to break even in its first year of operations, recording a profit of TZS 0.3 billion, and CRDB Congo also its first year of full operations recorded losses of TZS 6.8 billion. Their growth potentials remain promising.

Summary of Key Performance Indicators

Total Assets (TZS)

TZS 16,698.8 Billion
FY 2024

TZS 13,321.3 Billion
FY 2023

25.3%
Change

Shareholders' funds

TZS 2,173.2 Billion
FY 2024

TZS 1,781.5 Billion
FY 2023

22.0%
Change

Profit After Tax

TZS 551.5 Billion
FY 2024

TZS 422.8 Billion
FY 2023

30.4%
Change

Return on Equity

27.7%
FY 2024

26.7%
FY 2023

3.7%
Change

Return on Assets

5.2%
FY 2024

4.8%
FY 2023

8.3%
Change

Cost-to-income ratio

45.7%
FY 2024

49.5%
FY 2023

7.7%
Change

We take a comprehensive approach to our business, focusing strongly on customer satisfaction, sustainability and collaboration. This strategic mindset has yielded significant rewards, as reflected in our positive performance. As a result, most of our key performance metrics have shown consistent and significant improvement throughout the year.

Resilient Balance sheet

The Group maintained a strong balance sheet, achieving 25.3% YoY growth, increasing to TZS 16,698.8 billion. This growth was primarily driven by an increase in loans and advances, which rose by 22.7% YoY to TZS 10,360.8 billions. The increase in loans was supported by a 23.5% growth in customer deposits, a 67.9% increase in borrowing, and a 22.0% increase in shareholders' funds.

Asset quality remained robust throughout the year, as reflected in the 2.9% rate of non-performing loans, which is well below the regulatory threshold of 5%. Additionally, our bad debt recoveries recorded significant improvement, rising by 13.4% to TZS 39.8 billion in 2024, compared to TZS 35.1 billion in 2023. This growth is a positive indication of our proactive recovery strategy.

Diversified Sources of Funding

During the year, our Group maintained adequate liquidity to support business growth, achieving a liquidity-asset ratio of 28.2%, well above the regulatory requirement of 20.0%. Our successful deposit mobilisation campaigns resulted in YoY growth of 23.5% in customer deposits, TZS 10,934.1 billion, with a CASA (Current Account Savings Account) ratio of 84.0%. Customer deposits accounted for 75.0% of our total funding, while equity comprised 15% and borrowings constituted 10%.

Capital Management

The Group has been committed to prudent capital management practices throughout the year. We have selectively expanded our portfolio by focusing on high-yield and low risk-weighted assets and de-risking to ensure optimal capital utilisation. As at December 31, 2024, the Group remained well-capitalised and maintained healthy buffers above the minimum regulatory requirements. Our core capital ratio is 16.3%, and our total capital ratio at 17.2%, exceeding the minimum regulatory requirements of 12.5% and 14.5% respectively.

Following issuance of Basel II and III guidelines by the Bank of Tanzania in 2023, the Group successfully carried out parallel run of its capital position for 9 months from April 2024, in preparation for effective adoption in April 2025. The results from the parallel run show that the Group continues to be well capitalised, well above the regulatory requirements.

Solidifying Our Financial Strengths and Strategising for the Future

I believe that many opportunities lie ahead for us. By effectively leveraging these prospects, we can improve the services and ensure that our clients remain essential to the Group's success. Their support and collaboration are vital in maintaining our strong performance thus far. I am optimistic that we can navigate challenges together and seize advancements that will benefit our organisation and our valued clients.

I am optimistic about our growth potential by enhancing shareholder value through careful financial management and strategic investments. Our diverse portfolio and strong capital foundation position us well for achieving sustainable growth and profitability.

Frederick B. Nshekanabo

Taarifa ya Afisa Mkuu wa Fedha

Tunapoutafakari Mwaka wa Fedha 2024, tunaonesha dhamira ya taasisi yetu katika ubora, inayobainika katika utendaji wetu thabiti wa kifedha na ukuaji mkubwa katika vipimo vyote muhimu vya kifedha. Taasisi ilifikia ukuaji wa kustaajabisha wa asilimia 30.4 ya faida baada ya kodi (PAT) sawa na shilingi bilioni 551.5 kutoka shilingi bilioni 422.8 mwaka 2023.

Katika mwaka wa fedha wa 2024, Benki yetu ya CRDB imeendelea kupata mafanikio makubwa ya utendaji licha ya changamoto za kiuchumi kimataifa, utendaji mzuri huu unatokana na utekelezaji madhubuti wa mpango mkakati, usimamizi wa kifedha, na mazingira himilivu ya biashara nchini. Mafanikio yetu yaliimarishwa na ushirikiano wetu wa kimkakati, ambao ulikuwa msingi katika kuwezesha maendeleo yetu na kuimarisha uwezo wetu wa utendaji.

Tunapotafakari juu ya mwaka wa Fedha 2024, tunaona dhamira thabiti ya Benki yetu katika ubora, ambao unajidhihirisha katika kuimarika kwa uwezo wetu wa kifedha na kufikia ukuaji mkubwa katika vigezo vyote vya kifedha. Msisitizo wetu katika kukuza ushirikiano wa kimkakati na kuboresha ufanisi wa uendeshaji umekuwa nguzo muhimu katika kuendelezaukuaji endelevu na kuchochea ubunifu kwa ajili ya siku zijazo.

Muhtasari wa Utendaji

Katika mwaka wa fedha wa 2024, Benki yetu ilipata wa Faida Baada ya Kodi (PAT) ya shilingi bilioni 551.5 kutoka shilingi billion 422.8 mwaka 2023, ikiwa ni ongezeko la asilimia 30.4 kwa mwaka. Ukuaji huu ulitokana na ongezeko la mapato ya riba kwa asilimia 27.3 na mapato yasiyonariba kwa asilimia 11.2. Kwa mapato yasiyonariba yalichangiwa kwa kiasi kikubwa na vyanzo mbadala, hususan simbanking ikiwa na ukuwaji wa asilimia 48 kwa mwaka. Aidha, ukuaji huu mkubwa unathibitisha utekelezaji mzuri wa mipango yetu ya kimkakati na kudhihirisha dhamira yetu ya kutoa faida endelevu kwa wadau.

Jumla ya mapato ya uendeshaji kabla ya gharama za uchakavu yalifikia shilingi bilioni 1,613.6 kwa mwaka 2024 kutoka shilingi bilioni 1,295.2 yaliyoripotiwa mwaka wa 2023, ikiwa ni ongezeko la asilimia 24.6,. Ukuaji huu ulisababishwa na ongezeko la asilimia 29.9 la mapato halisi ya riba, hasa ukitokana na ukuaji mzuri wa mikopo ya rejareja.

Kwa kutekeleza mipango mbalimbali ya usimamizi wa gharama kulizuia kwa ufanisi ukuaji wa gharama za uendeshaji na kubakia na ukuaji wa asilimia 12.6 pekee. Ongezeko hili la gharama ulitokana kwa kiasi kikubwana mfumuko wa bei, kuimarika kwa thamani ya dola dhidi ya shilingi – ulioathiri gharama zinazohusiana na malipo ya dola na upanuzi wa kimkakati wa kibiashara.

Kampuni zetu tanzu zilichangia kwa kiasi kikubwa katika utendaji wa benki yetu huku Burundi ikipata ukuaji wa kuvutia ikiwa na mapato baada ya kodi (PAT) yaliyofikia shilingi bilioni 38.5 za Tanzania kwa mwaka 2024, sawa na ongezeko la asilimia 27.5 kutoka kwenya mapato ya mwaka 2023. Mali za kampuni tanzu ziliongezeka kwa asilimia 48.2 kutoka mwaka uliopita hadi bilioni 1,457.4 za Tanzania mwaka 2024, wakati jumla ya amana iliongezeka kwa asilimia 30.9 kutoka mwaka uliopita hadi shilingi bilioni 716.4 za Tanzania mwaka 2024.

Kampuni yetu ya Bima (Insurance Company Limited) katikamwaka wake wa kwanza wa shughuli ilipata faida ya shilingi bilioni 0.3 za Tanzania, wakati CRDB Congo ikipata hasara ya shilingi bilioni 6.8 za Tanzania katika mwaka wake wa kwanza wa shughuli kamili, ingawa kuna viashiria vizuri vya ukuaji wa kampuni hii tanzu.

Tunatumia mbinu thabiti katika biashara yetu, tukizingatia sana kutoa huduma bora kwa wateja, mipango endelevu na ushirikiano. Utendaji wetu huu wa kimkakati umekuwa na mafanikio makubwa, kama matokeo yanavyoonesha. Vigezo vingi muhimu vya kiutendaji vimeonyesha uthabiti na ongezeko kwa mwaka mzima.

Muhtasari wa Viashiria Muhimu vya Utendaji

Kiasi katika TSH Bilioni	Mwaka wa Fedha 2024	Mwaka wa Fedha 2023	% Badiliko
Jumla ya Mali (TSH)	**16,698.8**	13,321.3	25%
Fedha za wanahisa	**2,173.2**	1,781.5	22%
Faida Baada ya Kodi	**551.5**	422.8	30%
Faida kwa Mtaji	**27.7%**	26.7%	4%
Faida kwa Mali	**5.2%**	4.8%	8%
Uwiano wa gharama na mapato	**45.7%**	49.5%	8%

Mizania ya Fedha

Benki ilidumisha mizania ihimilivu na thabiti, huku mali zilifikia shilingi bilioni 16,698.8 zikiwa zimeongezeka kwa asilimia 25 kutoka mwaka uliopita. Ukuaji huu ulichangiwa na ongezeko la mikopo ya wateja, ambayo iliongezeka kwa asilimia 22.7 mwaka hadi mwaka kufikia shilingi bilioni 10,360.8. Ongezeko hili la mikopo lilichangiwa na ukuaji wa asilimia 23.5 katika amana za wateja, ongezeko la asilimia 67.9 katika madeni, na ongezeko la asilimia 22.0 katika fedha za wanahisa.

Ubora wa mali ulibaki imara mwaka mzima kama inavyooneshwa na kiwango cha asilimia 2.9 cha mikopo isiyolipika (chechefu) ambayo ni chini ya kiwango elekezi cha asilimia 5 kinachoruhusiwa na mamlaka ya udhubiti ya Benki Kuu ya Tanzania. Aidha, ukusanyaji wa mikopo sugu ulionesha kuimarika kwa kiasi kikubwa kutoka shilingi bilioni 35.1 za kwa mwaka wa 2023 hadi kufikia shilingi bilioni 39.8 kwa mwaka 2024 ikiwa ni ongezeko la asilimia 13.4. Ukuaji huu ni kielelezo cha mafanikio ya utekelezaji wa mkakati wetu wa kukusanya madeni ya mikopo sugu.

Vyanzo vya Anuai vya Upatikanaji wa Fedha

Katika mwaka 2024, benki ilidumisha ukwasi toshelevu wa kuwezesha ukuaji wa biashara na kufikia uwiano wa asilimia 28.2 kati ya ukwasi na mali zaidi ya matakwa ya kiudhibiti ya asilimia 20.0. Kampeni zetu za uhamasishaji wa amana zilisababisha ukuaji wa mwaka hadi mwaka wa asilimia 23.5 katika amana za wateja hadi kufikia amana ya shilingi bilioni 10,934.1 kwa mwaka 2024, na uwiano wa akaunti za hundi na akiba (CASA) ni asilimia 84.0. Amana za wateja zilichangia asilimai 75.0 ya jumla ya uwezeshaji wetu, mtaji mkuu ulikuwa asilimia 15 na madeni yalichangia asilimia i 10

Usimamizi wa Mtaji

Benki ilijizatiti kutekeleza mienendo bora wa mtaji kwa nidhamu na ufanisi mkubwa kwa mwaka mzima. Tumepanua uwekezaji wetu kwa kuangazia mali zinazozalisha faida kwa kiwango cha juu, na mali zenye kiwango kidogo cha vihatarishi na kupunguza hatari ili kuhakikisha kuna matumizi bora ya mtaji. Kufikia Desemba 31, 2024, Benki iliendelea kuwa mtaji madhubuti na kudumisha akiba ya dharura salama zaidi ya kiwango cha chini kinachotakiwa na mamlaka ya udhibiti. Uwiano wa mtaji mkuu ulikuwa asilima 16.3 na uwiano wa mtaji wa jumla ulikuwa asilimia 17.2, zaidi ya viwango vya elekezi vya Benki Kuu ya Tanzania ya asilimia 12.5 na asilimia 14.5 mtawaliwa.

Kufuatia kutolewa kwa mwongozo mpya wa kukokotoa mtaji (Basel II & III) na Benki Kuu ya Tanzania mnamo 2023, Benki yetu ilifanikiwa kutekeleza ukokotoaji wa mtaji kwa njia ya zamani na mpya kwa miezi 9 kuanzia Aprili 2024 kwa maandalizi ya kutumia mwongozo huu mpya utakaoanza kutumika kuanzia Aprili 2025. Matokeo yaliyotokana ukokotoaji huo yanaonyesha kuwa Benki inaendelea kuwa na mtaji wa kutosha zaidi ya kiwango cha chini elekeze kinachotakiwa Benki Kuu ya Tanzania.

Kuimarisha Umadhubuti wetu wa kifedha na Mikakati ya Baadae

Ninaamini kuwa mbele yetu kuna fursa nyingi. Kwa kutumia vyema matarajio haya tunaweza kuboresha huduma zetu na kuhakikisha kuwa wateja wetu wanaendelea kuwa sehemu muhimu ya mafanikio yetu.

Msaada na Ushirikiano wao ni muhimu katika kudumisha utendaji wetu dhabiti kufikia sasa. Nina matumaini kwamba kwa kushirikiana tunaweza kuzikabili changamoto na kupata maendeleo yatakayoinufaisha benki yetu na wateja wetu tunaowathamini.

Nina matumaini kuhusu fursa yetu ya ukuaji kwa kuongeza dhamani ya wanahisa kupitia usimamizi makini wa fedha na vitega uchumi vya kimkakati. Uwekezaji wetu mbalimbali na mtaji imara unafanya tuwe katika nafasi nzuri ya kufanikisha ukuaji endelevu na kuleta faida.

Frederick B. Nshekanabo
Afisa Mkuu wa Fedha

Key Highlights

Return on Equity

27.7% FY 2024
26.7% FY 2023

Profit Before Tax (TZS Billion)

778.8 FY 2024
598.7 FY 2023

Return on Assets

5.2% FY 2024
4.8% FY 2023

Net Fees and Commission Income (TZS Billion)

431.6 FY 2024
342.4 FY 2023

At CRDB Bank, financial capital represents more than just the monetary resources on our balance sheet—it serves as the critical foundation that enables us to deliver value to all stakeholders while contributing to Tanzania's broader economic development.

In 2024, our approach to financial capital management was guided by three fundamental principles:

Prudent Stewardship
Maintaining capital strength well above regulatory requirements while optimising our funding mix to ensure stability across economic cycles.

Strategic Deployment
Allocating resources to high-impact areas including retail banking expansion, digital transformation, and sustainable finance initiatives.

Integrated Value Creation
Recognising how financial capital interacts with and amplifies our other capitals – from the human expertise that drives our operations to the social relationships that underpin customer trust.

As we implement Basel III standards and navigate an evolving financial landscape, we remain committed to managing our financial capital with both discipline and vision, ensuring it continues to progress sustainably.

Our Financing Strategy

Short-term

Liquidity Management

- Flexible lines of credit for immediate liquidity and short-term opportunities.
- Short-term loans (less than 1 year) to address cash flow needs and fund urgent projects.

Internal Reallocations

- Regular budget reviews to reallocate funds from low-priority areas to high-impact initiatives.

Mid-term

Strategic Investments

- TZS 120 billion capital expenditure planned for FY 2025, with 47% allocated to ICT investments.
- Completion of the new core banking system to enhance reliability, digital solutions, and cybersecurity measures.

Long-term

Debt Financing

- Issuance of bonds such as Samia Bond (infrastructure) and Kijani Bond (sustainable projects) to support growth while generating returns exceeding borrowing costs.

Strategic Partnerships

- Collaboration with institutions like IFC, AFDB, EIB, and others to co-fund key projects that enhance competitiveness and financial stability.
- Outstanding exposure of TZS 1,787 billion as of December 31, 2024.

The Bank's Capital Structure

Our capital structure in 2024 reflects our commitment to financial stability and sustainable growth, which allows us to offer competitive banking solutions across our markets.

We remained well-capitalised throughout the year, maintaining a core capital ratio of 16.3% and a total capital ratio of 17.2%, comfortably above the regulatory minimum requirements of 12.5% and 14.5%, respectively. These strong capital ratios highlight our resilience in navigating a challenging operating environment, which has been characterised by increased competition, rapid technological advancements, evolving customer expectations, macroeconomic uncertainties, and geopolitical risks.

Despite these challenges, we achieved an impressive 30.4% YoY growth in Profit After Tax in 2024, demonstrating our robust financial performance and ability to adapt to changing market dynamics. By maintaining a diversified funding mix and a strong capital base, we continue to create value for our stakeholders while positioning ourselves for sustained growth and long-term success in an increasingly dynamic financial landscape.

Debt: Strengthening Liquidity

In TZS' Billions	2024	2023
Customers Deposits	**10,934.1**	8,856.0
Borrowings - Current	**123.1**	67.3
Borrowings - Non-Current	**1,838.6**	1,172.0
Total Debt	**12,895.8**	**10,095.3**

Equity: Long-Term Value Creation

In TZS' Billion	2024	2023
Issued Capital	**65.3**	65.3
Share Premium	**158.3**	158.3
Retained Earnings	**1,869.1**	1,491.2
Other Reserves	**39.9**	23.1
Total Equity	**2,132.6**	**1,737.9**

Diversified and Stable: Our Funding Mix

Customer deposits accounted for 75.0% of our total funding, while equity comprised 15% and borrowings constituted 10%.

Short- and Long-Term Funding Strategies

We employ a balanced funding strategy to ensure liquidity and long-term financial stability, supporting both operational needs and strategic growth.

In the short term, we utilise interbank market transactions for immediate liquidity and maintain contingency funding through established lines with local and foreign banks, ensuring operational continuity.

For long-term funding, we focus on debt financing through innovative bonds like the Samia Bond for infrastructure and the Kijani Bond for green projects. Strategic partnerships with IFC, AFDB, and EIB enhance our financial strength, enabling co-funded initiatives that drive competitiveness and sustainable growth.

Our Business Segments Empowering Growth

Message from the Chief Commercial Officer (CCO)

As we look back on the evolving landscape of the 2024 financial year, The Bank has demonstrated remarkable dynamism in navigating a range of challenges while seizing emerging opportunities to strengthen its position as a market leader. Despite the economic fluctuations in 2024, the Group has shown resilience and agility, achieving impressive performance across various segments of its operations.

The 2024 financial year marked a period of dynamic commercial growth and resilience for CRDB Bank, laying a solid foundation for sustained performance and innovation. Our teams, supported by valued partners and loyal customers, demonstrated exceptional agility, transforming market challenges into opportunities that advanced our commercial objectives and enhanced stakeholder value.

Over the past year, CRDB Bank achieved commendable progress across its core business segments, driven by disciplined execution of our strategic pillars: growing the business, ring-fending the business, and preparing the business for the future. Our commitment to customer-centric solutions significantly elevated the Group's competitive positioning in the domestic market, resulting in robust YoY growth across both retail and corporate banking portfolios.

A highlight of our commercial achievements in 2024 was the continued expansion and penetration of our retail banking services. Enhanced market engagement strategies enabled us to tap into previously underserved segments, fueling notable growth in customer deposits and lending volumes. The strength and reach of our CRDB Wakala network, comprising over 36,000+ agents nationwide, played a crucial role in delivering accessible financial services, contributing substantially to our customer acquisition and retention objectives.

Our corporate and institutional banking segments further solidified their reputation as catalysts for economic transformation by delivering tailored financial solutions that advanced growth in key sectors including agriculture, infrastructure, and manufacturing. Through responsive strategies, our Group provided innovative financing structures and strategic advisory services, successfully positioning itself as a trusted financial partner, essential for driving substantial socio-economic development.

Digital transformation remained integral to our commercial strategy in 2024. Strategic investments in technology infrastructure enhanced the reliability and functionality of our digital channels, including SimBanking, CRDB Bank Internet Banking, and agency banking platforms. As a result, we witnessed accelerated adoption of digital services, increased transaction volumes, and a significant improvement in our cost-to-income ratio, further underscoring the efficacy of our digital-first approach.

Throughout the year, prudent risk management practices enabled us to effectively mitigate external pressures, such as foreign exchange volatility and inflationary challenges. Our disciplined lending practices and proactive cost management safeguarded our balance sheet, ensuring sustained capital strength and liquidity to support ongoing customer demands and strategic initiatives.

Future Outlook

Looking forward to 2025, our strategic priorities will revolve around deepening client relationships, enhancing product offerings, and maintaining our commitment to innovation. We have plans to further invest in building robust internal capabilities, supported by data-driven insights and customer-centric innovation. As a market leader, our ambition remains clear; to be the leading dynamic, inclusive, and sustainable financial institution in the region. We believe that by continuing to foster an agile, collaborative, and forward-thinking culture, we are well-equipped to capitalise on new opportunities and sustain our trajectory of commercial success.

Boma O. Raballa

Chief Commercial Officer (CCO)

Inclusive Growth Through Innovation and Reach

Retail Banking segment has reaffirmed its commitment to inclusive, innovative, and customer-centric banking across Tanzania, Burundi, and the Democratic Republic of Congo. The Bank has successfully empowered millions of individuals, microbusinesses, and cooperatives by offering a range of accessible and reliable financial solutions tailored to meet the diverse needs of clients. By seamlessly blending traditional banking practices with cutting-edge digital innovations and proactive community outreach programs, we continue to strengthen our role as a leader in promoting financial inclusion and economic development in the regions we serve.

Bonaventura Paul

Director of Retail Banking

Retail Banking

We are committed to making banking more accessible, inclusive, and innovative. Our Retail Banking division serves individuals, MSMEs, and businesses with a wide range of tailored financial solutions, ensuring financial empowerment across all customer segments. We continue to drive financial inclusion through expansive digital banking platforms, a strong branch network, and strategic partnerships while delivering superior banking experiences.

Our Retail Banking segment remains central to driving financial inclusion and delivering innovative solutions.

Retail banking deposits have grown at a CAGR of 26% YoY, increasing from TZS 5.1 trillion in 2023 to TZS 6.44 trillion in 2024. This growth reflects our internal deposit mobilisation campaigns and enhanced customer acquisition strategies, including the freelancer model. Improved branch service has further strengthened customer satisfaction, boosting our Net Promoter Scores.

Retail banking loans have also seen strong growth, rising from TZS 4.1 trillion in 2023 to TZS 5.33 trillion in 2024 at a CAGR of 30% YoY. Our partnerships with MNOs for micro-loans and the automation of government loans via ESS platforms have expanded credit access.

Customer acquisition has surged, with annual account openings increasing 27% YoY, from 1,257,736 accounts in 2023 to 1.6 million accounts in 2024. Digitised onboarding via SimBanking, simplified branch procedures, and the freelancer-led account-opening model have driven this success.

An Overview of the Business and Operational Design

Well-organised to drive financial inclusion, empower small businesses, facilitate payments, and promote the growth of key economic sectors

Consumer Banking
63%

Bancassurance Banking
4.2%

Card Business
7.8%

Income
TZS 1 Tln

Loans
TZS 5.3 Tln

Deposits
TZS 6.4 Tln

Branch Operations

Business Banking
12%

Al-Barakah Banking
0.7%

Agency Banking
8.7%

Retail Banking Deposits:

Increased by 26% YoY, reaching TZS 6.44 trillion in 2024, up from TZS 5.1 trillion in 2023.

Retail Banking Loans:

Expanded by 30% YoY, rising from TZS 4.1 trillion in 2023 to TZS 5.33 trillion in 2024.

Customer Acquisition:

Account openings grew by 27% YoY, from 1,257,736 accounts in 2023 to an impressive 1.6 million accounts in 2024, driven by digitised onboarding processes and simplified procedures.

CRDB BANK
The bank that listens

CRDB BANK
Al - Barakah BANKING

Al Barakah Banking

74% Growth in Financing
TZS 174 billion in 2024, supporting key economic sectors.

71% Deposit Growth
TZS 177 billion in 2024, reflecting strong market confidence.

In 2024, our third year of operation, Al Barakah Banking experienced remarkable growth. We expanded our customer base from 112,884 to 296,646 by the end of 2024, marking a strong 162.8% YoY increase. Our Shariah-compliant contract financing book grew from TZS 99.9 billion in 2023 to TZS 172.0 billion by the end of 2024, a 72.2% increase YoY. Similarly, customer deposits rose from TZS 103.5 to 177.8 billion in 2023 to TZS 177.8 billion in December 2024, reflecting a sharp 71.8% increase YoY.

Al Barakah Banking has been instrumental in driving financial inclusion and economic development across key sectors such as agriculture, trade, mining, transportation, and fishing. In 2024 alone, we financed agriculture worth TZS 31 billion, trade worth TZS 34 billion, and mining worth TZS 34 billion, among other sectors. This growth underscores our commitment to empowering communities through ethical financial solutions that align with Shariah principles.

We also launched innovative solutions such as value chain financing in collaboration with Puma Energies to address the needs of customers in the fuel trading business. Additionally, we introduced Takaful insurance services in partnership with Zanzibar Insurance Corporation (ZIC Takaful), extending Shariah-compliant insurance products to over 300 customers in 2024. These initiatives reflect our dedication to providing high-value services that cater to diverse customer needs while adhering to Islamic principles.

Our growth and commitment to excellence were recognised for the second consecutive year at the Global Islamic Finance Awards (GIFA), where we were awarded "Most Promising Islamic Banking Window Operation."

Key Highlights

Customer Base Growth:
Expanded from
112,884 customers in 2023 to
296,646 customers in 2024
(162.8% increase).

Shariah-Compliant Financing Book:
Grew from
TZS 99.9 Million in 2023 to
TZS 172.0 Million in 2024
(72.2% increase).

Customer Deposits:
Increased from
TZS 103.5 Million in 2023 to
TZS 177.8 Million in December 2024 (71.8% increase).

Sector Financing:
TZS 31 Billion
Agriculture
TZS 34 Billion
Trade
TZS 34 Billion
Mining

Innovative Solutions: Value chain financing with Puma Energies; Takaful insurance launched with ZIC Takaful for over
300 customers

Al Barakah Financing and Deposit-position

In Billions	Dec-24	Dec-23	Growth	Contribution to CRDB Group
Financing Book	**163.0**	92.4	76.4%	
SUKUK Investment	**9.0**	7.5	20.0%	
Total Assets	**172.0**	99.9	72.2%	1.66%
LC & Guarantees	**33.3**	17.3	92.5%	
Customer Demand Deposits CASA (Qardh)	**168.3**	89.2	88.7%	
Customer Investment Deposit (Mudharabah)	**9.5**	14.3	-33.6%	
Total Deposits	**177.8**	103.4	71.8%	1.64%

Al Barakah Income Report

In Billions	Dec-24	Dec-23	Growth	Contribution to CRDB Group
Total Shariah Financing Profit Income	**12.3**	4.5	173.3%	
Total SUKUK Investment Profit Income	**1.0**	0.6	66.7%	
Total Shariah Financing and Investment Income	**13.3**	5.1	160.8%	18.4%
Profit Sharing Expence to Mudharabah Investors	**1.1**	0.8	37.5%	
Net Shariah Financing and Investment Income	**12.2**	4.2	190.5%	
Non funding income (Fees & Commission)	**10.0**	4.0	150.0%	
Operating Profit	**22.2**	8.2	170.7%	1.34%
Customer Accounts	**296,646**	112,884	162.8%	4.60%

Mr. Abdul Ally Mohamed
Chairman

Mr. Sheikh Juma Amour
Member

Shariah Advisory Board

The Shariah Committee of CRDB Al Barakah confirms that its Islamic banking operations for the year ended 31st December 2024 were conducted in line with Shariah principles to the best of our knowledge, with any issues identified during the year properly resolved or addressed.

Mr. Xavery Makwi
Non voting Member

Mr. Sheikh Abdallah Salim
Member

Sheikh Issa Othman Issa
Member

Empowering Institutions for Sustainable Growth

Mussa Kitambi

Director of Corporate Banking

The 2024 financial year has unveiled a range of unique opportunities for the Corporate and Institutional Banking division, positioning us strategically to propel our Group towards new heights. By leveraging innovative financial solutions, enhancing client engagement, and fostering sustainable practices, we aim to provide tailored support that meets the evolving needs of our clients. Our commitment to responsible banking and investment in cutting-edge technology will not only drive profitability but also ensure long-term growth and stability in an increasingly competitive market. Through these efforts, we are set to build stronger partnerships and contribute meaningfully to the broader economic landscape.

Corporate Banking

In 2024, we strengthened our Syndication Unit by expanding partnerships with local, regional, and international counterparties, facilitating syndication deals worth $ 520 million across key sectors, including public projects, oil and gas, tobacco, mining, and transportation. As lead arranger, co-arranger, participant, and security agent, we supported de-risking facilities and importation projects valued at $ 320 million per deal, demonstrating our expertise in capital sourcing and management.

Our Agribusiness Agribusiness Unit played a vital role in supporting Tanzania's agriculture sector by extending credit facilities totalling TZS 2.01 trillion ($793 million) in 2024—45% of the country's total agricultural financing. This marks a 42% increase from TZS 1.04 trillion in 2023. By financing players across the agricultural value chain, from input suppliers to processors and exporters, we strengthened productivity and market access, reinforcing agriculture's role as a key driver of economic growth.

Financial Highlights

TZS 4,839 Billion
Assets

11.78%
Portfolio Yield

TZS 4,264 Billion
Off balance sheet

2.72%
NPL Ratio

Operational Highlights

USD 520 million
syndicated deals Funds
Expanding access to structured capital

TZS 2.01 trillion
Agribusiness Financing
Supporting 45% of Tanzania's agricultural credit

$200 million **GCF Funding &**
$300 million **Green Bond Initiative**
Promoting sustainable investments.

TZS 10.2B invested
in Cooperative Bank of Tanzania
Strengthening cooperative banking.

Arranged syndication deals worth
USD 520 Million
across sectors such as public projects, oil and gas, mining, transportation, and tobacco.

Facilitated importation projects valued up to
USD 320 Million

Agribusiness Financing Successes

Extended credit facilities totalling

TZS 2.01 Trillion ($793 million)
in 2024 (45% of total agricultural financing; +42% YoY).

Developed a digital platform with TFRA to streamline fertiliser distribution for over

8 Million
smallholder farmers ensuring transparency and efficiency

Supported key sectors such as

Agriculture
TZS 31 Billion

Trade
TZS 34 Billion

Mining
TZS 34 Billion
through tailored financial solutions

Driving Financial Resilience Through Market Leadership.

Alexander Ngusaru

Director of Treasury and Capital Markets

The Treasury and Capital Markets Division significantly enhanced its role as a strategic anchor for the Group. By effectively analysing market trends and economic indicators, the division skilfully navigated a complex and evolving macroeconomic landscape characterised by fluctuations in interest rates and geopolitical uncertainties. Through precise forecasting and proactive risk management strategies, the division not only safeguarded the Group's financial stability but also identified new opportunities for growth. This approach allowed the organisation to maintain its competitive edge and build resilience in an ever-changing market

Treasury and Capital Markets

TZS 262 Billion
IPO funds (81%) mobilised digitally

94%
of investors onboarded through SimBanking

Global rating by Moody's, reinforcing financial stability

In 2024, we became the first local bank in Tanzania to secure a Brokerage Licence, marking a strategic shift towards full-scale investment banking. This milestone reinforces our position as a one-stop financial services provider, enabling us to offer transaction advisory, sponsoring brokerage, trading, corporate finance, and wealth management services—directly contributing to improved market liquidity and advancing the Tanzanian Government's Capital Markets agenda.

We also pioneered the digitisation of IPO management through our SimBanking platform, enabling customers to conveniently open investment accounts and participate in IPOs. This innovation mobilised TZS 262 billion—81% of total funds raised—and onboarded over 6,800 digital investors, underscoring the power of digital channels in broadening market access.

Further strengthening our investment offerings, we launched three unique Collective Investment Schemes in partnership with licensed fund managers. This included a landmark collaboration with Sanlam Investments East Africa ($ 4 billion AUM), providing access to offshore opportunities. The introduction of the HALAL Fund and INUKA Money Market Fund has opened up cross-border investments across the EAC and SADC regions in equities, bonds, and ETFs.

We also successfully structured and secured regulatory approval for the Samia Infrastructure Bond—the second tranche under our sustainability bond programme—amounting to TZS 150 billion. This reaffirmed our commitment to financing sustainable development while diversifying long-term funding sources.

TZS 323 Billion
raised (115% oversubscription)

7,000+
new investors, majority retail

90%+
participation via SimBanking, enabling seamless self-service

To support inclusive growth, we mobilised funding from international financial institutions and global capital markets, directing resources to key sectors including SMEs, women and youth-led enterprises, green financing programmes, and agriculture. Our strong financial standing and growth outlook attracted interest from a diverse pool of international commercial banks, African financial institutions, and development partners.

Global Capital Mobilisation

- Secured over **USD 600 million** in medium to long-term facilities
- Funds directed to SMEs, women and youth-led businesses, green finance, and agriculture
- Backed by international commercial banks, African financial institutions, and development partners

Advancing Our Sustainability Commitment

Our commitment to sustainable finance drives impactful solutions for environmental and economic progress. In 2024, we achieved key milestones, reinforcing our leadership in sustainability.

Sustainable Finance Portfolio FY 2024

Eligible Activities	Amount (TZS Billion)	Status
Sustainable Agriculture	68.8	Refinanced
Sustainable Agriculture	5.5	New Disbursed Loans
Renewable Energy	12.6	New Disbursed Loans
Total Eligible Activities	**86.9**	

Green Bond Utilisation

Through our Green Bond program, projects worth TZS 86.9 billion (51%) were validated by the Sustainability Bond Committee as eligible for green bond proceeds. These projects are expected to deliver transformative impacts, including the installation of 5 MW renewable energy capacity, annual generation of 14 GWh of clean energy, and a reduction of 13.87 million tons of CO_2 emissions per year.

Green Climate Fund (GCF) Achievements

As an accredited entity of the Green Climate Fund (GCF), we secured $ 200 million to support climate adaptation technologies and practices and launched a $300 million Green Bond initiative to finance eco-friendly investments across multiple sectors. This funding targets 1.2 million direct beneficiaries and 4.9 million indirect beneficiaries over the program's lifetime. Additionally, we piloted Weather Index Insurance to de-risk farmers in vulnerable areas affected by critical weather uncertainties, further enhancing resilience within the agricultural sector.

Innovative Lending Products

Our innovative lending products under the Kijani Proposition have been instrumental in promoting sustainable practices. These include the Angaza Loan for solar energy financing, Nishati Safi Loan supporting LPG and biogas adoption for schools and industries, and the Recycle Loan facilitating waste conversion into raw materials for production.

Digital Innovation in Agriculture

In agriculture, we developed a digital platform in collaboration with TFRA to streamline fertiliser distribution for over **8 million** smallholder farmers, ensuring transparency and efficiency in subsidy allocation. This initiative has significantly enhanced productivity and accessibility for farmers across Tanzania.

Manufactured Capital

Strengthening Infrastructure for Resilient Growth

Highlights

250
Branches

9
Mobile Branches, increasing last-mile connectivity

684
ATMs enabling 24/7 access to cash and services

4,708
POS Machines, supporting cashless transactions

103,104
QR & Lipa Namba Merchants driving digital payment adoption

At CRDB Bank, our commitment to manufactured capital underpins our ability to scale, innovate, and sustain long-term growth. By continuously enhancing our physical and digital infrastructure, we create a robust financial ecosystem that drives operational efficiency, expands financial access, and strengthens service delivery. Our investments in branch networks, digital banking, green buildings, and core banking systems ensure we remain future-ready, resilient, and positioned for sustained success.

Expanding Our Physical Network for Greater Reach

> The 2024 financial year marked a transformative phase for CRDB Bank Group, enhancing operational capabilities and efficiency across divisions. A key achievement was the stabilisation and improvement of our IT infrastructure, which strengthened our resilience and accelerated innovation, ensuring reliable and seamless banking services for our customers.

Bruce Mwile

Chief Operations Officer (COO)

Advancing Digital Transformation and Innovation

Digital transformation is at the heart of our strategy, enabling us to optimise processes, reduce costs, and deliver a superior customer experience. In 2024, we rolled out advanced Internet Banking and SimBanking mobile services in key markets such as the Democratic Republic of Congo (DRC) and Burundi, underscoring our commitment to innovation and inclusive finance. These enhancements have streamlined operations and empowered clients with secure, accessible financial solutions tailored to their needs. We also integrated paperless banking initiatives – including e-KYC, OPTIMA, and SAVY – to further improve efficiency. By digitising customer onboarding and internal workflows, we significantly reduced reliance on physical paperwork and branch visits, accelerating service delivery.

As Chief Operations Officer, I am proud of how our disciplined execution and relentless focus on innovation have turned our strategic vision into measurable results. We are not only adapting swiftly to new market dynamics, but also setting industry benchmarks for operational excellence. Our commitment to continuous process improvement means we remain well-positioned for sustainable growth and exceptional customer engagement in the years to come.

Network Expansion Highlights (FY 2024)

Strategic ATM installations, improving self-service banking accessibility

New branches launched, extending coverage in high-demand regions

Upgrades to existing branches, integrating modern banking experiences

Expanding Our Network and Enhancing Customer Access

While advancing digital channels, we also broadened our physical presence to reinforce market leadership and bring our services closer to customers. As a leading financial institution in Tanzania, Burundi, and now the DRC, we continued to strengthen our branch and ATM network to expand reach and convenience. An omni-channel approach – connecting robust digital platforms with an expanding branch footprint – allows us to serve diverse customer segments and ensure that quality financial services are within reach for individuals and businesses alike.

In 2024, our network expansion efforts were substantial and strategic:

- New Branches: We opened new branches in high-demand regions (including our new market in the DRC), extending our market reach and supporting local economic growth.
- ATM Deployments: We installed additional ATMs and optimised their locations to improve banking accessibility in both urban and rural areas.
- Branch Upgrades: We modernised several existing branches with digital service zones and advanced banking systems, enriching the in-branch customer experience.

These investments in our physical network not only increase customer accessibility but also solidify CRDB's position as a bank of choice in the communities we serve.

Sustainable Infrastructure and Resilient Operations

In line with our commitment to sustainability, we have embedded environmental stewardship into our operational improvements. Our new headquarters in Tanzania, certified under IFC's EDGE green building standards, has set a benchmark in green banking infrastructure. This eco-efficient head office operates with 20% lower energy and water consumption compared to conventional buildings, demonstrating our dedication to reducing our environmental footprint. We have also expanded paperless banking practices across the Group, which has significantly cut down on operational emissions and waste. Notably, the rollout of digital KYC processes (e-KYC) has eliminated the need for paper-based documentation, reflecting our drive to innovate responsibly.

By investing in sustainable infrastructure and embracing green initiatives, we are leading the way in responsible banking while also enhancing the long-term resilience of our operations. These efforts ensure that our growth is balanced with environmental consciousness and that our services remain dependable even as we adapt to global challenges such as climate change.

Sustainability Achievements

20% lower energy and water consumption at our IFC EDGE-certified HQ

Paperless banking initiatives reducing operational emissions

E-KYC rollout, eliminating the need for physical documentation

Technology and Core Banking System Upgrades

To strengthen our operational backbone, we are making significant investments in ICT and core banking systems that enhance security, efficiency, and scalability.

ICT and Core Banking Investments

47% of FY25 CAPEX allocated to ICT, supporting mission-critical upgrades

Continuous investment in digital solutions and cybersecurity

New core banking system implementation, improving system reliability

Future Outlook: Strengthening Foundations for Growth

Looking ahead, we remain dedicated to expanding, modernising, and digitising our manufactured capital assets to enhance resilience and long-term value creation. Our focus will be on:

Further expanding digital banking capabilities to drive adoption

Strengthening ICT infrastructure for improved security and efficiency

Advancing sustainable banking practices, minimising our environmental footprint

Enhancing customer touchpoints, ensuring seamless omnichannel experiences

Forward-Looking

The successes of 2024 have reinforced the foundation for CRDB Bank Group's future. We enter 2025 with a stronger, smarter, and more agile operation. Our focus remains on leveraging technology, innovation, and prudent operational management to drive value for our customers and stakeholders. As we look ahead, we will continue to cultivate a culture of excellence and adaptability – one that keeps us at the forefront of the banking industry. We are confident that our digital transformation journey, ongoing process improvements, and sustainability initiatives will propel us to new heights, cementing CRDB Bank Group's position as a market leader and a trusted partner in the communities we serve.

Through these efforts, we will continue to build a strong, future-ready banking ecosystem that serves as a foundation for long-term resilience, innovation, and sustained success.

Intellectual Capital

Harnessing Innovation for Sustainable Growth

Our intellectual capital is at the core of our resilience and sustained growth, enabling us to drive financial inclusion, enhance customer experiences, and strengthen operational efficiencies. As we continue building a future-ready Bank, we remain focused on digital transformation, cybersecurity, and data protection, ensuring we stay ahead in a rapidly evolving financial landscape.

Advancing Digital Transformation for Seamless Banking

We are transforming our digital presence by offering simpler, more seamless interactions through our digital platforms while maintaining extensive customer reach through our leading branch network. Our commitment to digital transformation is shaping the 'Bank of the Future,' where customers can access financial services conveniently through mobile devices.

Online Transactions

Internet and mobile banking

FY 2024	**159,395,450**
FY 2023	**104,152,021**

Our suite of digital solutions—including **Simbanking, Internet Banking, Point of Sale (POS) machines, and Agency Banking (Fahari Huduma)**—allows customers to:

- Access credit
- Make intra-bank and interbank transfers
- Send money to mobile wallets
- Conduct vendor and merchant payments

The adoption of e-KYC, replacing traditional physical KYC, has streamlined onboarding and significantly reduced paper consumption.

We have also introduced paperless solutions such as OPTIMA and SAVY, which enable digital financial transactions with supporting documents, eliminating the need for printed vouchers.

By promoting the use of digital banking platforms, we are actively reducing emissions associated with travel and large branch operations while improving financial inclusion, particularly for underserved communities.

Expanding Digital Financial Inclusion

Digital financial inclusion remains a cornerstone of our strategy, ensuring that individuals from low-income and underbanked segments have access to affordable financial products. Our CRDB Bank Foundation and iMBEJU Programme play a pivotal role in supporting entrepreneurs and small businesses, leveraging digital solutions to drive economic empowerment.

Through various initiatives, we have empowered thousands, extending financial services to 127,801 beneficiaries.

Strategic Investments in Technology

We are making significant investments in technology to strengthen our infrastructure and enhance digital capabilities:

TZS 120 Billion
allocated as capital expenditure for FY25

47%
of this investment dedicated to Information and Communication Technology (ICT)

Ongoing implementation of a **new core banking system** to improve reliability and efficiency

Continued **advancements in cybersecurity** measures to safeguard data and mitigate risks

These investments are key to future-proofing our operations, ensuring seamless digital banking experiences, and reinforcing our cybersecurity framework.

Enhancing Customer Engagement Through Digital Solutions

At CRDB Bank, customer engagement is at the heart of our digital transformation journey. By leveraging technology, we continue to enhance accessibility, convenience, and personalised interactions, ensuring that customers receive seamless and efficient banking services. Our approach integrates multiple digital touchpoints, making banking more intuitive and responsive to customer needs.

Net Promoter Score (NPS): A Measure of Customer Loyalty

To gain deeper insights into customer satisfaction and loyalty, we introduced the Net Promoter Score (NPS) Survey—a globally recognised metric that evaluates the likelihood of customers recommending our products and services. NPS has become a crucial tool in identifying areas for improvement, allowing us to refine our offerings based on real-time feedback. By analysing customer sentiments, we can proactively enhance service delivery and strengthen long-term relationships, reinforcing our commitment to excellence in customer experience.

Online Video Tutorials: Empowering Customers with Knowledge

As digital banking solutions evolve, so do customer expectations for seamless access to financial services. To support this shift, we introduced online video tutorials—an intuitive engagement tool designed to guide customers through our digital banking platforms. These tutorials are available on our official website, social media platforms, and a dedicated YouTube playlist. By enabling self-service learning, this initiative improves service efficiency, accelerates digital adoption, and enhances the overall banking experience without requiring customers to visit a physical branch or contact centre.

Real-Time Customer Feedback Through SMS Shortcode 15089

To enhance service quality and responsiveness, we deployed an innovative digital feedback tool using SMS Shortcode 15089. This solution allows customers to share their experiences in real time, directly from their mobile devices. By integrating this feedback mechanism into our service framework, we can address concerns more efficiently while continuously refining our customer engagement strategies.

This pioneering initiative positions CRDB Bank as the first financial institution in Eastern, Sub-Saharan, and West Africa to implement such a solution, underscoring our leadership in customer-centric innovation.

Elle Chatbot: AI-Powered Assistance for Instant Support

Our AI-driven Elle Chatbot represents a significant step in advancing digital customer support. Deployed across CRDB Bank's website live chat and WhatsApp Business, Elle enhances accessibility by offering instant responses to customer queries. This innovation not only reduces wait times but also promotes self-service options, increases digital engagement, and ensures a seamless experience for customers. As the first Bank in East Africa to introduce a chatbot across both platforms, we continue to lead in digital financial services, ensuring that customers receive support whenever and wherever they need it.

Cybersecurity and Data Protection: Strengthening Digital Trust

With the increasing digitalisation of financial services, cybersecurity and data protection are paramount to maintaining trust and operational resilience.

Robust Cybersecurity Framework

Our cybersecurity policy, reviewed annually, is based on the 'assumed breach' principle, ensuring we prioritise prevention, detection, and rapid response to cyber threats. Key initiatives in 2024 included:

24/7 Cyber Threat Monitoring:
A dedicated Security Operations Centre (SOC) operates round the clock to detect and mitigate risks.

PCI DSS & ISO 27001 Re-certifications:
Validating our adherence to global security standards for data protection and information security.

Cyber Threat Hunting Programme:
Actively identifying vulnerabilities and strengthening internal defences.

Employee & Customer Awareness Programmes:
Comprehensive training sessions and security reminders to mitigate risks.

Data Protection and Compliance

We are committed to safeguarding customer information in alignment with regulatory standards, including the Personal Data Protection Act. Our approach includes:

- Regular Data Protection Impact Assessments (DPIAs)
- Vendor due diligence and stringent data encryption measures
- Access controls to limit data exposure to authorised personnel
- Training programmes for employees and dedicated privacy teams

By prioritising cybersecurity and data protection, we ensure compliance, build customer confidence, and reinforce the integrity of our digital banking ecosystem.

Driving Sustainable Innovation for the Future

Our digital-first approach aligns with our broader commitment to sustainability, reducing our carbon footprint while driving efficiency. We are continuously innovating to support the transition to a low-carbon economy, minimising our environmental impact by:

Encouraging digital banking adoption to reduce physical branch visits and related emissions

Implementing paperless solutions across operations

Advancing green building practices, such as our IFC EDGE-certified Head Office, which operates with 20% lower energy and water consumption

As we build a resilient and sustainable future, we remain committed to leveraging technology and innovation to enhance customer experiences, strengthen security, and expand financial inclusion.

Human Capital

Our People – The Core of Our Resilient Growth

Highlights

94%
Employee Satisfaction Survey Score

55:45
Male and Female Employee Ratio

81%
Employee Satisfaction Survey Participation

>20
Average Learning Manhours

17
Women Promoted To Middle And Senior Management Level

2.80%
Staff Turnover

At CRDB Bank, our people are at the heart of our success. We are committed to fostering a high-performance culture that empowers employees, nurtures leadership, and ensures long-term business sustainability. Our approach is rooted in continuous learning, with leadership development programmes covering key competencies such as team leadership, communication, decision-making, and thought leadership. Through structured talent management and succession planning, we identify, develop, and retain top talent, building a strong leadership pipeline to drive the Bank's continued growth.

Building resilience for sustained growth requires a workforce that is agile, capable, and future-ready. Our performance management system aligns employee capabilities with business objectives, fostering continuous engagement between line managers and employees. By ensuring timely feedback, recognition, and career development, we create an environment where our people thrive, strengthening the foundation for long-term success.

Empowering Talent to Drive Sustainable Performance

Godfrey Rutasingwa

Director of Human Resources

Our employees are the cornerstone of our success and play a vital role in achieving our strategic objectives. We recognise that fostering a culture of growth and development is essential; investing in our people's skills and capabilities enables them to thrive in their roles and contribute to our overall performance. This commitment to empowerment enhances individual potential and drives our Bank towards a more sustainable and prosperous future.

Talent Management

CRDB Bank adopts a structured approach to talent management, ensuring the identification, acquisition, development, and retention of high-potential employees. Our talent identification process is guided by the CRDB Talent Framework, which assesses individuals' potential for senior roles based on a combination of performance and leadership capabilities. This approach enhances employee engagement and strengthens loyalty, aligning with our strategic focus on leadership development.

No. of Employees by Country

Tanzania	DRC	Burundi	Total Employees -CRDB Group
4,006 FY 2024	**59** FY 2024	**186** FY 2024	**4,251** FY 2024
3,790 FY 2023	**26** FY 2023	**146** FY 2023	**3,962** FY 2023

Employee Tenures

0-5 years

FY 2024 1,589

FY 2023 1,366

6-10 years

FY 2024 1,000

FY 2023 1,266

11-20 years

FY 2024 1,188

FY 2023 1,100

Above 20 years

FY 2024 229

FY 2023 229

No. of Employees

Number of Staff

FY 2024 4,251

FY 2023 3,961

Employee Turnover

Male

59% FY 2024 60% FY 2023

Female

41% FY 2024 40% FY 2023

Total voluntary employee turnover

FY 2024 116

FY 2023 105

New Hires

Male

51% FY 2024 54% FY 2023

Female

49% FY 2024 46% FY 2023

Total new hires

FY 2024 386

FY 2023 334

Succession Planning

CRDB Bank prioritises succession planning to build a robust leadership pipeline and ensure business continuity. We identify critical roles, assess talent and potential successors, develop leadership capabilities, and monitor readiness at various levels. Successors are tracked, developed, and transitioned seamlessly into leadership roles, reinforcing our commitment to leadership excellence. We have achieved 97% coverage of key development areas for successors, with leadership programmes covering Team Leadership, Motivation, Communication, Thought Leadership, Decision-Making, and Stress Management.

At the Group level, we have identified 57 successors for ExCo positions, maintaining a 25:75 ratio. In subsidiaries, 28 successors have been identified, also maintaining a 25:75 ratio.

Talent Pool and Successors by Gender Distribution

CRDB Parent

	Male (%)	Female (%)	Total
Current EXCO Level	16 (94%)	1 (6%)	17
Successors	43 (75%)	14 (25%)	57

CRDB Subsidiaries

	Male (%)	Female (%)	Total
Current EXCO Level	2 (50%)	2 (50%)	4
Successors	21 (86%)	7 (33%)	28

Employee Engagement: Fostering a Connected and Purpose-Driven Workforce

At CRDB Bank, we are committed to fostering an engaged workforce aligned with our purpose, values, mission, and vision. Through targeted initiatives, we create an environment where employees thrive and achieve excellence.

In 2024, we expanded our engagement efforts by introducing new volunteering programmes, including skills-based financial literacy sessions that **reached 150 women and young girls in Zanzibar via the Imbeju Platform.** Our employees also took part in community-driven initiatives, such as donating medical supplies and cleaning hospitals, benefiting two hospitals in Zanzibar and Dodoma with the participation of 456 employees. Additionally, we mobilised employees for donation drives, contributing essential items such as shoes, clothes, books, and bags to underserved communities.

Beyond social impact, we strengthened internal engagement through a series of activities across our network, including:

CRDB Marathon events

CRDB SUPA CUP tournaments

Women's Day celebrations

Cancer Fun Walk

Father's Day and Men's Day events

Expanding Employee Engagement Initiatives

Our engagement strategy has grown significantly over the years, with FY 2024 witnessing an impressive surge in participation. Key initiatives included:

- Mental health and stress management workshops
- Employee wellness awareness campaigns
- Cancer Awareness Month and Fun Walks
- Women in Leadership events
- Health screenings for BMI, hypertension, hepatitis B, cervical and prostate cancer
- AIDS Day awareness
- Launch of the HE4SHE programme in 2024

This expanded focus resulted in a remarkable increase in participation from 16,863 in 2023 to 25,929 in 2024—a growth of 53.8% engagements, underscoring our commitment to employee well-being, inclusivity, and a thriving workplace culture.

Employee Well-being: A Holistic Approach to a Healthier Workforce

At CRDB Bank, we recognise that employee well-being is fundamental to both individual and organisational success. Our approach fosters a workplace culture that enables employees to proactively manage their health—physically, mentally, and emotionally—so they can perform at their best.

In 2024, we deepened our well-being initiatives, strengthening partnerships with external stakeholders to provide professional counselling services. These services supported employees and their dependants in managing everyday challenges, work-related stress, and health concerns. Grieving employees and families of late colleagues also received psychological support.

Our focus extended beyond physical and mental wellness to include stress management and relationship-building through awareness sessions and counselling. Virtual sessions covered essential topics such as Parenting & Digital Detox, My Health, My Right, My Choice, and Prevention of Workplace Disputes.

Strengthening Health and Wellness Initiatives

We enhanced our well-being programmes through:

Health Screening and Awareness Campaigns

- BMI, Hypertension, and Hepatitis B screenings
- AIDS Day awareness events
- Cancer Awareness Month, themed 'Close the Care Gap,' including:
  - Pink Ribbon Day in honour of affected employees and loved ones
  - Cancer awareness sessions across the organisation
  - Panel discussions with cancer survivors and caregivers
  - Free screenings for cervical, breast, and prostate cancer
  - Cancer Fun Walk as the month's concluding event

Employee Engagement and Wellness Activities

- Quarterly TGIF gatherings
- CRDB SUPA CUP tournaments
- Mental health workshops and stress management sessions
- Employee Wellness Awareness campaigns
- Father's Day and Men's Day celebrations
- International Women's Day and Women in Leadership events
- He4She mentoring programme launch in 2024

Measurable Impact

The impact of our initiatives is reflected in rising employee participation across various wellness activities:

Activity	Participation in FY 2023	Participation in FY 2024	YoY Growth
Quarterly TGIFs	1,800	**3,200**	43%
CRDB SUPA CUP	400	**700**	42%
Mental Health Workshops	1,500	**2,000**	25%
Stress Management	1,250	**870**	30%
Valentine's Day	1,500	**2,900**	48%
Wellness Awareness Campaigns	870	**2,700**	67%
Cancer Awareness Month	800	**3,500**	77%
Cancer Fun Walk	–	**570**	First Year
Employee Volunteering	–	**456**	First Year
Father's Day	–	**2,164**	First Year
Men's Day	1,500	**1,600**	6%
IWD	2,500	**2,900**	14%
Women in Leadership	180	**180**	No Change
Health Screenings	966	**1,093**	11%
AIDS Day	–	**440**	First Year
HE4SHE Mentoring	–	**200**	First Year

Positive Outcomes

80%

of employees reported increased engagement in wellness programmes, particularly in health screenings, stress management, and mental health workshops.

70%+

stated that these initiatives positively impacted their well-being, leading to improved physical health, reduced stress, and enhanced productivity.

Employees expressed interest in personalised wellness options, such as one-on-one consultations with fitness trainers and nutritionists.

As we move forward, CRDB Bank remains committed to evolving its well-being strategy to support a healthier, more engaged workforce.

Workforce Diversity: Fostering an Inclusive and Equitable Workplace

At CRDB Bank, diversity, equity, and inclusion (DEI) are embedded in our organisational culture. We are committed to creating an inclusive workplace where employees can bring their true selves to work, feel a sense of belonging, and contribute meaningfully without fear of bias or retaliation. With a presence across multiple jurisdictions, we prioritise recruiting, developing, and retaining a diverse workforce while fostering a culture that embraces different perspectives and backgrounds.

Our DEI strategy is anchored on three core pillars—gender, diversity, and inclusion—which drive our efforts to build a more equitable and representative organisation.

Percentage of Employees by Gender

Male

55% FY 2024 **56%** FY 2023

Female

45% FY 2024 **44%** FY 2023

Senior Leaders (middle management and above)

Male

79% FY 2024 **80%** FY 2023

Female

26% FY 2024 **24%** FY 2023

No. of Women in Management

Percentage of Employees by Age

Advancing Women's Empowerment

Women's empowerment remains a key strategic priority as we continue to equip female employees with the skills and opportunities necessary for leadership roles. In line with this commitment, CRDB Bank launched several initiatives in 2024, including:

HE4She Mentorship Programme

Providing structured mentorship for aspiring female leaders.

Leadership Development Programmes

- ATE Female Future Programme
- CRDB Senior Leaders Programme
- Transformative Leadership Programme
- CEO Apprenticeship Programme

International Women's Day (IWD) and Leadership Café

Engaging 931 female employees across various empowerment events.

Training and Development

A total of 829 female employees participated in leadership and skills development programmes.

Additionally, we hosted our first Youth Forum under the theme 'Unlock Your Potential', enrolling 100 employees—54% of whom were women—further strengthening our commitment to nurturing young talent.

Board Diversity: Strengthening Corporate Governance

Board diversity is fundamental to our corporate governance framework, enabling more effective decision-making through varied perspectives and expertise. A diverse Board enhances our ability to serve stakeholders, drive innovation, and remain competitive in a dynamic business environment.

Our proactive approach to Board diversity includes:

Strategic diversity targets	Inclusive policies	Continuous development	Transparency & Accountability
Ensuring representation across gender, ethnicity, age, and professional backgrounds.	Actively encouraging female leadership through targeted recruitment and headhunting.	Board members undergo regular training on diversity's role in effective governance.	We are committed to reporting on diversity metrics and progress.

As of 2024, our Board's gender diversity ratio stands at 85:15 (Male: Female).

We have structured strategies in place to increase female representation through mentorship, leadership programmes, and targeted recruitment efforts.

At CRDB Bank, diversity is more than a compliance measure—it is a business imperative that strengthens our resilience, enhances our reputation, and ensures long-term success in a rapidly evolving landscape.

Training and Development

CRDB Bank is committed to building and sustaining key talent within the organisation, fostering business growth through strategic learning initiatives. Aligning with our five-year strategy and 2024 development priorities, we have focused on lifelong learning and cultivating a new generation of inspirational and distinctive leaders across its subsidiaries.

Over 4,000 employees have benefited from diverse training delivery models, including workshops, seminars, digital learning, and in-person sessions. Capacity-building efforts have emphasised leadership, technical competencies, business growth, study tours, exchange programmes, certifications, mandatory training, women's development, mentorship/coaching, and soft skills enhancement.

Employees have actively utilised the Bank's online learning platform (LinkedIn), with an engagement rate exceeding 90% and an average learning time of 46.3 hours.

To promote accessibility and sustainability, 57% of training sessions were conducted virtually, while 8% followed a blended learning approach.

Induction Programme for New Board Members

New Board members undergo a structured induction programme to familiarise them with our business, organisational structure, subsidiaries, governance roles, strategic objectives, policies, and operational framework. The induction package includes Board charters, recent financial reports, and governing laws and regulations. Additionally, the Company Secretary provides comprehensive guidance on our corporate governance framework.

Board Training and Development

Board members receive training on their fiduciary duties and responsibilities, ensuring a clear understanding of corporate governance principles and sound decision-making.

Continuous training is mandated to keep Board members informed on evolving business and regulatory landscapes. The Board conducts annual training needs assessments to facilitate ongoing development.

Non-Executive Directors enhance their skills through regular interactions with senior management and updates on legislative, policy, and industry trends.

The Bank successfully delivered Board training sessions in 2024, as detailed below:

Training Type and Description	Date	Trainer
Committee Training 1 – Board oversight on credit, data analytics & AI, governing strategic performance	3–7 June 2024	Common Purpose Asia-Pacific Ltd
Committee Training 2 – Blockchain & cryptocurrency, AI for productivity, green finance, sustainability reporting, future leadership	1–5 July 2024	Alhuda CIBE FZ LLE & i2i Group Inc.
Global IIA International Conference – AI, cybersecurity, sustainability, global audit standards, leadership & Board relations	13–18 July 2024	Global Institute of Internal Auditors
Board & Management Study Tour – Digital financial inclusion, cybersecurity, regulatory policies, digital innovation	23–27 September 2024	Common Purpose Asia-Pacific Ltd

Employee Performance Management

We foster a strong performance-driven culture that aligns employee capabilities, roles, and rewards to optimise performance. Our performance management system serves as the foundation for structured feedback, recognition, development opportunities, and corrective action plans to enhance effectiveness.

Our performance cycle runs from January to December, promoting continuous engagement between line managers and employees. This ensures timely feedback and targeted interventions, enabling employees to improve and contribute effectively to our strategic goals.

Internal Talent Growth

In FY 2024

30.4% of positions (168 roles)

were filled internally, reinforcing CRDB Bank's commitment to employee development.

Employee Recognition

In FY 2024

140 employees

across branches and departments were honoured with recognition awards for their outstanding performance and dedication—doubling from **69** in the previous year.

Social and
Relationship Capital

Investing and Nurturing Where it Matters

Highlights

TZS 2.31 Billion
in CSI initiatives

10,000 Trees
planted

Our commitment to accountability is what enhances our value creation at CRDB Bank Plc. This accountability is reinforced by investments that optimise social, economic, and environmental development in the communities we serve.

We address community needs through targeted initiatives, further aligning the mission of transforming lives and the Bank's strategy.

In essence, we invest where it matters the most.

Corporate Social Investment (CSI)

We continued to invest in Corporate Social Investment (CSI) in FY 2024 to contribute to sustainable, economic, and community development initiatives, and enhance the overall community well-being.

CRDB Bank Plc invested TZS 2.3 Billion in total for varied initiatives.

Corporate Social Investment – FY 2024

TZS 1 Billion

Education

TZS 156 Million

Health

TZS 432 Million

Youth and Women Empowerment

TZS 281.3 Million

Environment

Education

Education has been an integral pillar of our Corporate Social Investment (CSI). In FY 2024, we constructed toilets and classrooms in several districts including Muheza, Nyamagana, Kondoa, and Babti, enabling increased access to education and decreased dropout rates.

Schools Impacted

Omumwani Bukoba Secondary School

Isabe Primary School in Kondoa

New Shikizi Muungano Primary School in Manyara

Kiloleni Primary School in Shinyanga

Kikilo Secondary School in Manyara

Misufini Primary School in Muheza, Tanga

Inclusive Efforts: Ensuring Opportunities for All

Endagikot. Primary School in Mbulu-Manyara

We built a designated special needs classroom for children with disabilities.

Safina Orphanage Centre

We funded 58 orphaned students in primary and secondary schools.

Keti Jifunze Campaign Impact

'**Keti Jifunze**,' our flagship programme, continued across eight of our zones. It supplements the government's efforts to facilitate better learning settings.

Reached	Provided	Amount invested
70+ councils and **100+** schools	**5,000+** desks and chairs	**700M+**

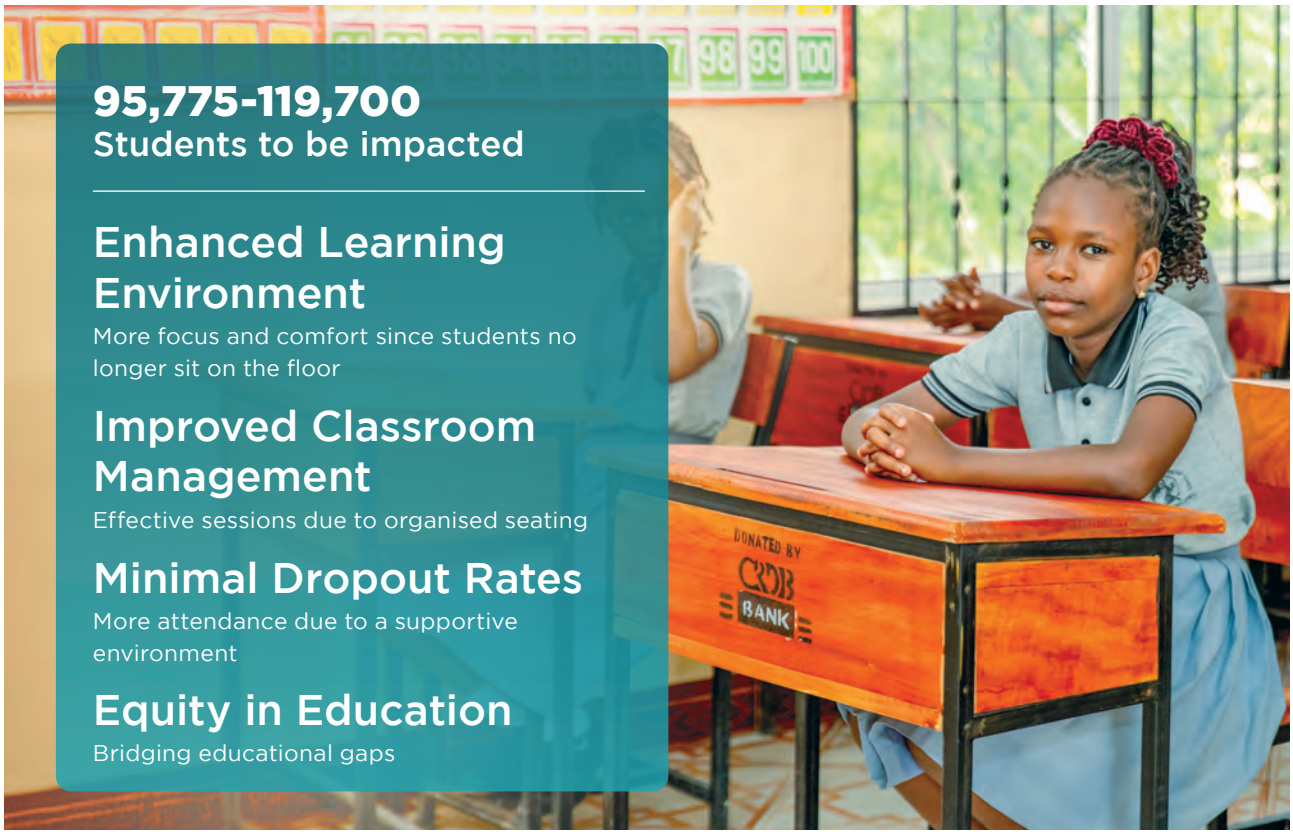
Taifa Cup Scholarship Programme

CRDB Bank Plc's Taifa Cup Scholarship Programme supports vocational and technical training for girls across various sectors such as healthcare, engineering, hospitality, and technology.

By covering their tuition, we enable these young women to acquire practical skills, opening up opportunities for job advancement and professional development. This initiative has successfully seen several participants completing their degrees and entering the workforce with essential expertise.

Broader Community Impact

Desks and chairs have at least 15 years of durability, which will benefit multiple generations. Given their lifespan, we have estimated the number of impacted students assuming that each school serves a new batch of students.



Health

We are committed to enhancing the well-being of Tanzanians. In FY 2024, our investments were directed towards addressing key health challenges, promoting health education, and improving access to medical services.

Enabling Better Healthcare Access and Quality

Professor Jay Foundation

Supports individuals with kidney disease, enhancing access to treatment and care.

Health Sector Research

Funds research that informs government policies and healthcare service improvements.

Mukulu Health Centre

Enhances healthcare access in underserved areas, benefiting thousands of residents.

Hospital Benches for Nyamagama Hospital

Donation of benches improves comfort and hospital experience at Nyamagama Hospital.

World Health Assembly (WHA)

Supported Tanzanian delegation's participation in the World Health Assembly, contributing to global policy development.

Bariadi District Council

Donated

TZS 5 Million

to support the completion of health and educational infrastructure in the district.

Afya Check Outreach Programme

In partnership with Afya Check, reached over

17,000

Tanzanians with preventative healthcare awareness.

Strategic Partnerships for Optimal Healthcare

Our strategic healthcare initiatives significantly raise awareness of common health risks and empower individuals with proactive health management tools, thereby enhancing the quality of life across communities.

Partnered with the

Afya Check Outreach Programme

to conduct preventive health outreach camps in Dar es Salaam, Dodoma, Lindi, Tanga, Mwanza, Arusha, and Mbeya, impacting

15,000 people

Collaborated with the

Muhimbili University of Health and Allied Sciences

to support the Ali Kimara Rare Disease Foundation's Rare Disease Research Fund to

promote scientific studies on rare diseases

Partnered with

Jakaya Kikwete Cardiac Institute (JKCI) and Comprehensive Community Based Rehabilitation Tanzania (CCBRT)

to facilitate specialised medical care, including cardiac surgeries for underprivileged children and maternal healthcare services for high-risk pregnancies

100

Underprivileged children's surgeries funded with JKCI

72

Women received maternal healthcare services in collaboration with CCBRT

Youth and Women Empowerment

We recognise the irrefutable relevance of youth and women in the government's agenda and our business strategy. Accordingly, we have several programmes and tailored products in place to support them and transform their lives.

Advancing Opportunities for Youth and Women

TPDF Football Team

Supports the TPDF football team to engage youth in sports and foster national pride.

Kuambiana Cup Tournament 2024 (Ludewa District)

Provides a platform for youth in Ludewa to showcase talents and engage in productive activities.

CRDB Bank Kizimkazi Market

Supports women entrepreneurs in accessing markets, enhancing their financial independence.

CRDB Bank Taifa Cup

Offers scholarships to talented young basketball players in partnership with the Tanzania Basketball Federation (TBF).

3rd Edition of African Businesswomen, Youth Trade Fair, and Summit 2024

Fosters women's business leadership and youth entrepreneurship, enhancing economic growth.

Malkia wa Nguvu 2024 Campaign

Supports women's empowerment and gender equality, promoting social inclusion.

Panda Initiative (Coastal Region)

Empowers women, youth refugees, and people with disabilities to create sustainable livelihoods.

Capacity Building Tumain Jipya Project 2024 (Dodoma)

Empowers women and youth through skills development and entrepreneurship for financial independence.

Imarisha Uchumi na Mama Samia Programme

Focuses on empowering women in Tanzania's mainland and islands, to facilitate access to economic opportunities and engage in local development.

Simba Queens (International Women's Day)

Supports Simba Queens, highlighting commitment to gender equality and empowering women in sports.

Tanga Women Empowerment Accelerator Programme

Provides resources and networks for women in Tanga to excel in business and leadership.

International Travel Agents' Trip to Explore Tanzania

Promotes tourism, cultural exposure, and Tanzania's rich natural heritage, extending benefits to women and youth in the tourism sector.

Moreover, we have actively supported the Africa Business Women and Youth Trade Fair and Summit and backed the Tanzania Women Miners Association to empower women in the mining sector.

Environment

CRDB Bank acknowledges the environment's vital role in shaping our daily lives. Therefore, we are dedicated to enhancing environmental conservation and sustainability, actively promoting initiatives that protect natural resources and improve community well-being. **Our accreditation with the Green Climate Fund testifies to this dedication.**

Reducing Our Footprint, Enhancing Our Impact

Vunjo Schools (Kilimanjaro)

Supported the planting of 10,000 trees across all Vunjo schools to combat deforestation and improve the local climate.

Women Clean Cooking Conference (Dodoma)

Supported a conference focusing on promoting clean cooking methods to reduce health risks and environmental damage.

NEEC and Women Clean Cooking Conference 2024

Backing an initiative to scale up clean cooking solutions and empower women.

Renewable Energy Initiative (Arusha Constituency)

Encouraged the use of sustainable energy sources to reduce dependence on non-renewable resources and promote cleaner energy use.

Flood Victims in Rufiji District

Supported maize seed purchases for flood victims to help rebuild agricultural livelihoods and ensure food security during testing times.

Creating Meaningful Change in Our Communities

Our community support extends beyond education, health, and empowerment by backing initiatives that foster cultural, social, and economic development.

This year, CRDB Bank played a significant role in facilitating the National Planning Commission's zonal symposiums, crucial for shaping the National Development Vision 2050.

Our Community Support Programmes

Motorcycles for Tourism Sector (Arusha Region)

Enhanced tourism mobility and growth of small tourism businesses.

National Development Vision 2050 Symposiums

Supported national development symposiums aligning with Tanzania's long-term vision.

Tanzania Military Academy (Monduli)

Sponsored TMA Stars FC, promoting youth sports, discipline, and teamwork.

Tulia Traditional Dances and the Kizimkazi Festival

Promote cultural heritage, community engagement and creation of employment.

CRDB Bank International Marathon

Flagship event where funds raised by participants and partners are used to provide medical assistance, showcasing our commitment to impactful community support.

'Zogo Mchongo' Initiative

A financial education programme on Clouds TV led by CRDB Bank, designed to educate Tanzanians about opportunities in financial institutions. It aims to foster economic independence and support the nation's goals for inclusive growth by addressing ignorance and poverty.

Supply Chain

An entity's supply chain management practices are dictated by its environment, which may be dynamic or resource-constrained. For us, it was imperative to transition our procurement and supply chain operations amid an evolving economic landscape. Accordingly, we adopted sustainable procurement practices like integrating social and environmental criteria, strategising supplier partnerships, and launching digital procurement platforms.

Our practices are aligned with global best practices and UN SDGs, underscoring our commitment to accountability and transparency in the financial services industry.

With Tanzania inching towards middle-income status, we believe such a transition is warranted in sectors like construction, manufacturing, and agriculture, vital to job creation and economic growth.

CRDB Bank's sustainable supply chain transformation positions it as a leader in promoting competitive economic growth across Tanzania and East Africa, serving as a model for regional economic sustainability.

However, in emerging markets, there are challenges to navigate with regard to supply chain transitions, which we effectively address through collaborations with development partners, the private sector, and the government.

Customer Experience

For CRDB Bank, the safety and protection of our customers is paramount. We have intensified efforts to safeguard their personal and sensitive information, significantly strengthening our cybersecurity infrastructure to prevent any risks of misuse.

Similarly, we champion active listening. Therefore, our customers' feedback is systematically gathered across various channels, ensuring our services align with their needs.

1st Bank
in East Africa to have digital assistance on website live chat and WhatsApp:
Elle Chatbot

1st Bank
in Eastern Africa, Sub-Saharan Africa, and West Africa to develop and implement a Digital Customer Feedback Tool

In FY 2024, our Customer Experience Unit headed a series of vital initiatives to reinforce our commitment to service excellence and enhance our 24/7 customer support system.

Customer Experience Initiatives – FY 2024

Net Promoter Score (NPS)
NPS assesses customer loyalty and their likelihood to recommend our services. It identifies satisfaction levels, areas for improvement, and service recommendation probability, enhancing service delivery through innovative solutions.

Mystery Shopping Survey
The Mystery Shopping Survey, conducted by 'secret agents,' evaluates customer interactions across frontline, offline, and back-office channels. It offers an unbiased view, driving continuous service excellence improvements.

CRDB Bank Digital Assistant, Elle Chatbot
Meet our AI-powered chatbot solution, Elle, deployed to enhance customer support and accessibility. Available on our website and WhatsApp, Elle offers automated responses and self-service options, reducing wait times and increasing digital engagement.

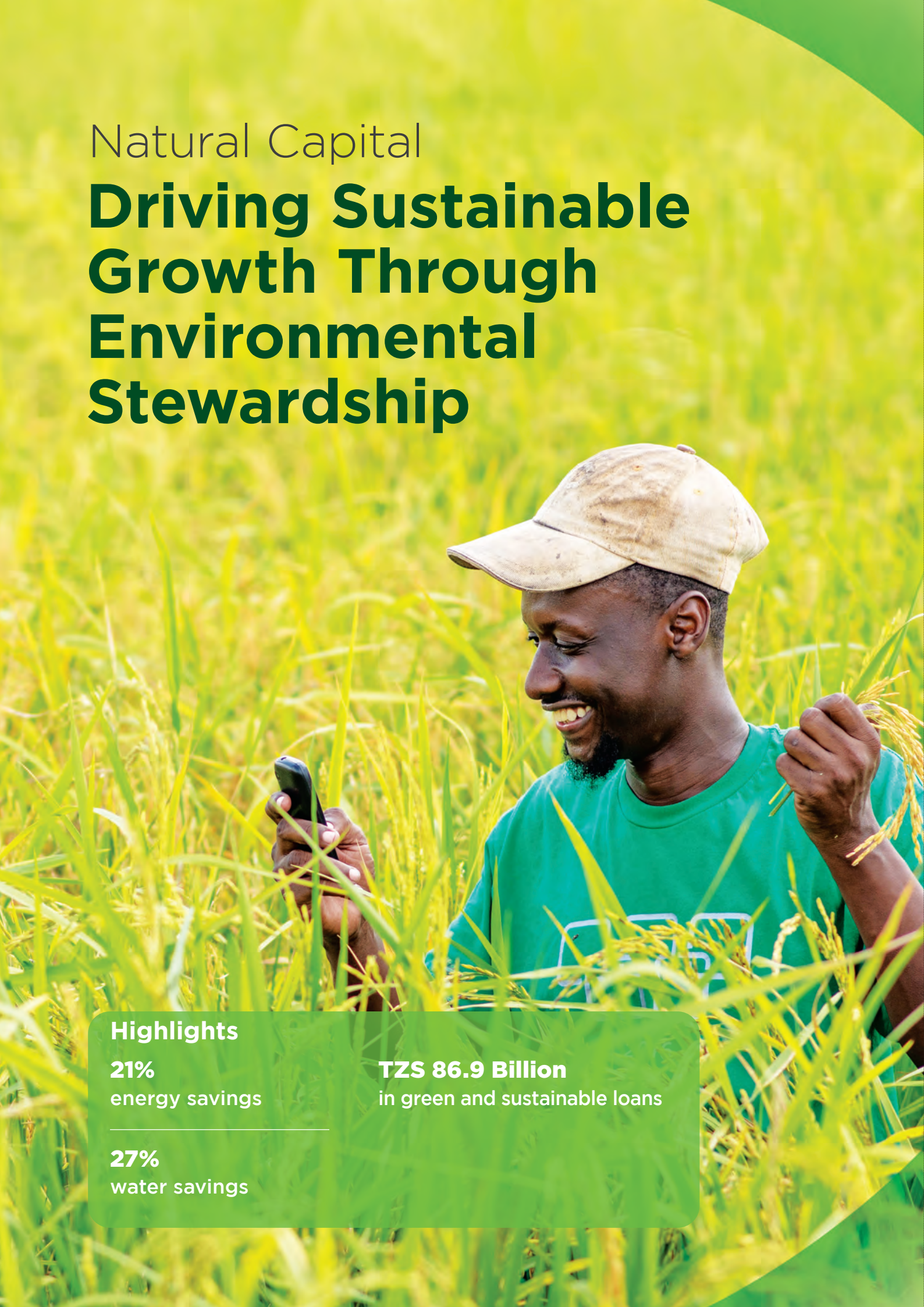
Online Video Tutorials
We provide digital access to banking services through smart engagement solutions, minimising in-branch visits. Guidance for these solutions is available on our website, social media, and a YouTube playlist, enhancing convenience and efficiency.

Digital Customer Feedback Tool, SMS Short Code to 15089
CRDB Bank introduced an SMS-based feedback tool, enabling customers to share their banking experiences easily and receive real-time responses. This pioneering initiative in the region measures NPS to enhance customer loyalty and service quality.

Recognition and Accountability Programme (for Internal Staff)
This programme enhances service delivery and innovation by recognising outstanding employee contributions and holding underperformers accountable, boosting staff motivation and preserving our competitive edge.

Natural Capital

Driving Sustainable Growth Through Environmental Stewardship



Highlights

21%
energy savings

27%
water savings

TZS 86.9 Billion
in green and sustainable loans

In FY 2024, CRDB Bank continued its commitment to fostering a sustainable and resilient environment by integrating environmental considerations into its operations. This year, we reinforced our leadership in sustainable finance, underscoring our dedication to aligning with both global and local frameworks aimed at fostering a just transition to a low-carbon economy.

Environmental Responsibility: A Core Element of Our Strategy

Environmental stewardship is at the heart of CRDB Bank's corporate philosophy. Our sustainability approach goes beyond mere compliance, extending to the responsible management of environmental resources. We recognise that sustainable practices mitigate risks while simultaneously unlocking new opportunities for innovation, resilience, and growth. Our strategy is in alignment with the UN SDGs and Tanzania's Nationally Determined Contributions (NDCs), reinforcing our commitment to sustainable development on both a local and global scale.

In FY 2024, CRDB Bank also supported initiatives aimed at reducing harmful emissions. Notably, we sponsored Clean Cooking campaigns in collaboration with the National Economic Empowerment Council, the Ministry of Energy, and local media. This programme educated communities on the detrimental effects of using charcoal and provided cleaner cooking alternatives like gas cylinders. These efforts contribute directly to reducing deforestation, promoting better health, and enhancing the overall quality of life in the regions we serve.

We acknowledge that certain sustainable ventures, particularly those in emerging sectors such as clean energy or climate-smart agriculture, may carry higher short-term execution risks. However, these projects offer significant potential for long-term environmental benefits and socio-economic development. CRDB Bank balances short-term profitability with its sustainability commitments by leveraging blended finance structures, including grants and concessional loans, ensuring that financial stability is maintained while pursuing impactful environmental goals.

Environmental stewardship is at the heart of CRDB Bank's corporate philosophy. Our sustainability approach goes beyond mere compliance.

CRDB Bank: A Pioneer in Green Building

A key milestone in our environmental journey has been the certification of our headquarters under the Excellence in Design for Greater Efficiencies (EDGE) framework. As the first building in Tanzania to receive the EDGE Green Building certificate, our HQ has demonstrated a reduction of 21% in energy consumption, 27% in water usage, and 28% in embodied carbon in materials. This certification reflects our ongoing efforts to ensure that our infrastructure is environmentally responsible, setting an example for other businesses in Tanzania and across Africa.

We are proud of this achievement and are committed to pushing for even higher sustainability standards. Our future goal is to secure the EDGE Advance certification by mid-2026, with the long-term target of achieving a net-zero carbon footprint by 2029.

Green Finance

Our sustainability journey was marked by significant strides in green financing, most notably through the disbursement of over TZS 86.9 Billion in green and sustainable loans.

These loans targeted sectors such as agriculture and renewable energy, which are critical to long-term environmental stability and economic growth. Backed by proceeds from the Kijani Bond, these investments are expected to generate 14.04 GWh of clean energy, mitigating 13.8 million kg of CO-e annually.

We remain resolute in our commitment to growing our green asset ratio from 7% in 2024 to 15% by 2030, and further to 30% by 2050. This ambition is fuelled by the success of the Kijani Proposition, which has expanded access to green loans aimed at promoting climate-resilient agriculture, sustainable transport, and clean cooking technologies. Through this initiative, we are actively supporting MSMEs and underserved communities, empowering them to build more sustainable and resilient businesses.

The Kijani Bond

The launch of the Kijani Bond marked a historic moment for CRDB Bank, as we became the first commercial bank in East and Central Africa to issue a green bond.

This bond is pivotal in financing environmentally sustainable projects, including green building initiatives, and it has garnered interest from global investors, including the International Finance Corporation (IFC). The bond's success, which saw an impressive **TZS 40 billion** raised, underscores the growing demand for green finance in Africa and the role of CRDB Bank as a leader in this field.

Through the Kijani Bond, we are further solidifying our commitment to creating a sustainable future, not just for Tanzania, but for the broader African continent. As we continue to expand our green and social investment portfolio, we remain dedicated to enhancing long-term value for both our shareholders and the communities we serve.

Sustainable Waste Management

At CRDB Bank, environmental responsibility extends beyond finance to our everyday operations. Our waste management system is designed to ensure that all waste is responsibly collected, recycled, and disposed of, in line with local and national regulations. In 2024, we achieved significant milestones in waste recycling, including:

16,850 kg
of paper and

7,977 kg
of cardboard recycled.

3,416 kg
of plastic

1,911 kg
of glass, and

47,296 kg
of food waste processed.

We continue to reduce our environmental impact through initiatives such as our paperless banking operations, which are helping reduce emissions associated with travel and large branch operations. By promoting the use of digital platforms and encouraging e-KYC processes, we are not only improving our operational efficiency but also contributing to the reduction of paper usage and waste.

Energy and Water Efficiency

Energy and water conservation remain priorities for CRDB Bank. We have implemented energy-efficient solutions, such as LED lighting, inverters, and motion sensors, across our operations. These measures contribute to a significant reduction in our energy consumption, complementing the efforts to make our headquarters building more energy-efficient through the use of reflective glass and sustainable construction materials.

In terms of water management, we aim to reduce our water usage by 20% by 2030. To achieve this, we have installed low-flow fixtures and water sensors at our head office, with plans to extend these measures across our branch network in the coming years. Our water filtration and purification solutions, which have already been deployed at our headquarters, will help eliminate the use of harmful plastic bottles and promote sustainability across the organisation.

Looking Ahead: Scaling Sustainable Practices

As we look to the future, CRDB Bank remains committed to scaling its sustainability initiatives, expanding our green financing solutions, and leveraging technology to track and enhance our environmental, social, and governance (ESG) performance. Through innovative products and strategic partnerships, we will continue to drive positive change in the communities we serve, contributing to a sustainable, low-carbon future for Tanzania and beyond.

Our sustainability journey is ongoing, and as we move forward, we will continue to refine our practices and embrace new opportunities for growth and environmental stewardship.

CRDB Bank Burundi

Strengthening Our Subsidiaries for Growth

Significant growth in digital adoption was recorded, with mobile banking transactions increasing by 48.6% and internet banking usage surging by 63.7%.

Managing Director's Statement

CRDB Bank Burundi S.A. delivered strong operational and financial performance in FY 2024, reflecting disciplined execution of our 2023-2027 medium-term strategy. We continued to scale our business, deepen customer engagement, and strengthen our digital infrastructure, while maintaining a prudent risk posture.

Our corporate loan book registered 35% growth, as we deepened relationships across key sectors. In retail banking, we achieved a 105% increase in active customer accounts, supported by the launch of the Intahe Premier Branch. Four additional branches are planned for 2025 to further strengthen outreach.

We successfully implemented a "phygital" model during the year, integrating physical and digital platforms to enhance customer experience and operational efficiency. This was complemented by the launch of innovative digital solutions, including a new mobile SimBanking app, enhanced USSD functionalities, and Visa Online. We also integrated REGIDESO for utility payments and migrated our ATM systems to the Smart VISTA platform.

The expansion of our 'Turi Hose' agency banking network to 2,000 outlets facilitated over 1 million transactions, reflecting strong uptake of alternative banking channels.

Our integration roadmap advanced steadily, with successful linkages to OBR and LUMITEL, and further integrations with Terrapay, PAFE, and MEDIABOX underway in 2025. We are also introducing SimBanking auto-registration via ATMs to simplify onboarding.

To promote inclusive finance, we extended credit access to MSMEs, women entrepreneurs, and agribusinesses. MSME loans rose to BIF 19.4 billion, supported by dedicated outreach teams. In 2025, we will introduce the 'Customer Rafiki' initiative to assist customers in accessing digital banking solutions.

Key Financial Highlights

TZS 40.3 Billion
Profit after tax

TZS 1,484.4 Billion
Total assets

TZS 751.2 Billion
Loans and Advances

TZS 693.3 Billion
Total Deposits

31.1%
Return on Equity

From a people perspective, we closed the year with 186 employees, of whom 60% were male and 40% female. We implemented wellness programmes to support both physical and mental well-being and launched "She Initiatives" to empower women in leadership roles—reinforcing our commitment to inclusive workforce development.

In line with the Group's ESG agenda, we embedded climate risk considerations into credit decisions and sustained support for community programmes in health, education, and the environment. We are also scaling up green finance in collaboration with key stakeholders.

Looking ahead, CRDB Bank Burundi S.A. remains committed to sustainable and inclusive growth, with a strategic focus on digital leadership, green finance, customer-centric innovation, and operational resilience—anchored by the upcoming implementation of the Temenos Transact T24 Core Banking System to modernise processes, enhance efficiency, and elevate service delivery. We will continue to strengthen the SME and MSME portfolios, deepen financial inclusion, and invest in cybersecurity and talent development to drive long-term, sustainable growth.

We remain committed to creating value for our customers, shareholders, and the communities we serve.

Fredrick Siwale
Managing Director

Board Members

Hosea E. Kashimba
Chairman

Dr. (Mrs.) Oda Sindayizeruka

Dr. Elizabeth Mkoba

Boma Raballa

Mr. Didace Ngendakumana

Mr. Salvator Minani

Mrs. Kahumbya Bashige

CRDB Bank DR Congo

At CRDB Congo, we are committed to promoting financial inclusion and economic growth in the region. Our dedication to excellence and innovation motivates us to offer personalised banking solutions that cater to the unique needs of our customers. Together, we are creating a pathway to a prosperous future, empowering communities and businesses to thrive.

Message from the Managing Director

In our first full year of operations, FY 2024 marked a period of meaningful progress for CRDB Bank DR Congo S.A., driven by focused execution across business growth, operational excellence, and customer-centric innovation. This was the second year of our five-year strategy and a pivotal one for establishing a solid foundation in the DRC market.

The year witnessed encouraging traction in digital expansion, branch rollout, customer acquisition, and infrastructure enhancement, despite the pressures of a full-year cost base.

During the year, we opened an additional branch and launched Visa acquiring and issuing services. The rollout of mobile and internet banking platforms contributed to increased customer touchpoints and transactional volumes, supporting balance sheet growth and customer base expansion.

We prioritised customer proximity and satisfaction through structured stakeholder engagements, feedback loops, and improved resolution turnaround. Our front-line staff underwent targeted upskilling to elevate service quality, while internal process reengineering accelerated decision-making and enhanced the customer value proposition.

On the infrastructure front, we continued strengthening our IT backbone with expanded offsite ATMs and digital channels such as SimBanking and internet banking. These investments improved both efficiency and service delivery, furthering our commitment to a digital-first approach.

Key Financial Highlights

TZS 6.7 Billion
Post-Tax Loss

TZS 22.1 Billion
Total Deposits

TZS 184.6 Billion
Total Assets

TZS 5.7 Billion
Loans and advances

Our people remain central to our journey. In FY 2024, we intensified efforts in culture transformation, performance management, and recognition. These initiatives reinforced employee engagement and aligned behaviours with our strategic priorities, fostering an accountable and performance-led culture.

As part of our social impact agenda, we launched the first CRDB Bank Marathon in DRC, raising funds for the Jason Sendwe Hospital paediatric ward in Lubumbashi. Additionally, we introduced Environmental Clubs in public primary schools, promoting awareness of sustainability from a young age.

Looking ahead, we remain focused on scaling our growth, increasing digital activity, and improving operational performance. We will continue leveraging Group-wide synergies while enhancing staff productivity and product capabilities. Strengthening our revenue streams, improving cost efficiency, and expanding our customer base remain top priorities as we move into the next phase of our strategy.

I extend my gratitude to our shareholders for their trust, to our customers and partners for their continued support, and to the Board and regulatory authorities for their guidance during this foundational phase. Above all, I thank our employees for their commitment and drive.

Jessica Nyachiro
Managing Director

Board Members

Dr. Fred Matola Msemwa
Chairman

Prof. Faustine Karrani Bee

Eng. Jameson James Kasati

Mr. Charles H. De Beauvoir Carey

Mr. Jeannot Okit'otete On'ahata

Mr. Olivier Christian Duterme

Mrs. Ornella Izemengia Bomine

Mrs. Rama Keto Bweya

CRDB Bank Foundation

We are committed to fostering financial inclusion and championing transformative socioeconomic growth. By addressing barriers to access, promoting innovative financial solutions, and empowering underserved communities, the Foundation aims to create opportunities that uplift lives and unlock potential.

From the Desk of the Managing Director

Driving Financial Inclusion and Inclusive Socio-Economic Transformation

In 2024, the CRDB Bank Foundation (CBF) deepened its mission of promoting financial literacy, inclusion, and entrepreneurship development to women and youth through targeted high-impact programs across Tanzania. CBF remained a critical implementing arm of CRDB Bank Group's financial inclusion strategy, aligning interventions with national development agenda and global sustainability frameworks.

With a strong focus on innovation, community engagement, and inclusive growth, the Foundation reached **218,471 beneficiaries** through its initiatives. This impact was made possible by a growing network of strategic partnerships and a commitment to data-driven program delivery.

Key Milestones in FY 2024

Financial Inclusion and capacity building

- **218,471 women and youth across Tanzania** participated in financial literacy sessions focused on savings, record keeping, credit management, digital literacy, small business planning and access to market readiness.
- These efforts contributed to the **increase in formal banking uptake** among micro and small enterprises (MSEs), particularly women and youth-led businesses.

iMBEJU Program Impact

- **iMBEJU Ng'ara: TZS 7.76 billion** disbursed in seed capital support and access to group lending products.
- iMBEJU Buni: Built capacity of over 300 youth-led Start-Up companies, with over TZS 450 million worth of seed capital to **youth-led start-ups,** boosting job creation and innovation.
- **iMBEJU Kilimo:** Provided access to finance and structured markets for **3,681 smallholder farmers**, collaborating with cooperatives across all strategic agriculture value chains.

Agricultural Off taking Linkage Model

- Partnered with **Tanzania Breweries Limited (TBL)** on a **Barley Pre-Finance Scheme**, improving productivity, income stability, and access to structured markets for rural farmers in Kilimanjaro, Arusha and Manyara regions.

Export Readiness & Market Access

- Rolled out the capacity building training to women led businesses in accessing the Africa free Continental Trade Area market (AfCFTA). The program run in partnership with UNDP & The Ministry of Industry & Trade linked and created platform for more than **2100** participants across Tanzania.

International Learning Exchanges

- Through collaboration with **SUGECO**, CBF facilitated international training for **176** Tanzanian youth in agriculture and entrepreneurship in **Germany, the Netherlands, and Denmark**.

CRDB Bank Marathon: Championing Health & Community Engagement

The 2024 edition of the **CRDB Bank Marathon** marked our 5th anniversary since the inception of this grand innovative program. We expanded our mark by hosting the race across the Group with our subsidiaries in Burundi and Democratic Republic of Congo hosting for the first time.

The event drew over **10,000 participants** and featured a strong corporate social investment narrative, uniting the Bank's customers, partners, and the broader public in a cause that speaks to the heart of the community. More than **550 children** from underprivileged families born with congenital heart diseases have since 2020 been treated and taken care of through our partner the Jakaya Kikwete Cardiac Institute.

Moreover in 2024, CBF continued to support women with high-risk pregnancies reaching an overall **178 women** most of them being underaged, disabled or fistula survivors through the CCBRT Hospital.

The Marathon has become a flagship platform for inclusive philanthropy and impact driven advocacy, while leaving a lasting love mark to the communities we serve.

Strategic Partnership Portfolio – 2024

In 2024, CRDB Bank Foundation strengthened its collaborative approach by building impactful partnerships that enhanced the reach, innovation, and sustainability of its programs. Our success is rooted in strong and diverse partnerships, working closely with the Government, local and international partners including Government of Tanzania **(Ministry of Community Development, Gender, Women & Special Groups, President's Office Rural Authorities and Local Government – PORALG, COSTECH,** etc), **UNDP, GIZ, CARE International, Tanzania Breweries Limited (TBL), UNFPA, SUGECO, TWCC, ELCT, BUTA VICCOBA,** and diverse **women's associations across Tanzania.**

The Foundation co-created solutions that addressed pressing economic challenges targeted support for women and youth entrepreneurs, financial inclusion, expanded access to finance, and comprehensive capacity building across all sectors.

Looking Ahead

As we move into 2025, the Foundation's priorities will focus on:

- Scaling financial literacy and inclusion to women and youth in rural and peri-urban areas.
- Scaling the support to Start-Ups and the Innovation Ecosystem.
- Expanding digital financial inclusion solutions for women and youth.

We will continue to position ourself as a leading force in socio-economic initiatives that drive financial inclusion, enterprise development, and inclusive growth in Tanzania and the region. Together, we remain focused on building an inclusive and sustainable future for in the markets we serve.

Tully Esther Mwambapa

Managing Director

Board Members

Mr. Martin Steven Warioba
Chairman

Coletha Ndunguru

Julia Seifert

Ambassador Maulidah Hassan

Ms Marianna Balampama

Oswald Urassa

Prof Mwasanga Nkundwe

CRDB Insurance Company Limited

We are committed to providing innovative and reliable insurance solutions that empower our clients to achieve their financial goals with confidence. Partnering with the CRDB Bank group allows us to extend our reach and offer unparalleled service and security to a broader community. Together, we are building a future where financial stability and peace of mind are accessible to all.

Message from the Managing Director

2024 marked a defining moment for CRDB Insurance as we achieved break-even — a milestone that reflects the maturity of our operations, the viability of our business model, and the disciplined execution of our strategic roadmap. This outcome affirms the collective commitment of our team and sets the stage for long-term, sustainable growth.

We entered the year focused on deepening financial inclusion and enhancing resilience across Tanzania's insurance landscape. This included expanding our digital footprint through SimBanking and DigiBima, and strengthening partnerships across the distribution ecosystem. Our newly introduced Sales Force Executive (SFE) channel broadened access to underserved markets, complementing growth in our bancassurance, broker, and agent networks. We now work with 31 brokers, aim to expand to 50, and plan to grow our agent base from 28 to 100 by 2025. Our bancassurance reach spans five partner banks, with two more targeted in the coming year.

Innovation continued to define our product development approach. We launched Weather Index Insurance and Cattle AI-Livestock Insurance — both designed to empower smallholder farmers with tailored, climate-resilient coverage. The introduction of Kijani Bima, approved by the Tanzania Insurance Regulatory Authority (TIRA), reflects our ongoing investment in inclusive and sustainable insurance solutions. We also enhanced policy management through the Smart Policy Cloud and streamlined commission processing via our automated Broker & Agent Commission system.

We integrated with the Zanzibar Revenue Authority for automated tax invoicing, onboarded UMABIWATA — a network of 50 female agency owners — and embedded sustainability into our governance and operations. Our climate initiatives included green partnerships, flood and drought coverage, and the listing of insurance products on digital platforms to increase accessibility.

Key Financial Highlights

TZS 26.9 Billion
Gross Written Premium (GWP)

TZS 7.1 Billion
Net Earned Premium

TZS 342 million
Profit After Tax (PAT)

TZS 19.2 Billion
Total Assets

TZS 14.8 Billion
Investment Portfolio (driven by UTT Funds, Treasury Bonds, Faida Fund)

TZS 5.9 Billion
Shareholders' Fund

TZS 2.9 Billion
Net Claims Incurred

As we look to 2025, we are prioritising deeper technology integration, expanded product offerings, and stronger outreach to rural and SME segments. With innovation, customer focus, and sustainability guiding our strategy, I am confident that CRDB Insurance will continue delivering long-term value and driving inclusive growth.

I extend my sincere gratitude to our customers, shareholders, business partners, and employees. Your trust and support have made this progress possible. Together, we will continue shaping a resilient and forward-looking insurance future for Tanzania.

Wilson Mnzava
Managing Director & Principal Officer

↑ YoY Growth

Board Members

Omari Mwaimu
Chairman

Gerald Kasaato

Hilda Shenyagwa Noor

Nura Masood

Bonaventure Paul

Sustaining Growth

Through Governance and Risk Oversight

Strong governance and prudent risk management form the foundation of our sustained growth. This section outlines the structures, leadership, and frameworks that guide our decision-making and safeguard stakeholder interests. With a committed Board, sound oversight, and a proactive risk culture, we continue to foster transparency, accountability, and resilience across the Group

CORPORATE GOVERNANCE

The Group Statement on Corporate Governance

The Bank's approach to corporate governance is comprehensive and designed to uphold the highest standards of accountability, transparency, and ethical practices. Our primary objective is to optimise performance, minimise risks, and protect the interests of our shareholders. To achieve this, we have put in place robust governance frameworks, policies, and procedures that go beyond regulatory requirements.

We have a Board of Directors that comprises highly experienced and knowledgeable individuals who bring diverse perspectives and skills to the table. The Board provides strategic oversight, sets the tone from the top, and ensures that our actions align with our core values and mission. We have also established various committees, including an Audit, Risk, and Compliance Committee, to provide independent oversight and guidance on key areas of our operations. These committees are composed of experts in their respective fields and are responsible for ensuring that our policies and practices are aligned with best practices.

Furthermore, we have implemented a strong risk management framework that enables us to identify, assess, and mitigate risks effectively. We prioritise transparency and accountability by regularly reporting to our shareholders and stakeholders on our performance, risks, and governance practices. At the heart of our corporate governance approach is a commitment to ethical practices, integrity, and social responsibility. We believe that our success is not only measured by financial performance but also by the positive impact we have on our communities and the environment.

Our Corporate Governance Framework

The organisation has implemented a comprehensive corporate governance framework. This framework enables the Board to efficiently oversee and direct the organisation's strategic direction, financial objectives, resource allocation, and risk tolerance. It also empowers the Board to hold the executive management accountable for their actions and ensure the successful implementation of the organisation's goals.

CRDB Bank Group Organisation Structure

Code of the Practice of Good Corporate Governance

The Board is committed to the principles of good corporate governance to strengthen and maintain the stakeholder's confidence. The Board retains full and effective control over the Group, monitors the executive management and makes sure the decision on material matters is in the hands of the Board to fulfil the Group's strategic objectives.

The Board is committed to healthy corporate governance practices, which strengthen and maintain confidence in the Bank, thereby contributing to optimal long-term value creation for shareholders and other stakeholders. The Board recognises its collective responsibility for the long-term success of the Group. The Board is committed to ensuring compliance with all applicable laws and regulations and considers adherence to non-binding rules, codes, and standards. Compliance is an agenda item in all Board meetings through the Board risk committee.

Through the Board risk committee, the Board is able to identify all regulations relevant to the Group and monitor changes to the rules and new regulations impacting the Group.

Principles of Good Corporate Governance

1 Leadership

- The Role of the Board
- Division of Responsibilities
- The Chairman
- Non-Executive Directors

2 Effectiveness

- Composition of the Board
- Appointment to the Board
- Commitment of the Board
- Development of Knowledge & Skill
- Information and Support
- Evaluation of the Board Performance
- Re-Election of the Board Member

3 Remuneration

The level and components of the Remuneration Procedure for developing policy

4 Effective Relation With Shareholders

- Dialogue with Shareholders
- Constructive Use of the AGM

5 Accountability

Financial Reporting, Risk Management, and Internal Control Audit Committees and Auditor

Statement of Responsibility for Those Charged with Governance

Those charged with governance are dedicated to upholding the highest standards of corporate governance. The Board is responsible for providing strategic direction, ensuring effective management oversight, and maintaining accountability to shareholders and stakeholders. This includes establishing the Bank's vision, mission, and values and ensuring their integration into its operations and culture.

The Board also oversees the implementation of policies and procedures that promote ethical behaviour, compliance with laws and regulations, and the effective management of risks to safeguard the Bank's assets and reputation. The Board has delegated the responsibility for implementing strategy and managing day-to-day operations to the Group Managing Director and Chief Executive Officer, along with the Senior Management Team.

Those charged with governance are committed to fulfilling their fiduciary responsibilities and have established principles to ensure that good governance practices are upheld in their dealings with the Group's shareholders, customers, and other relevant stakeholders in line with the spirit of the Capital Market and Securities Authority (CMSA) Act, 1994, guidelines on corporate governance practices by public listed companies in Tanzania, Section 4.0.

The Board is dedicated to ensuring a strong governance framework operates throughout the Group. It recognises that good corporate governance is essential to support management in achieving the Group's strategic objectives and operating a sustainable business for the benefit of all stakeholders. The Board understands that identifying, developing, and maintaining high standards of corporate governance suitable for the Group is an ongoing and dynamic process that must adapt to changes within the Group, Our business, the composition of the Board, and evolving corporate governance trends.

Those charged with governance are responsible for the overall governance of the Group. The Board applies good governance practices to promote strategic decision-making that aligns the interests of the Group with our stakeholders and the communities we serve. To achieve this, principles of accountability, transparency, ethical management, and fairness are embedded throughout the business.

Those charged with governance must act in good faith to enhance the Group's success for the benefit of our stakeholders. They should avoid any conflicts between their personal interests and those of the Group, in accordance with Section 209 of the Companies Act 2002. Directors must always prioritise the Group's best interests. They have a statutory duty to promote the Group's success, carefully considering the consequences of their decisions to uphold a reputation for high standards of business conduct.

The Bank remains committed to adhering to the highest standards of corporate governance and business ethics. Good corporate governance practices are essential for delivering sustainable value to our stakeholders. The Group also complies with regulations set by the CMSA, the Dar es Salaam Stock Exchange, and the ethical standards outlined in the Group's Code of Conduct.

Our strong corporate governance and responsible business culture form the foundation for long-term sustainable growth. To support this, sustainability has become a key focus in our board meeting agendas, ensuring that these important topics receive the attention they deserve and are discussed regularly. Furthermore, we have strengthened our sustainability team to effectively implement our initiatives and meet the expectations of our stakeholders.

Board Structure

The Board is structured to ensure a balance of skills, experience, and diversity necessary to provide effective leadership and oversight of the Group. The Board comprises both Executive and Non-Executive Directors, including Independent Non-Executive Directors, to ensure a robust governance framework.

The structure of the Board is as below;

Chairperson:

Leads the Board and ensures its effective functioning. The Chairperson is responsible for setting the agenda, facilitating open and constructive discussions, and ensuring that all Directors contribute to the decision-making process.

Executive Directors:

These Directors are involved in the day-to-day management of the Group. They bring in-depth knowledge of the Group's operations and are responsible for implementing the Board's strategic decisions.

Non-Executive Directors:

These Directors provide independent oversight and constructive challenge to the Executive Directors. They bring a diverse range of skills and experience from various industries and sectors.

Independent Non-Executive Directors::

These Directors are free from any business or other relationships that could materially interfere with their independent judgment. They play a crucial role in ensuring that the interests of all stakeholders are considered in the Board's decision-making process.

Board Committees

The Board has established several committees to assist in the discharge of its responsibilities. These committees include:

Board Audit Committee

Oversees financial reporting, internal controls, and risk management.

Board Risk Committee

Monitors and reviews the Company's risk management framework.

Board Governance, Nomination, and Human Resources Committee

Responsible for Board appointments and setting remuneration policies.

Board Credit Committee

Oversee the credit functions monitor and review the loan portfolio. quality.

The Board meets regularly to review the Group's performance, set strategic objectives, and ensure it operates in accordance with the highest standards of corporate governance.

Board Size

The Board determines its size and composition, adhering to the Company's Articles of Association, Board Charter, relevant policies, applicable laws, and best practices. The Board must always have a minimum of five members, of which two-thirds must be non-executive. Additionally, at least two members must be Tanzanian nationals. The composition of the Board is optimal, considering the size and nature of the Bank's business and its subsidiaries. It is adequately structured and in compliance with key governance codes and regulatory requirements.

During the year, the Board comprised fourteen Directors, including thirteen Non-Executive Directors and one Executive Director. Three of the thirteen Non-Executive Directors are Independent Non-Executive Directors.

The Board comprises diverse skills and expertise essential for effective management oversight and the Bank's operations. Each Board member possesses the necessary skills and has access to the tools required for effective performance.

The Board is confident that its current size is optimal, allowing it to effectively manage decision making processes and fulfill its diverse responsibilities. This size facilitates robust discussions, ensuring that a wide range of perspectives is represented while maintaining effective communication and collaboration among members. As a result, the Board is well-equipped to respond to challenges and opportunities in a timely and efficient manner.

Board Charter

The Group has a Board charter outlining the key values and principles of the Bank's Directors. It details the Board's responsibilities, governance practices, powers, and the separation of roles between the Board and Management, as well as the Company Secretary's responsibilities.

This Board charter is subject to the requirements contained in the Bank's Memorandum and Articles Association (MEMARTS), the Banking and Financial Institutions Act, 2006 (BFIA), CMSA Act and Guidelines, Company Laws and other applicable laws and regulatory provisions. The charter is reviewed every two years or on a need basis to ensure it remains adequate and consistent with the Board's purpose. Changes are subject to approval by the Board of Directors.

During the reporting period, the Board is assured that all individual Non-Executive Directors upheld their objective judgment per the approved Board Charter. This dedication to independence underscores the Board's commitment to upholding transparency, and accountability and maintaining elevated standards of corporate governance.

Appointments of the members of the Board

Appointments to the Board are made strictly based on merit, ensuring that candidates are evaluated against specific, objective criteria. This process considers the importance of fostering diversity within the Board, as it recognises the advantages that varied perspectives and experiences bring to effective governance. A comprehensive and rigorous selection process is adhered to when appointing Directors, involving multiple stages such as interviews, assessments, and reference checks to ensure the highest standards of candidate evaluation.

Non-executive Directors are appointed for an initial term of three years, which allows for a thorough integration into the Board's activities and culture. Following this period, their continuation on the Board is contingent upon re-election by shareholders at each Annual General Meeting (AGM). This mechanism not only maintains accountability but also ensures that the Board remains aligned with the interests of its shareholders.

A Board member will not serve in the Board for more than three terms of three years. The maximum tenure for Board membership shall not exceed 10 (ten) years unless an approval has been granted by the Central Bank of Tanzania.

The term of office for members of the Board is structured so that their terms do not end simultaneously. This approach ensures continuity within the Board, allowing for a seamless transition and sustained governance.

The Group has a formal and transparent procedure for appointing Board members. The vacancies are advertised to the public through newspapers and the Bank's website. This ensures that the selection process is fair, unbiased, and based on merit. By adhering to these principles, we maintain high standards of governance and accountability, fostering trust among stakeholders and promoting effective decision making.

In identifying suitable candidates for board positions, the committee follows these key steps:

The Group advertises the vacancy through various platforms to attract a diverse pool of candidates. In some cases, it may seek assistance from external consultants to enhance the search process.

Candidates are evaluated on several criteria, including academic qualifications, technical expertise, relevant experience, nationality, age, gender, integrity, and ethical standards. This comprehensive assessment ensures a well-rounded selection that reflects diverse perspectives.

After the evaluation, the Group Board Governance and Human Resource Committee recommends new nominees for appointment to the board, ensuring they align with the Group's strategic goals and governance needs.

To make it effective, the Board's consists of both Non-Executive Directors and Independent Non-Executive Directors. The Board recommends Directors for election and/or appointment to the shareholders at the Annual General Meetings (AGMs) for approval. A Board member elected/appointed by shareholders is not allowed to attend Board meetings or be assigned any responsibility until he/she obtains approval from the Central Bank of Tanzania.

All Directors are required to disclose outside Directorship's business and conflict of interest on an annual basis and inform the Company Secretary of any changes to such Directorships and conflict of interest within 30 days.

Non-Executive Directors do not have service contracts with the Bank but instead have letters of appointment which stipulate the terms of their appointment.

Value creation through good corporate governance

The Group practice good corporate governance through well-defined governance structures which are vital to support our ability to create and preserve value. Our approach to good corporate governance enhances the achievement of our strategic objectives over time and brings together the interests of all our stakeholders in creating sustainable value. Furthermore, Our Board is committed to continuing to improve corporate governance principles, policies, and practices by remaining up to date on the changes in regulations and best practices.

Our corporate governance approach ensures the Group;

- Adheres to applicable legal, regulatory and practice of good corporate governance.
- Deliver sustainable impact to our stakeholders while caring for our community and contributing to our economy and the environment through our business activities.
- Embedded in an ethical and risk-awareness culture.
- Promote transparency, accountability and empathy in managing our stakeholders' relationships

Roles and functions of the Board

The Board is responsible for ensuring adherence to the code of corporate governance/ Board charter. It is the ultimate decision-making body, and its key role is to provide strategic leadership and guidance to the Bank and its controlled subsidiaries (the Group) and effective oversight of risk management. The Board is accountable to the shareholders for the performance of the Bank's (Group's) businesses.

The specific roles and responsibilities of the Board include but are not limited to the following:

- To prepare financial statements of the Group which show a true and fair view in accordance with applicable standards, rules, regulations, and legal provisions which cover the period from the beginning of the financial year to the end. The Statement of Directors' Responsibilities is found on page 142.
- This responsibility covers the period from the beginning of the financial year to the date those charged with governance approve the audited financial statements and it involves all those charged with governance who acted in this capacity during any part of the period covered by financial statements.
- Determine the Bank's vision, mission and values that promote the sustainability of the Bank.
- Appointing the Group Managing Director and CEO to whom the responsibility of managing the Group is being delegated; reviewing and evaluating his performance regularly; and reviewing and defining succession planning for the CEO and senior management. Approving corporate strategy, monitoring and evaluating the implementation of the strategy designed to create long-term value for the Group. The Board must understand the risks inherent in the Group's strategic plans and how those risks are managed.
- The Board is responsible for determining and amending the KPIs, such as financial ratios, to be applied in relation to the strategy.
- Establishing adequate policies and procedures that ensure the integrity and effective internal controls and adequate risk management practices across the Group.
- Setting the Group's risk appetite, reviewing and understanding the major risks, and overseeing the risk management processes and internal control systems.
- Reviewing the Group's plans for business resiliency. As part of its risk oversight function, the Board periodically reviews management's plans to address business resiliency, including business continuity, physical security, cybersecurity and crisis management.
- Ensure the Bank is adequately always capitalised.
- Approving significant capital expenditures and changes in the capital structure of the Bank, acquisitions and dispositions and new subsidiaries investments.
- Ensure the Group adheres to compliance with laws and regulations and maintains ethical conduct.
- Continuously monitoring the performance of the Bank and management.
- Reviewing and defining the succession planning of the Board and Committee Chair, Board vice Chair, CEO, and senior management.

During the year, the Board performed its roles and responsibilities, as evidenced by the remarkable performance of the Bank and subsidiaries (Group). All members of the Board were collectively responsible and complied with the code of good corporate governance.

Annual Board work plan

The Board has annual work plan which is designed to ensure that the Bank's Board of Directors operates effectively and efficiently throughout the year. It is the responsibility of the Chairman and the Company Secretary, working closely with the Group Managing Director and Chief Executive Officer, to come up with the annual Board work plan and the agenda for the Board meetings.

The plan outlines the key activities, meetings, and strategic initiatives that the Board will undertake to fulfill its responsibilities. By adhering to this structured approach, the Board can maintain high standards of oversight, accountability, and transparency, thereby fostering trust among stakeholders and supporting the Bank's long-term success. The work plan also facilitates proactive decision-making and continuous improvement, ensuring that the Board remains aligned with the Bank's goals and regulatory requirements.

Board operations

The Board meets at least once every three months to discuss the affairs of the Group, and the meetings are structured to allow for open discussions. The notice, agenda, and detailed Board papers are circulated seven days before the meetings to allow time for the Directors to undertake an appropriate review of the Board papers to facilitate full and effective discussions at the meetings. Those charged with Governance can request additional information to support their decision-making when necessary.

During the year, the Board met six(6) times as planned and, during the six meetings, had several discussions regarding the operations of the Bank together with its controlled subsidiaries.

The Board annually elects a chair who is a non-executive Director. The elected chair is not supposed to be a member of any Committee. When deemed fit, the chair may be invited to attend any of the committees' meetings, excluding the Audit Committee.

The Group is committed to maintaining a high standard of corporate governance. The Directors also recognise the importance of integrity, transparency, and accountability. In 2024, the Board constituted four subcommittees to improve corporate governance by delegating specific tasks from the main Board to a smaller group and harnessing the contribution of non-executive Directors whose term of reference is embedded in the respective Board Committee Charter. Committee members are elected annually from among the Board members.

The Board remains collectively responsible for any committee's decisions and is required to review the effectiveness and performance of committees annually

The sub-committees are;

- Board Audit Committee
- Board Governance, Nomination and Human Resources Committee
- Board Credit Committee
- Board Risk Committee

All these Board Committees are constituted and chaired by Non-Executive Directors.

The below table shows the planned meetings and execution for all Boards

Board	Planned Meetings	Executed
Main Board	6	6
Board Audit Committee	5	5
Board Governance, Nomination and Human Resources Committee	6	6
Board Credit Committee	15	15
Board Risk Committee	4	4
Shariah Advisory Board	4	4

Board activities

During the year, the key areas of focus for the Board's activities and topics discussed were on the following matters:

- The Board discussed the quarterly performance of all Group KPIs as presented by management and directed management accordingly regarding the expected performance of the Bank, its subsidiaries, and investments made by the Bank.
- The Board discussed and approved the Group's budget and strategy for the year 2025 as presented by the management by adding inputs and enlightening management on its expectations for implementing the strategy and budget.
- During the meetings, the Board also discussed the reports received from all Board committees and deliberated accordingly.
- Reviewing financial statements, budgets, and forecasts. The CFO, as a permanent invitee, provides detailed financial reports and insights, enabling the Board to make informed decisions regarding investments, cost management, and financial planning.
- Made a recommendation to the shareholders on the approved final dividend for 2024 performance
- Oversight of the Group and subsidiaries' performance.
- The Board reviewed policies, and compliance reports, with the Director of Risk and compliance providing updates on regulatory changes and compliance status.
- Engaged in detailed discussion on the Group Capital management.
- Approved the audit fees for the external auditor.
- Approved the Board Work Plan
- Reviewing audit reports which include audit findings for the respective year and direct management on addressing audit findings and implementing corrective actions.

Board diversity

Board diversity is a cornerstone of our commitment to good corporate governance. We believe that a diverse Board brings a wealth of perspectives, experiences, and skills that are essential for effective decision-making. Our board's diversity enables us to better understand and address the needs of our stakeholders, including employees, customers, and investors. This diversity fosters innovation and enhances our Group's performance, ensuring that we remain competitive in a rapidly changing business environment.

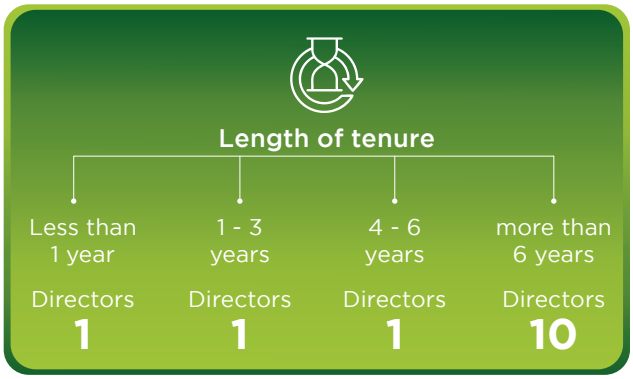
In line with best practices for corporate governance, we have implemented proactive strategies to ensure our Board reflects a mix of gender, ethnicity, age, and professional backgrounds. We have set ambitious diversity targets and established policies that promote inclusivity. Our Board members participate in regular training and development programs to understand the importance of diversity and how to leverage it for better governance. Additionally, we are committed to transparent reporting on board diversity, demonstrating our dedication to these principles and building trust with our stakeholders.

We recognise that board diversity is not merely about meeting regulatory requirements; it is about creating an environment where different viewpoints are valued and contribute to our success. By prioritising diversity, we enhance our reputation, attract top talent, and navigate the complexities of today's business landscape more effectively. Our commitment to good corporate governance practices that emphasise diversity ensures that we are resilient and adaptable, ready to thrive in an ever-changing world.

As of 2024, the gender diversity ratio of Directors between males and females is 85:15. There are strategies in place to ensure the number of women on the board increases by encouraging them to apply and by headhunting.

The duration of service for those charged with governance

The Group balance continuity and fresh perspectives on our Board by managing the length of tenure for our members. Our policy includes term limits and periodic evaluations to ensure a mix of long-serving Directors, who provide valuable experience, and newer members, who bring fresh insights. This approach fosters a dynamic and responsive Board, promoting continuous improvement and strategic foresight to guide the Group towards sustained success in an ever-changing business landscape.

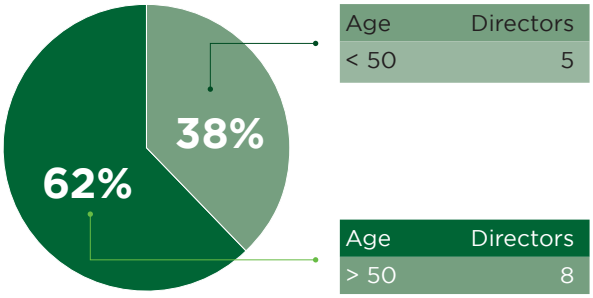


Age mix

The age diversity among the Board members at CRDB Bank Plc showcases a harmonious blend of seasoned expertise and innovative viewpoints. This diverse mix not only enriches the decision-making processes but also fosters a dynamic environment where traditional wisdom complements modern strategies. Below is a detailed table that illustrates this variety in age.

This combination fosters a harmonious blend of seasoned leadership and cutting-edge innovative thinking, significantly enhancing the Group's strategic direction and governance framework.

In Tanzania, there is no age limit for board members.



Age	Directors
< 50	5

Age	Directors
> 50	8

Board effectiveness

The effectiveness of the Board is emphasised by the diverse and experienced leadership team that plays a crucial role in guiding the Group towards its strategic goals. The Board is composed of both executive and non-executive Directors, including industry experts and independent members. This combination ensures a balanced approach to governance and decision-making.

Such diversity promotes strong oversight, strategic guidance, and accountability, all of which are essential for maintaining the Bank's robust market position and financial stability. The Board is also dedicated to continuous improvement and adheres to best practices in corporate governance. This commitment enhances its effectiveness, enabling the Group to navigate the ever-changing financial landscape and foster sustainable growth.

Those charged with governance

The Board is confident in its composition, which includes a well-balanced mix of members possessing the right blend of skills, diverse experiences, and extensive knowledge necessary to rigorously evaluate and enhance strategic proposals. Their collective insight enables them to offer independent judgment on critical issues related to performance and risk management. The Board comprises independent non-executive Directors who bring objective perspectives and valuable opinions on a variety of matters, ensuring that discussions are both comprehensive and insightful.

01 **Dr. Ally Hussein Laay**
Chairman

05 **Mr. Jes Klausby**
Non-executive Director

09 **Mr. Abdul A. Mohamed**
Non-executive Director

13 **Mr. Pascal T. Mihayo**
Director of Legal Services and Company Secretary

02 **Mr. Abdulmajid M. Nsekela**
Managing Director, Ex Officio

03 **Prof. Neema M. Mori**
Independent
Non-executive Director

04 **Mr. Martin S. Warioba**
Independent
Non-executive Director

06 **Eng. Boniface C. Muhegi**
Non-executive Director

07 **Prof. Faustine K. Bee**
Non-executive Director

08 **Dr. Fred M. Msemwa**
Non-executive Director

10 **Ms. Miranda N. Mpogolo**
Independent
Non-Executive Director

11 **Mr. Gerald P. Kasaato**
Non-executive Director

12 **Mr. Abdulrazak I. Badru**
Non-Executive Director

Board of Directors

Dr. Ally H. Laay

Chairman

Dr. Laay has worked at various organizations and in different capacities including Principal Management Accountant at TANESCO, Management Consultant at PWC, Counterpart Director of Finance and Administration at Medical Stores Department, Director of Finance and Administration at TASAF, Director of Finance at ICAP of Columbia University and Director of Finance and Administration at the National Economic Empowerment Council.

Currently the Chairman of the Board of Directors of CRDB Bank Plc, CRDB Bank Plc has maintained its position as the largest Bank in Tanzania in terms of resources, customer deposits, loan portfolio, profits, and branch network under his stewardship. He is also a part-time consultant in Financial Management, Accountancy, Auditing, and Corporate Governance.

Dr. Laay holds an Advanced Diploma in Accountancy (ADA), Post Graduate Diploma in Accountancy (PGDA), Certified Public Accountant (CPAT), Master of Business Administration (MBA) from the University of Wales, Cardiff Business School in the UK and Ph.D. in Business Administration in Finance and Accounting from Commonwealth University, United Kingdom.

While being the CRDB Board Chairman, Dr Laay also serves as Board Chairman of the Southern Agricultural Growth Corridor of Tanzania (SAGCOT). He is also a member of a number of boards including the Tanzania Tourist Board (TTB) (where he chairs the Audit, Risk, and Compliance Committee), member and Chairman of the Audit and Compliance Committee of the Foundation for Civil Society (FCS).

He previously served as a Board member at the Institute of Accountancy Arusha (IAA), National Housing Corporation (NHC), Aerial Glacier Pediatric Health Initiative (AGPAHI), and Tanzania Family Planning.

Prof. Neema M. Mori

Independent Non-executive Director, Vice Chair

Prof. Neema is an Associate Professor of Finance and Director of Public Services at the University of Dar es Salaam, Tanzania. Before that, she worked as a Senior Lecturer at the Department of Finance, University of Dar es Salaam, Research Fellow at University of Agder, Norway, Assistant Lecturer and Tutorial Assistant at University of Dar es Salaam and Audit Trainee at KPMG Tanzania.

Prof. Mori is impacting positively on women and youth as a trainer, researcher, coach and mentor in leadership and entrepreneurship. She is among the founders of various women leadership programmes in Tanzania. She has 20 years of experience in teaching, researching and consulting in areas of banking, finance, investment, corporate governance, microfinance and entrepreneurship. She is active in research and has published academic papers in international refereed journals such as Journal of Management and Governance, Journal of Emerging Market Finance and Journal of African Business.Prof Mori holds a PhD in International Business majoring in Corporate Governance and Boards of Financial Institutions from University of Agder Norway, Masters of Business Administration (MBA) majoring in Finance and Bachelor of Commerce (B.Com) majoring in Finance both from the University of Dar es Salaam.

Prof. Mori is the Vice chairperson of the Board, Chairperson of the Credit Committee and Member of the Risk Committee.She holds a Certification in Company Direction offered by the Institute of Directors – UK. She likes reading, singing and dancing and enjoys outside walking and exercising.

Prof. Mori is impacting positively on women and youth as a trainer, researcher, coach and mentor in leadership and entrepreneurship. She is among the founders of various women leadership programmes in Tanzania. She has 20 years of experience in teaching, researching and consulting in areas of banking, finance, investment, corporate governance, microfinance and entrepreneurship. She is active in research and has published academic papers in international refereed journals such as Journal of Management and Governance, Journal of Emerging Market Finance and Journal of African Business

Mr. Abdulmajid M. Nsekela

Managing Director, Ex Officio

Mr. Abdulmajid Mussa Nsekela is a seasoned African business leader with nearly three decades of experience in investment, business, retail, wealth management, and private banking across East Africa. His expertise spans transformational leadership, business turnaround, and strategic management. Throughout his career, he has held key roles in financial and strategic planning, risk management, governance, auditing, and compliance. In October 2018, he was appointed Group Chief Executive Officer (CEO) & Managing Director of CRDB Bank Plc. He is deeply passionate about leadership, economic empowerment, financial inclusion, and sustainable development.

During his first year at CRDB Bank, Mr. Nsekela led the Bank's accreditation by the United Nations Green Climate Fund (GCF) as a financial intermediary, making CRDB the first commercial bank in East and Central Africa to be accredited as a Direct Access Entity (DAE). Under his leadership, the Bank secured $100 million in 2021 to support climate-resilient agriculture and technology adaptation in Tanzania. In 2023, he spearheaded the launch of Tanzania's first green bond, valued at $300 million, further strengthening CRDB's position in sustainable finance.

Mr. Nsekela holds several leadership roles on key boards in Tanzania. He is the Chairman of the Tanzania Cooperative Development Commission (TCDC), the Arts and Culture Fund (Bodi ya Sanaa na Utamaduni), and the Tanzania Small Holders Tea Development Agency (TSHTDA). Additionally, he serves as a council member of the Tanzania National Business Council (TNBC) - Finance Working Group and is a board member of the Tanzania Financial Inclusion National Council (TFINC) and the Economic & Social Research Foundation (ESRF). Previously, he served on the boards of the Tanzania Private Sector Foundation (TPSF) and the Tanzania Mortgage Refinance Company Limited (TMRC). He is also the immediate former Chairman of the Tanzania Bankers Association (TBA), where he served for four years (2018-2022).

His leadership and impact in the financial sector have been widely recognised. In 2023, he was named among the 25 Top African Finance Leaders by the African Leadership Magazine (ALM). He was inducted into the African CEO's Hall of Fame (2020) by ALM and recognised among the 50 most reputable Bank CEOs in Africa (2021) by Reputation Poll International. In 2022, he received an Honorary Fellowship Award from the Tanzanian Institute of Banking (TIOB). He was also named CEO of the Year (2021 and 2022) by the Tanzania Top 100 Executives List and recognised as the "Most Inspiring Male Corporate Leader" by the Consumer Choice Awards in 2022.

Mr. Nsekela holds a Master's Degree in Business Administration - International Banking Finance (MBA-IBF) and a Post Graduate Diploma in Business Administration (PGDBA) from Birmingham University (UK). He also has an Advanced Diploma in Banking from the Institute of Finance Management (IFM), Tanzania, and is a graduate of Harvard Business School's Authentic Leadership Program.

Mr. Martin S. Warioba

Independent Non-executive Director

Martin Warioba is Founder and Managing Partner at Warioba Ventures, Africa-focused advisory and investment firm that provides advisory in corporate strategy, investment, project management, payments, risk management and technology. In addition, Warioba Ventures invests in early-stage startups, out of Tanzania as well as in East Africa, and builds sustainable ecosystem to support fintech and technology-related startups focusing on tackling Africa's great challenges. Martin oversees management and operations of Warioba Ventures.

He has 23-year experience in Information Technology, corporate management and payments, both as consultant, executive, project manager and software developer. Martin is one of key Payments and Digital Financial Services (DFS) experts in Africa and he was instrumental in development of payment scheme rules for world's first mobile wallet-to-mobile wallet interoperability between Mobile Network Operators (MNOs) in Tanzania as well as Democratic Republic of Congo, Rwanda, and Uganda. He advices Central Banks, Commercial Banks, MNOs, FinTech, Startups, Public and Private Sector, NGOs on Corporate Strategy, Digital Economy, DFS Interoperability, Payments, Policy & Regulations, Risk Management and Technology

Previously, Martin was a founder and Managing Partner at WS Technology Consulting, a successful business that operated across East Africa for 11 years. He also worked with Deloitte Consulting US LLP and Central Bank of Tanzania. Mr. Warioba has Computer Science degree with a minor in Mathematics from Louisiana State University as well as MBA and MSc in Information Management degrees from Arizona State University. Martin sits on board of CRDB Bank PLC and its Audit committee as Independent, Non-Executive Director, Board Chairman of CRDB Bank Foundation, Non-Executive Director representing all investors at DMRx LLC (Dawa Mkononi), and Non-Executive Board Director at Africa Business Angel Network (ABAN). Mr. Warioba is committed in mentoring young African professionals in areas of corporate governance, investment, leadership, management, technology and venture building. Due to his well-rounded technology and management expertise, Mr. Warioba is a regular speaker in many conferences and events across Africa. In his spare time, Martin enjoys reading, traveling and sports especially golf, basketball, athletics, and soccer.

Mr. Jes Klausby

Non-executive Director

Mr Jes Klausby is a Senior Bank Analyst at the Danish Central Bank. He worked as Executive Vice President, Head of Group Finance at Nykredit Group, Chairman/ Board Member of Dansk Pantebrevsbors, a subsidiary of Nykredit Realkredit, Managing Director at Nykredit Bank, a subsidiary of Nykredit Realkredit, Executive Vice President, Head of Central retail units in Nykredit Realkredit. He was also an External examiner in Finance at Danish Universities and a Teacher in Finance at Copenhagen Business School.

He has experience in financial reporting in a Danish bank, managing balanced scorecards, and implementing income and cost allocation in a complex financial organization.

Mr Klausby holds MSc in Mathematics and Economy from Aarhus University Denmark. He has attended a change management program at INSEAD. Mr Klausby is Chairman of the CRDB Bank Plc Risk Committee and member of the Governance, Nomination and Human Resource Committee.

Eng. Boniface C. Muhegi

Non-executive Director

Engineer Boniface Charles Muhegi is the Managing Director of JMK International Consultants Ltd (an engineering and project management consulting firm). He was the Registrar (Chief Executive Officer) of the Contractors Registration Board (CRB) for 15 years up to 2014 and is credited for the major strides made by CRB in conformity to its mission of regulating and developing a competitive and sustainable contracting industry with capable contractors who deliver quality works and observe safety in pursuit of economic growth.

He boasts of vast experience in the engineering and construction fields, having previously worked with the National Construction Council and Tanzania Electric Supply Company LTD (TANESCO).

Engineer Muhegi obtained his training in the spheres of engineering and construction management from reputable higher learning institutions namely; Master of Science in Engineering from the University of Melbourne, Australia, Bachelor of Science in Engineering (Civil) from University of Dar es Salaam, Advanced Post Graduate Diploma in Construction Management from the Institute of Housing Studies (IHS) Rotterdam, Netherlands. He has also attended short courses and seminars locally and abroad on technical, management, and governance issues.

He served as vice chair on the Advisory Board of Tanzania Building Agency (TBA) up to early 2014 and on the Boards of Tanzania Electric supply Company Limited (TANESCO),Dar es Salaam Water Sewerage Corporation(DAWASCO) and Public Procurement Regulatory Authority (PPRA) up to 2018. He is a Chairperson of the Governance, Nomination and Human Resources Committee and member of the Credit Committee of CRDB Bank Plc.

Prof. Faustine K. Bee

Non-executive Director

Prof. Faustine Karrani Bee was a distinguished Professor in Development Studies at Sokoine University of Agriculture (SUA) until December 2024. From March 2019 to July 2022, he served as Professor of Development Studies and Vice-Chancellor at the University of Dodoma (UDOM). Prior to his tenure at UDOM, he was the Vice-Chancellor at Moshi Co-operative University (MoCU), where he also held a professorship in Development Studies.

Prof. Bee began his academic career as a Tutor at the then Co-operative College Moshi in 1988, advancing to Lecturer in 1993. He served as Head of the Department from 1993 to 2000, and as Director of Research and Consultancy Services from 2000 to 2004. In 2004, the Co-operative College Moshi transitioned into the Moshi University College of Co-operative and Business Studies (MUCCoBS), a Constituent University College of SUA, where Prof. Bee ascended to the rank of Professor in 2014.

He held several key positions at MUCCoBS, including Director of the Bureau of Research and Consultancy Services (2006-2007), Deputy Principal (Academic) (2007-2010), and Principal (2010-2014). Prof. Bee played a pivotal role in transforming MUCCoBS into an independent university, Moshi Co-operative University (MoCU), in 2014, becoming its first Vice-Chancellor (September 2014 – March 2019).

Prof. Bee holds a Doctorate and a Master's degree in Development Studies, as well as a Bachelor's degree in Economics. He was a Visiting Research Fellow at the Institute of Developing Economies in Tokyo, Japan, from 1995 to 1996. Throughout his career, he has participated in numerous conferences and workshops both locally and internationally, and has an extensive record of research and publications.

He has served on various University Councils and Boards of Directors, including the University of Dodoma (2019-2022), Nelson Mandela – African Institution of Science and Technology (2016-2019), Sokoine University of Agriculture (2010-2014, 2017-2019), Moshi Co-operative University (2021-present), and Mwenge Catholic University (2016-present). He was Chairperson of the Inter-University Council for East Africa (IUCEA) (2019-2020) and the Committee of Vice Chancellors and Principals of Public Universities in Tanzania (CVCPUT) (2019-2021).

Prof. Bee has also chaired several boards, including the Local Authorities Pensions Fund (LAPF), College of African Wildlife Management Mweka, Moshi Urban Water Supply and Sanitation (MUWSA), and Dodoma Urban Water Supply and Sanitation Authority. He has been a board member of the Tanzania Coffee Board, Centre for Agricultural Mechanization and Rural Technology (CARMATEC), and Co-operative Audit and Supervision Corporation (COASCO).

Currently, Prof. Bee is a board member of CRDB Bank Plc, its subsidiary in DR Congo, and the newly formed Co-operative Bank of Tanzania Limited (CBT). He is a member of the Governance, Nomination, and Human Resources Committee, as well as the Credit Committee of the CRDB Bank Plc Board.

.....

Mr. Abdul A. Mohamed

Non-executive Director

Mr. Abdul has extensive experience and a proven track record in dynamic, profitable, challenging, growth industries, including financial services, media, and commercial football. An accomplished financial specialist with high-quality leadership management, Mr. Abdul has served as Director of Strategy and Communication at Zanzibar State House since 2020. He has vast experience managing Van Mo Group, an emerging commodities trading and transport company with operations in Tanzania, Zambia, and South Africa, as Group Managing Director and CEO. Abdul has also served as Commercial Director at Azam Media Ltd. in 2018 and as Chief Executive Officer of Azam Football Club, Bakhresa Group, from 2016 to 2018; he was appointed General Manager of Azam Football Club in 2016. Between 2014 and 2015, he did the E & Y Summer Internship and served as a senior broadcasting Clouds Media Group (2010-2012) and ITV and Radio One (2003-2012).

Mr. Abdul is a Harvard alum from Harvard Kennedy School. He is also an accredited Harvard Business School-certified director; he holds a bachelor's degree in accounting and finance from Middlesex University UK. He is also a CFA Associate member and ACCA affiliate member from the United Kingdom. He is an IoD Certified Director.

Mr. Abdul is a member of the Governance, Nomination, and Human Resources as well as Risk Committees of the Board of Directors of CRDB Bank Plc and Chairperson of the Sharia Advisory Board.

Ms. Miranda N. Mpogolo

Independent Non-Executive Director

Miranda is the Founder and Managing Partner of Empower, a disruptive Tanzanian strategic consulting firm operating across Africa. Guided by their proprietary Theory of Transformation©, Empower collaborates with Executive Committees and Boards to translate organizational vision into actionable, measurable outcomes. The firm focuses on empowering people, enhancing processes, and strategically positioning brands to drive sustainable growth. Through its flagship Generation Empower (GenEm) initiative, Empower also invests in youth development, reinforcing Miranda's commitment to collective progress.

Miranda holds an MA in Theatre & Development Studies from the University of Leeds and a BA (Hons) in Drama, Applied Theatre & Education from The Central School of Speech & Drama in London. She has also completed the Certificate in Company Direction from the Institute of Directors (IoD) UK, a globally recognized qualification covering governance, finance, strategy, and leadership, equipping her with advanced skills in corporate governance and strategic leadership.

Miranda's influence extends beyond Empower, underpinned by extensive governance expertise across the financial, healthcare, and entrepreneurial sectors. She serves as Vice Chair of CCBRT Hospital, applying her skills to foster strategic growth and deliver meaningful social impact. Additionally, Miranda is Chair of the Africa Womens' Entrepreneurship Cooperative (AWEC), supporting women entrepreneurs across Africa. Her global perspective is further enriched by her roles as a Board Member of the Global AI Council and active participation in the Entrepreneurs' Organization (EO), where she contributes as a member of the Global Product Portfolio.

Inspired by the beauty of nature, the power of human connection, and the joy of family, Miranda channels her personal passions into her professional purpose—creating a more just, equitable, and thriving Africa for generations to come.

Miranda serves on the Board Governance, Nomination, and Human Resources Committee and the Credit Committee of CRDB Bank Plc.

Mr. Gerald P. Kasaato

Non – Executive Director

Mr. Gerald Paul Kasaato is the Deputy Managing Director of the National Social Security Fund (NSSF), a mandatory retirement savings scheme in Uganda with assets under management of approximately USD 7 Billion. Prior to that he was the Chief Investment Officer for 10 years for NSSF Uganda. Before that he was the Portfolio Manager in charge of Equities. Gerald also previously worked for National Housing and Construction Company Limited (Uganda) as Finance and Investment Manager and National Insurance Company Limited as Manager Investments and Treasury, and in the UK where he trained as a Chartered Accountant.

Mr. Kasaato is an alumnus of Harvard Business School. He holds a Bachelor of Science with Honors (BSc. Hons) in Accounting from Oxford Brookes University (UK), a Bachelor of Laws degree, LLB (Hons) from Nottingham Trent University (UK), an MBA in Finance from the University of Exeter (UK), and an MSc. in International Finance and Investment from London South Bank University (UK). He obtained the MSc. degree with distinction and was best graduating student on the MSc. Finance cohort in his graduation year. Gerald is a CFA Charter holder, a Chartered Accountant (UK), a Fellow of the Chartered Management Institute (FCMI, UK), and a member of the Institute of Certified Public Accountants of Uganda (ICPAU).

Gerald has obtained several trainings in the spheres of alternative investments from reputable higher learning institutions such as the Wharton School of the University of Pennsylvania and London Business School. Gerald has also undertaken the CEO Apprentice Program (Uganda) in Partnership with Strathmore Business School, Kenya.

Gerald in the past was a Non-Executive Director at both the Yield Fund Uganda—a private equity fund that focuses on agriculture in Uganda, and TPS (Uganda) also known as Serena Hotel. Additionally, Gerald was the Board Chairperson of Trade Development Bank, and Non-Executive Director representing the constituency that has; Uganda, Comoros, Democratic Republic of Congo, Sudan, and Angola. He served a three-year term which ended in September 2024. The term rotates across the five constituent member states.

Gerald loves travelling, listening to good debates, and watching sports such as formula one, football, rugby and tennis.

Mr. Kasaato is the Chairman of the Audit Committee of the Board of Directors of CRDB Bank Plc and represents CRDB Bank Plc on the board of the CRDB Insurance Company Limited (CIC).

Mr. Abdulrazak I. Badru

Non-Executive Director

Mr. Abdul-Razaq Ibrahim Badru is an accomplished business leader with over 20 years of extensive experience in management, strategy, capacity development, and business development across the public, non-profit, and commercial sectors. He currently serves as the Director General of the Public Service Social Security Fund (PSSSF), where he is accelerating transformational efforts to enhance financial sustainability, service delivery, and policy development in social security.

Prior to his current role, Mr. Badru was the Executive Director and Secretary to the Board of Directors (BoD) at the Higher Education Students' Loans Board (HESLB) in Tanzania from July 2016 to February 2024. Under his leadership, HESLB significantly improved access to education financing, enhanced loan recovery mechanisms, and strengthened operational and governance structures.

His career also includes serving as the Deputy Executive Director at the Ifakara Health Institute (IHI) in Dar es Salaam, Tanzania (2014–2016), where he played a pivotal role in driving institutional transformation and growth. From 2010 to 2013, he was the Country Director at Health Partners International (HPI) in Zambia, leading the implementation of health system strengthening initiatives and strategic partnerships.

Mr. Badru is a well-rounded professional with strong academic and leadership credentials. He holds: Postgraduate Diploma in Leadership from Aalto University Executive Education (AEE), Finland & Uongozi Leadership Institute, Tanzania. Master of Business Administration (MBA) in International Business Management – Indian Institute for Foreign Trade (IIFT), New Delhi, India and a Bachelor of Arts in Sociology – University of Dar es Salaam, Tanzania. He is a PhD candidate since 2018 exploring on the importance of aligning strategy and execution to create value, and sustainability

Additionally, he has attended specialized executive training programs in various fields both locally and internationally, equipping him with cutting-edge leadership, business management, and governance expertise.

A recognized leader in corporate governance, Mr. Badru serves on multiple boards, contributing his strategic insights and financial acumen:

Board Member, CRDB Bank Plc – Serving in the Audit Committee; Board Member, STAMICO – Supporting Tanzania's mining and mineral sector growth; Board Member & Committee Chair, KCMco – Providing oversight on governance and strategic direction. Board Member, BoT Mwalimu Nyerere Memorial Scholarship Fund – Advancing educational access for outstanding Tanzanian students. Member, Audit & Risk Committee, Sokoine University of Agriculture (SUA) – Strengthening institutional governance and financial sustainability.

With a proven track record in public sector leadership, financial stewardship, and policy development, Mr. Badru continues to drive impactful reforms and contribute to Tanzania's socio-economic development.

Mr. Royal J. Lyanga

Non-Executive Director

Royal Lyanga is a finance and tax expert with 20 years of experience in tax administration, financial planning, and public policy. He currently serves as the assistant commissioner for national planning and development at the Ministry of Finance and Planning, where he oversees the preparation and review of long-term development perspectives for the government of Tanzania. He plays a key role in formulating medium- and long-term plans to implement the Tanzania Development Vision.

Before joining the Ministry of Finance and Planning, Royal served as manager of statistics and business intelligence at the Tanzania Revenue Authority (TRA), where he also held roles as a principal statistician and statistician. Earlier in his career, he worked as an assistant lecturer at the Institute of Finance Management (IFM) in Dar es Salaam.

He is a board member of Tembo Nickel Corporation, a joint venture between the Tanzanian government and British firm Kabanga Nickel, managing one of the world's largest nickel deposit projects. He also represents the Ministry of Finance and Planning on the Committee of Finance and Budget for TAZAMA Pipeline Limited and is a member of the Commission for Review of Government Revenue and Expenditure Systems (CRGRES). Additionally, he has been appointed by the President to several negotiation and technical committees, particularly in the extractives industry.

Royal is a board member of the National Bureau of Statistics, serving as chairman of the statistical operations committee and a member of the Governance and Human Resources Committee.

With over 15 years of experience, he specialises in financial risk management, statistics and data analysis, research and policy analysis, tax revenue forecasting, financial modeling, fiscal policy formulation, planning, monitoring and evaluation, and trade statistics.

He holds a Master's Degree in Statistics from the University of Dar es Salaam, Tanzania, and has completed specialised training at institutions including Duke University (North Carolina, USA) and Pretoria University (South Africa).

Dr. Fred M. Msemwa

Non-executive Director

Fred Msemwa is the Managing Director of Watumishi Housing Investments (WHI), a real estate and fund management firm responsible for management of Watumishi Housing Real Estate Investment Trust (REIT) and FAIDA Fund which is an open-ended Collective Investment Scheme (CIS). He has more than twenty years' professional experience spanning across sectors including real estate, tourism, construction, energy and water regulation, accountancy, audit, fund management, bank governance, and risk management. He previously served as Director of Audit at the Energy and Water Regulatory Authority – EWURA, Deputy Principal at National College of Tourism and rose from an Accountant to Finance Manager at National Housing Corporation (NHC). Dr. Fred graduated in accountancy from the Institute of Finance Management (IFM) and holds MBA Finance (UK). He is a certified Board Director and holds PhD in Business Administration. He is the Board Chairman of CRDB Bank DR Congo and sits on the Risk and Credit Committees of CRDB Bank Plc and serves on the Boards of Business Registration Agency (BRELA) and SAGCOT. He volunteers as the Chair of the Youth Dream Foundation (YDF); a youth empowerment NGO focusing on education, careers guidance and entrepreneurship. He has authored a Book on Usimamizi wa Biashara na Fedha and written several articles on real estate investment, entrepreneurship and career development.

Mr. Moses Wilson Dulle

Non-Executive Director

Moses Wilson Dulle is the Director of Planning in the Ministry of Finance with broad knowledge, understanding and experience in policy and finance management including: Mobilization and management of financial resources; planning, budgeting, execution, monitoring and evaluation of plans and budget frameworks; aid coordination and development cooperation management; project management, monitoring and evaluation; negotiations relating to mobilization of financial resources; interpretation of economic development indicators; identifying, analyzing, and responding to potential risks that could negatively impact an organization; management of fiscal and financial policies; analysis of backward and forward linkages of development initiatives; and identifying and analyzing development priorities within and across sectors.

Mr. Dulle has more than twenty years' professional experience, having previously served as Project Manager, Public Finance Management Reform Programme (PFMRP); and Cabinet Liaison officer (CLO) in the Ministry of Finance.

He holds a Master's Degree in Development Studies - Economics of Development from the International Institute of Social Studies of Erasmus University of Rotterdam (ISS), Netherlands and Bachelor of Arts – Economics, from the University of Dar es Salaam.

Company Secretary

The Company Secretary plays a vital role in supporting the Board by offering qualified, competent, and experienced assistance, although is not a member of the Board. The Board is responsible for appointing the Company Secretary. Throughout the year, the Company Secretary ensures compliance with all applicable laws, regulations, and professional standards to maintain a good professional standing.

The primary responsibilities of the Company Secretary include:

Offering guidance to the Board and individual Board members regarding their duties, responsibilities, and powers, particularly concerning compliance with applicable laws and, when relevant, stock exchange requirements, and ensuring that these are exercised in the best interest of the Company.

Ensuring that Board procedures are consistently followed and regularly reviewed and that the Board adheres to all applicable laws, rules, regulations, and governmental policies.

Assisting the Chairperson and the Group Managing Director and CEO in organising general meetings and Board activities. This includes:

- Organising General Meetings and Board Activities:
  - Providing Information: Ensuring that all necessary information is available to Board members for informed decision-making.
  - Preparing Agendas: Creating detailed agendas for meetings to ensure all relevant topics are covered.
  - Issuing Notices: Sending out official notices for meetings in a timely manner to ensure all members are informed.
  - Overseeing Meetings: Managing the logistics of meetings, ensuring they run smoothly and efficiently.
- Board Evaluations and Governance Audits:
  - Board Evaluations: Conducting regular assessments of the Board's performance to identify areas for improvement.
  - Governance Audits: Reviewing governance practices to ensure compliance with legal and regulatory standards.
- Board Induction and Development Programs:
  - Induction Programs: Providing new Board members with the necessary orientation and training to understand their roles and responsibilities.
  - Development Programs: Offering ongoing education and development opportunities to enhance the skills and knowledge of Board members.
- Succession Planning:
  - Developing and implementing plans to ensure a smooth transition of leadership within the Board and executive management.
  - Reviewing Governance Processes:
  - Regularly evaluating the effectiveness of governance processes within the Board and Group.
  - Making recommendations or developing initiatives to strengthen governance practices.
- Providing secretarial services to the Board, which includes preparing and adhering to the Board Work Plan, circulating Board papers ahead of meetings, keeping records of attendance, safeguarding the corporate seal and documenting its usage, ensuring timely preparation and distribution of minutes from Board meetings and Committees, updating Board and Committee charters, and promptly filing necessary returns with relevant authorities.
- Custodian of all Board's official records including Board packs, minutes, and Bank's MEMARTS.
- Ensuring compliance with governance regulations, including filing required returns, updating statutory registers and Articles of Association, and adhering to continuous listing requirements.
- Facilitating effective communication between the Group and its shareholders, as well as coordinating the publication and distribution of the annual report and financial statements.
- Organising and managing the process of conducting the Annual General Meeting (AGM) or extraordinary general meetings and advising on concerns that need to be raised at Board meetings to secure shareholder support and votes.
- Monitoring share movements on the Register of Shareholders

Separation of roles and responsibilities

The Chairman, a non-executive role, and the Group Managing Director and CEO are separate roles. The Chairman is responsible for the Board's leadership and management and for ensuring that the Board and its committee's function effectively.

The Group Managing Director and CEO bears overall responsibility for implementing the strategy agreed by the Board, the operational management of the Company, and the business enterprises connected with it. The Senior Management team supports him in this.

The Senior Management team is encouraged and invited to attend Board meetings to facilitate effective communication, assist the Board with its deliberations, and provide critical insights and analysis of various business units within the Bank. Board meetings are held quarterly to deliberate on the Group's results.

While the Chairman and Group Managing Director and CEO are collectively responsible for the leadership of the Group and for promoting the highest standards of integrity and probity, there is a clear and effective division of accountability and responsibility between the Chairman and the Chief Executive, and each plays a distinctive role but complementing each other to ensure that there is a balance of power and authority, and no individual has unfettered powers of decision and control.

Key roles and responsibilities of the Chairman of the Board.

- Provides leadership and governance of the Board to create the conditions for the overall effectiveness of the Board and individual Directors and ensures that the Board discusses all key and appropriate issues in a timely manner.
- Promotes effective relationships and open communication and creates an environment that allows constructive debates and challenges, both inside and outside the Boardroom, between Non-executive Directors and the management.
- Ensures that the Board plays a full and constructive part in developing and determining the Group's strategies and policies, that Board decisions are in the Group's best interests, and that they fairly reflect the Board's consensus.
- Ensures that the strategies and policies agreed by the Board are effectively implemented by the Chief Executive and the management.
- Establishes good corporate governance practices and procedures and promotes the highest standards of integrity, probity, and corporate governance throughout the Group and particularly at the Board level. It is the responsibility of the chairman to adhere to the code of corporate governance/ Board charter.

Key roles and responsibilities of the Group managing Director and Chief Executive Officer

- Leads the management in the day-to-day running of the Group's business in accordance with the business plans and within the budgets approved by the Board.
- Leads the management to ensure effective working relationships with the Chairman and the Board by meeting or communicating with the Chairman on a regular basis to review key developments, issues, opportunities, and concerns.
- Develops and proposes the Group's strategies and policies for the Board's consideration.
- Implements, with the support of the management, the strategies and policies as approved by the Board and its committees in pursuit of the Group's objectives.
- Conducts the affairs of the Group in accordance with the practices and procedures adopted by the Board and promotes the highest standards of integrity, probity, and corporate governance within the Group.2-

Board independence

A key component of our governance framework is board independence. Our board comprises a majority of Directors who are not part of the Group's executive team or otherwise closely tied to the Bank. This structure ensures that our Directors can provide unbiased oversight, free from conflicts of interest, and make decisions that are in the best interest of our shareholders. By maintaining an independent board, we uphold the integrity of our governance practices and foster trust among our stakeholders.

The Group benefits from the presence of three Independent Non-Executive Directors who have no financial ties to it. Their independence allows them to provide unbiased oversight, hold management accountable, and contribute to strategic decision-making that aligns with shareholders' interests. Their independence is crucial in ensuring that the Board's actions are transparent and focused on long-term value creation for the Group.

Assessing independence.

The Board rigorously evaluates the independence of its Director's both at the time of their appointment and continuously throughout their tenure. Each Director is required to provide an annual declaration of their interests, any conflicts, and their independent status, with the opportunity to declare interests at any point during the year.

In assessing a Director's independence, the Board considers all relevant facts and circumstances, focusing on any direct or indirect relationships with the Bank, senior management, or other Directors that could influence their actual or perceived independence. This includes relationships with companies that have significant business ties with the Bank and not-for-profit organisations receiving substantial support from the Group.

The Board's independence is assessed annually in accordance with the National Board of Accountants and Auditors (NBAA) regulations. Additionally, all Board members are evaluated through the Regulator, the Central Bank of Tanzania (BOT).

Throughout the year, the Board received no complaints regarding Board Independence from the NBAA, the professional body, or from the Central Bank of Tanzania, the regulator.

Board committees

An effective committee structure permits the Board to address key areas in more depth than may be possible at the full Board level. Decisions about committee membership and chairs should be made by the full Board based on recommendations from the nominating/ corporate governance committee.

The responsibilities of each committee and the qualifications required for committee membership is clearly defined in a written charter that is approved by the Board. Each committee is required to review its charter annually and recommend changes to the Board. All committees are required to update the full Board of their activities on a regular basis. The report to include findings, matters identified for specific recommendation to the Board, action points and any other issues as deemed appropriate.

The table below shows the number of Board and Committee meetings held during the year and the attendance by those charged with governance:

S/N	Name of Director	Main Board	Board Audit Committeew	Board Credit Committee	Board Governance, Nomination and Human Resource Committee	Board Risk Committee
1	Dr. Ally H. Laay	6/6				
2	Prof. Neema M. Mori	6/6		15/15		3/4
3	Mr. Boniface C. Muhegi	6/6		13/15	6/6	
4	Mr. Hosea E. Kashimba*	3/6	3/5			
5	Mr. Jes Klausby	6/6			6/6	4/4
6	Prof. Faustine K. Bee	6/6		14/15	6/6	
7	Dr. Fred M. Msemwa	6/6		15/15		4/4
8	Mr. Abdul A. Mohamed	6/6				3/4
9	Mr. Martin S. Warioba	6/6	5/5			
10	Ms. Miranda N. Mpogolo	6/6		15/15	6/6	
11	Mr. Gerald P. Kasaato	6/6	6/6			
12	Mr. Royal J. Lyanga	5/6			6/6	4/4
13	Mr. Abdulrazak I. Badru*	1/6	1/5			

During the year, the Group has complied with the principles and codes of best practice.
There was no regulatory requirement that influence the design of the governance above.
* During the year, Mr. Abdulrazak I. Badru joined the Board of Directors in September 2024 to replace Mr. Hosea E. Kashimba

Permanent invitee to Board meetings

The Board ensures that key executives are permanent invitees to its meetings. This includes the Chief Financial Officer (CFO), Chief Commercial Officer (CCO), and Chief Operating Officer (COO). Their presence is crucial for providing expert insights and facilitating informed decision-making. By involving these senior officers, the Board can leverage their specialised knowledge and experience, ensuring that discussions are comprehensive, and decisions are well-grounded in the operational realities of the Group.

Board Audit Committee

The committee oversees the Group's internal audit function and ensures that the internal audit staff has adequate resources and support to carry out its role. The committee reviews the scope of the internal/ external audit plan, significant findings by the internal/ external audit and management's response, and the appointment and replacement of the senior internal auditing executive and assesses the performance and effectiveness of the internal audit function annually.

Role of the committee

- Overseeing the financial reporting process, ensuring that internal control systems are adequate and effective; and acting as a bridge between the external auditors and the management.
- Review the quarterly Group performance and give assurance on the integrity of the numbers to the main Board before publication and submission to the Central bank.
- Reviewing the integrity of the Group's Consolidated financial statements for the period ended 31 December.
- Review the appointment of the External auditors their terms of engagement and the audit fees and recommend to the Board for approval.
- Monitoring and reviewing the performance of the Group's external auditors.
- Reviewing periodic audit reports of the Group operations and internal controls presented by the internal auditors.
- Reviewing and recommend to the Board the internal and external audit plans.
- Approving committee annual work plan

This committee planned and met six (6) times during the year.

The committee comprised of the following members:

S/N	Name	Nationality	Qualification
1	Mr. Hosea E. Kashimba*	Tanzanian	MBA in Corporate Management, ADA, FCPA(T)
2	Mr. Martin S. Warioba	Tanzanian	MSc in Information Management, MBA BSc in Computer Science
3	Mr. Gerald P. Kasaato	Ugandan	MBA(Finance) MSc. in International Finance & Investment Bachelor of Laws degree, LLB (Hons) BSc. Hons) in accounting CFA Charter holder, a Chartered Accountant (UK), a Fellow of the Chartered Management Institute (FCMI, UK), and a member of the Institute of Certified Public Accountants of Uganda (ICPAU)
4	Mr. Abdulrazak I. Badru*	Tanzanian	PhD candidate exploring strategy alignment and execution to create value, and sustainability (in progress) MBA – International Business Management Postgraduate Diploma in Leadership B.A in Sociology – University of Dar es Salaam

* During the year Mr. Abdulrazak I. Badru joined the Audit Committee in September 2024 to replace Mr. Hosea E. Kashimba

To ensure full separation of membership, members serving in the Board Audit Committee are not allowed be elected to serve in any other committee. The committee like other committees, has a charter that describes its oversight function. All members served in this committee during the year are non-executives and independent with no financial interest in the entity or significant relationships with major shareholders, management, suppliers, or customers.

One member in the committee is an accountant holding professional certifications from various bodies. Mr. Gerald P. Kasaato who is chair, is a CFA Charter holder, UK Chartered Accountant (Fellow), a Fellow of the Chartered Management Institute (FCMI), and a member of the Institute of Certified Public Accountants of Uganda (ICPAU).

Activities of the Committee

- The committee held six meetings this year and performed the below activities;
- Reviewed the auditor appointment, considering their effectiveness, independence, and relevant guidelines, and made a recommendation to the Board before the approval at AGM.
- Reviewed and approved the quarterly financial reports for publication presented by the management which was audited by the internal auditors to be published as required by the regulations 7 and 8 of the banking and Financial Institutions (Disclosures) Regulations, 2014.
- Discussed quarterly internal audit reports done in various departments and general branch operations on selected branches which was presented by the Department of Internal audit. The reports were discussed by the members of the Board and direct internal audit department to increase the coverage of the areas to be audited to reduce risks of fraud, and over/understatement of the numbers. Emphasis was pressed on internal controls, to make sure that strong internal controls are in place and are being reviewed regularly.
- Discussed External Auditors' Audit report and audited financial statements for the year ended 31 December 2024 presented by the External Auditors (PwC) and directed management to ensure issues raised which are not system related, are closed timely.
- Discussed the performance of the internal audit department, especially on the closure of issues raised by the Central bank, and directed, they must validate all issues closed by management before they are shared to the Central bank as closed.
- Reviewed and recommended to the Board the internal and external audit plans.
- Approved committee annual work plan for FY 2024.

Board Governance, Nomination and Human Resources Committee

The Committee is responsible for ensuring that the Board remains balanced, both in terms of skills and experience and between executive and non-executive Directors. It leads the process for appointments to the Board, and makes recommendations to the Board, ensuring there is a formal, rigorous, and transparent procedure. It also decides on recruitment at senior levels based on the responsibilities and remuneration of management staff and Directors.

- Establish and recommends to the Board for approval criteria for Board membership and periodically reviews and recommends changes to the criteria.
- Review of the composition of the Board, along with its succession planning including an assessment of the mix of the Directors' skills, experience and an identification of qualifications and attributes that may be valuable in the future and anticipated Directors' exits.
- Reviewing the appointment of Directors to be recommended to the Board before are recommended to shareholders at the AGM for election and re-election for director who had reached the statutory retirement.
- Monitor evaluation of whether the Board has the necessary tools to effectively perform its oversight function.
- Reviewing and recommending for Board approval the remuneration proposals for Executive, non-executive Directors, as well as Senior Management.
- Reviewing key policies such as Human resources policy which guides the operations, remunerations and management of human capital.
- Reviewing and recommending the annual staff bonus to the Board.
- Reviewing and recommending the renewal of terms and conditions of employment for Board approval.

This committee planned and met six (6) times during the year.

The committee comprised of the following members:

S/N	Name	Nationality	Qualification
1	Eng. Boniface C. Muhegi	Tanzanian	MSc Engineering (Civil), BSc Engineering (Civil) Advanced Post Graduate Diploma in Construction Management
2	Mr. Jes Klausby	Danish	MSc Mathematics - Economics
3	Mr. Abdul A. Mohamed	Tanzanian	BSc in Accounting & Finance Associate member of CFA and ACCA (UK)
4	Ms. Miranda N. Mpogolo	Tanzanian	M.A in Theatre & Development Studies B.A (Hons) in Drama, Applied Theatre & Education
5	Prof. Faustine K. Bee	Tanzanian	PhD in Development Studies M.A in Development Studies, B.A in economics
6	Mr. Royal J. Lyanga	Tanzanian	M.A in Statistics, B.A in Statistics

Activities of the Committee

The committee held six meetings this year and performed the below activities;

- Discussed issues and matters pertaining to the Board and management including diversity to the Board and management.
- Reviewed the status of women empowerment including trainings to take higher positions.
- Discussed the staff productivity and directed management to ensure staff productivity is enhanced to increase revenues and consequently increase profits of the Group.
- Discussed and recommended to the Board the salary increments to staff
- Reviewed and recommended to the Board bonuses to be paid to staff for year 2024 based on the achievements against targets.
- Discussed and recommended to the Board the approval of the new company secretary whose tenure starts in January 2025.
- Reviewed and recommended to the Board for approval the training development of the Directors.
- Reviewed and made recommendations to the Board on the appointment of Directors, before approval at the AGM.

Board Credit Committee

In recognition that lending is the key business and number one income earner to the Group, the committee shall assist the Board and provide oversight responsibility in the management of credit risk by continuously reviewing and analyzing the Group's credit risk profile and advising the Board on the right direction and corrective action in a timely manner.

The Board credit committee seeks to ensure that the quality of the Bank's asset book remains within acceptable parameters and that the business has an effective credit policy, consistent with regulatory requirements and prudent risk management practices.

Role of the committee

- Assist the Board in understanding of the Bank's credit portfolio and activities including development of credit management strategies and recommending the same to the Board for approval.
- Monitor implementation of the approved credit management strategy.
- Provide strategic leadership role and oversight of credit risk management process and function in the Bank, including reviewing and recommending Credit Policies and credit risk appetite to the Board.
- Reviewing the quality and performance of the Bank's credit portfolio quarterly and advise management accordingly.
- Ensure Compliance to the Bank's Credit Policy and prudential regulations with respect to credit risk management.
- Reviewing and recommend to the Board for approval the loan and advances for charge off as per the Central bank regulation.

This committee planned and met fifteen times (15) during the year.

The committee comprised of the following members:

S/N	Name	Nationality	Qualification
1	Prof. Neema M. Mori	Tanzanian	PhD in International Business Corporate Governance & Boards of Financial Institutions MBA in Finance, Bachelor of Commerce in Finance
2	Eng. Boniface C. Muhegi	Tanzanian	MSc Engineering (Civil), BSc Engineering (Civil) Advanced Post Graduate Diploma in Construction Management
3	Dr. Fred M. Msemwa	Tanzanian	PhD in Business Administration, MBA in Finance
4	Prof. Faustine K. Bee	Tanzanian	PhD in Development Studies M.A in Development Studies, B.A in economics
5	Ms. Miranda N. Mpogolo	Tanzanian	M.A in Theatre & Development Studies B.A (Hons) in Drama, Applied Theatre & Education

Activities of the Committee

The committee held fifteen (15) meetings this year and performed the below activities;

- Reviewed the loan portfolio quality to ensure the Group comply with the internal limit set on NPL ratio and regulatory requirement of not more than 5%.
- Reviewed and recommended to the Board for the approval the annual review of the credit policy
- Reviewed and approved several loans and advances to customers which needed Board approval and recommended the same to the main Board for approval.
- Discussed on the single borrower limit and directed management to ensure the Bank always complies as per the regulation requirement.
- Discussed the restructured loans and thereafter made recommendations to the Board on the remedial actions as well as measures that may enhance the quality of the portfolio.

Board Risk committee

The main responsibility of the Board risk committee is Group risk oversight and is required to provide the main Board regularly with the information it needs to understand all the Group's major risks, their relationship to the Group's strategy and how these risks are being addressed. The committee oversees and advises on current and potential risk exposures of the Bank; the Bank's Risk Management Framework; the future risk strategy of the Bank, including strategy for capital and liquidity management and promoting a risk awareness culture in the Bank, alongside established policies, and procedures.

Role of the committee

- Group risk oversight
- Reviewing reports on the risk assessment every year

The committee maintains a risk register for each department and a consolidated risk register for the Group, which the Board reviews regularly

- Reviewing all business operations policies and recommend to the main Board for approval.
- Overseeing the internal control and risk management systems.
- Oversee Group's compliance with applicable legal and regulatory requirements

This committee planned and met four (4) times during the year.

The committee comprised of the following members:

S/N	Name	Nationality	Qualification
1	Mr. Jes Klausby	Danish	MSc Mathematics – Economics
2	Dr. Fred M. Msemwa	Tanzanian	PhD in Business Administration MBA in Finance
3	Prof. Neema M. Mori	Tanzanian	PhD in International Business Corporate Governance & Boards of Financial Institutions MBA in Finance Bachelor of Commerce in Finance
4	Mr. Abdul A. Mohamed	Tanzanian	BSc in Accounting & Finance Associate member of CFA and ACCA (UK)
5	Mr. Royal J. Lyanga	Tanzanian	M.A in Statistics, B.A in Statistics

Activities of the Committee

The committee held four (4) meetings this year and performed the below activities;

- Discussed on the risk assessment, management and compliance issues to avoid unnecessary penalties which can result from non-compliance on the internal controls and regulators.
- Reviewed and deliberated the risk assessment report presented by the management and thereafter recommended the report to the main Board.
- Discussed Group's compliance issues, including the Group's code of conduct, reporting compliance and compliance with all internal ratios set by the Board.
- Discussed the legal and regulatory updates.
- Reviewed the terms of reference of the committee.
- Approved committee annual work plan for the FY 2024.

In addition to the above committees, there are committees on a management level comprised of senior management whose frequency of meetings is weekly, monthly, and quarterly.

Shariah Advisory Board

The Shariah Advisory Board for CRDB Bank plays a crucial role in the Bank's operations by ensuring that all financial products and services offered under the Al barakah Islamic window comply with Islamic principles. This Board is made up of respected scholars and experts in Islamic finance who carefully review and approve the Bank's offerings. Their guidance guarantees that CRDB Bank's Islamic banking window, "Al Barakah," operates within the framework of Shariah law, providing ethical and interest-free financial solutions to its customers.

The Shariah Advisory Board comprised of the following members:

Name	Nationality	Age	Qualification
Mr. Abdul A. Mohamed	Tanzanian	34	BSc in Accounting and Finance
Mr. Sheikh Issa Othman Issa	Tanzanian	60	Advance Diploma in Social Science (Counselling)
Mr. Khalfan A. Salim	Tanzanian	41	Master's degree in management and leadership
Mr. Juma A. Mohammed	Tanzanian	57	MSc. in Finance
Mr. Exavery Makwi	Tanzanian	56	Master of Business Administration (Finance)
Prof. Monzer Kahf *	USA	84	Ph.D., Economics
Prof. Aishath Muneeza**	Maldivian	39	Ph.D., Islamic Banking

Shariah Advisory Board meetings

The Shariah Advisory Board planned to meet (4) and met (4) times during the year.

Name of Director	Number of meetings
Mr. Abdul A. Mohamed	4/4
Mr. Sheikh Issa Othman Issa	4/4
Mr. Khalfan A. Salim	4/4
Mr. Juma A. Mohammed	2/4
Mr. Exavery Makwi	4/4
Prof. Monzer Kahf *	-
Prof. Aishath Muneeza**	-

*Prof. Monzer Kahf retired in March 2024.

**Prof. Aishath Muneeza was appointed in November 2024

Directors' remunerations

Remuneration of Those charged with governance, (Directors) considers the demands, complexities, and performance of the Group. Management periodically prepares a propwosal for fees and other emoluments to be paid to Directors. Proposals include benchmarking against similar companies or the industry, market realities, and the need to attract and retain skilled, experienced Directors to drive the business. The same is forwarded to the Annual General Meeting (AGM) for final approval.

The Remunerations are reviewed annual to ensure are appropriate and adequate in comparison with the industry benchmark. The Directors are not eligible for pension scheme membership and are not part of the Bank's remuneration scheme.

The table below shows remunerations of the Directors of the parent company, subsidiaries and that of the Shariah advisory Board within the parent company. Information on aggregate amounts of the emoluments and fees paid during the year to Directors in comparison to the previous year is disclosed below: -

Name	2024 TZS Million	2023 TZS' Million
Dr. Ally H. Laay	89	89
Mr. Boniface C. Muhegi	84	84
Mr. Hosea E. Kashimba*	41	82
Prof. Neema M. Mori	86	86
Mr. Jes Klausby	80	80
Prof. Faustine K. Bee	80	80
Mr. Abdul A. Mohamed	76	76
Dr. Fred M. Msemwa	80	80
Mr. Martin S. Warioba	76	76
Ms. Miranda N. Mpogolo	80	80
Mr. Gerald P. Kasaato	76	76
Mr. Royal J. Lyanga	76	76
Mr. Abdulrazak I. Badru**	38	-
Mr. Abdulmajid M. Nsekela***	-	-
TOTAL	**965**	**965**

*During the year 2024 Mr. Hosea Kashimba was paid for two quarters that he served (Q1 and Q2) in the Board.

**During the year 2024 Mr. Abdulrazak Badru was paid for two quarter he served (Q3 and Q4) in the Board to replace Mr. Hosea E. Kashimba

***Mr. Abdulmajid Nsekela (Managing Director) is an ex-officio member who is paid a monthly salary by the Bank, this is part of key management remuneration

The table below shows Directors who also served the Group's subsidiaries during the year with the respective fees paid

Shariah Advisory Board

The table below shows Directors who served the Shariah Board during the year with the respective fees paid

Name	2024 TZS Million	2023 TZS' Million
Mr. Abdul A. Mohamed	32	32
Mr. Sheikh Issa Othman Issa	21	21
Mr. Khalfan A. Salim	21	21
Mr. Juma A. Mohammed	21	21
Mr. Exavery Makwi	21	21
Prof. Monzer Kahf	5	21
Prof. Aishath Muneeza	-	-
TOTAL	**121**	**137**

*Prof. Monzer Kahf retired in March 2024

**Prof. Aishath Muneeza was appointed in November 2024

Board and committees' performance evaluation

The Board has an effective mechanism for evaluating its performance on a continuing basis. The evaluation is based on an annual assessment of the effectiveness of the full Board, the operations of Board committees, and the contributions of individual Directors. The results of these evaluations are reported to the full Board, and thereafter, there is a follow-up on issues and concerns that emerge from the evaluations.

The Board periodically considers a combination of methods to result in a meaningful assessment of the Board and its committees. Common methods include the use of written questionnaires. After evaluation, the Board discusses the results of the evaluation exercise, which informs the Board on the training needs of its members.

After every three years, Board evaluation and assessment are done by an external party/consultant to ensure the Bank, and the Board continue to operate consistently within good governance and best practice principles. During the year, the evaluation of the Board, its committees and the individual Directors was performed internally using questionnaires, results discussed, and the training needs of the members were identified, which will be implemented in the year 2025.

Code of conduct and Ethical behaviour

The Board has adopted a code of conduct for all Directors and employees, including the chief executive officer, that addresses conflict of interest, among other things. The code is reviewed and updated regularly. It is shared annually with all employees and Directors, who are required to confirm in writing that they have complied with it.

Board members are expected to observe the highest standard of ethical behaviour, which supports and encourages policies that require Directors and all employees to maintain a high standard of integrity and display honesty in their dealings.

We are committed to high standards of ethical behaviour and operate a zero-tolerance approach to bribery and corruption, which we consider unethical and contrary to good corporate governance. It is the utmost responsibility of all staff within the Bank to comply with the Group's code of conduct. In addition, the code of conduct emphasises the responsibility of the Board and internal and external auditors to ensure the confidentiality of the Group information.

Board Policies

The Board has developed comprehensive policies and procedure documents to serve as essential guides for the Directors and Management in effectively executing their roles and responsibilities. These documents provide a framework that ensures clarity and accountability throughout the Group. Below, is a detailed summary of the governance documents along with their key provisions.

Conflict of interest policy

The Board has established a policy and a set of procedures relating to Directors' conflicts of interest and related party transactions. In all Board meetings, there is an agenda for declaring conflicts of interest, and a conflict-of-interest register is reviewed regularly.

Those charged with governance 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:

- Declare any interests that may give rise to potential or perceived conflict e.g., multiple Directorships, business relationships or other circumstances that could interfere with the exercise of objective judgment;
- Declare as soon as they become aware that a subject to be discussed at a Board or committee meeting may give rise to a conflict of interest at the outset of the applicable meeting. The conflicted Director is not allowed to participate further in the discussion of that subject, nor vote on it.
- Director(s) with a continuing material conflict of interest is required to consider resigning from the Board.

Board members are required to inform the Company Secretary of any changes regarding Directorships and conflicts of interest within 30 days. The Board is required to evaluate all potential or perceived conflicts of interest as declared and approve such transactions with the Bank as may be appropriate.

A register of declared conflicts of interest is being maintained by the Company Secretary.

During the year, none of the Directors had a material interest, directly or indirectly, in any significant contract with the Group.

Insider trading and disclosure policy

It is the Group policy that Directors and employees considered to have privileged knowledge, from time to time, of material facts or changes in the affairs of the Group, which have not been disclosed to the public, including any information likely to affect the market price of the Bank's securities, cannot buy or sell ("trade") Group securities, except in accordance with the requirements of the Group policy.

CRDB Insiders are prohibited from trading Group securities either on their own behalf or on behalf of someone else when the trading window is closed. They are also required to keep any unpublished and non-public sensitive information received by them, whether in the ordinary course of their employment or office or otherwise, confidential and with sufficient protection from unauthorised disclosure or access.

The Bank regularly communicates through corporate communication with all staff to remind them of the restrictions on insider trading.

Whistle-blowing policy

The Group has strong whistle-blowing policies and procedures with the main objective of promoting a framework within the Bank where staff are encouraged and feel confident to reveal and report any fraudulent, immoral, unethical, or malicious activity or conduct of fellow employees, management, those charged with governance, clients, consultants, vendors, contractors, and/or any other parties with business relationship with the Bank which in their opinion may cause financial or reputational loss to the Bank.

The policy is crucial for fostering a compliance culture where employees follow internal policies and respect laws. The Bank is dedicated to upholding high ethical and legal standards. This policy allows concerns about fraud, corruption, or misconduct to be raised while protecting whistle-blowers from retaliation.

The whistle-blower and Witness Protection Act of 2015 makes it illegal for employers to retaliate against whistle-blowers.

Staff receive periodic training as part of their induction and ongoing development. This training encourages employees and other stakeholders to share information that supports good corporate governance practices. The Bank's website features a whistle-blower section where customers and other stakeholders are encouraged to report misconduct through various channels, either internally or externally via an independent third party. Whistle-blowers have the option to disclose their identity or remain anonymous.

Anti-Corruption and fraud risk policy

Our commitment to good corporate governance is reflected in our stringent anti - corruption and fraud risk policy which has been developed to provide a coordinated approach towards managing fraud and corruption risk as one of the key elements in our overall business risk management practices. We maintain a zero-tolerance stance towards any form of bribery or corruption, ensuring that all business activities are conducted with the highest level of integrity and transparency. This policy applies to all employees, directors, and third-party associates, requiring them to adhere to ethical standards and legal requirements. Regular training and awareness programs are conducted to ensure that everyone within the Group understands their responsibilities and the importance of compliance.

To safeguard against corruption and fraud, we have implemented robust internal controls and reporting mechanisms. These measures include thorough due diligence processes, regular audits, and a secure whistleblowing system that allows employees to report any suspicious activities without fear of retaliation. By fostering a culture of accountability and ethical behaviour, we aim to protect the interests of our stakeholders and uphold our reputation as a responsible and trustworthy organisation.

Anti-money laundering policy

The Board of Directors plays a vital role in ensuring effective corporate governance and compliance with anti-money laundering (AML) measures. Their responsibilities include establishing a clear governance framework, defining roles for AML compliance, and holding senior management accountable. The Group has implemented a strong governance process for AML measures to protect the Bank's reputation and financial stability. Adhering to this policy is mandatory at the Group level, as it ensures compliance with AML, counter-financing of terrorism (CFT), and counter-proliferation financing (CPF) legislation in all the countries where we operate.

Group Communication/ Public Relations Policy

The policy aims to ensure that the information originating from the Bank is accurate and complete, reflects the official position of the Bank and is released to the media and targeted public in a consistent and timely manner. The ultimate objective is to build a mutually beneficial relationship between the Bank and the public. The Board has established effective communication with the Bank's stakeholders including the media and other channels found appropriate.

- The primary objective of this policy is to ensure the Public Relations process is conducted in a structured, systematic and consistent manner,
- Define the roles of the Board and senior management in the management of Public Relations process in the Bank.
- Ensure the Bank is presented with consistent messages and with one clear voice to the media and public.
- Provide guidance and direction to all Bank staff regarding public and media for the benefit of the Bank.
- To develop positive public perceptions, manage and maintain internal and external public and media relations for the Bank's benefit.
- Guide the Bank's activities related to management of risks arising from local, regional, national and international publicity.
- Safeguard and enhance the Bank's reputation across the wider community.
- To promote the Bank's mission, vision and values

Remuneration policy

The policy outlines the guidelines and criteria for the compensation of those charged with governance. It aims to ensure transparency and fairness in the compensation process while aligning with the Groups' goals and values

Group operational policies

Comprehensive operational policies serve as essential guidelines for the Management team, enabling them to effectively navigate and execute the various functions within the Group's operations. These policies ensure that every process is streamlined and aligned with the overall strategic vision, fostering efficiency and promoting a culture of accountability across all levels of the Group.

Induction program of the new members of the Board

Each new Board member is required to participate in an induction program that is tailored to effectively orient the member to the Bank's business and organisation structure including subsidiaries, roles/responsibilities of the Board and its various committees, strategy, objectives, policies, procedures, operations, senior management, and the business environment. The induction package also includes all the necessary information that is required by a member for effective performance in the Board including Board charters, recent financial reports and governing laws and regulations. They receive comprehensive guidance from the Company Secretary on the Group's corporate governance framework.

Training and development of the members of the Board

The Board members are also being introduced to their fiduciary duties and responsibilities and any other aspects unique to the business. Therefore, the main purpose of the training is to ensure Board members have a clear understanding of their role in corporate governance and can exercise sound and objective judgment about the Bank's affairs.

The Board are required to ensure adequate training and development of the members through continuous training to keep them well informed on critical information pertinent to the business and corporate governance environment. It is the responsibility of the Board to conduct an annual review to identify training needs for each member on a regular basis and facilitate up-skilling as well as continuous development of each member.

Non-executive Directors also develop and refresh their skills and knowledge through periodic interactions and briefings with senior management of the Group's business functions, changes in laws and regulations, policies, and practices.

During the year, the Board completed the planned training and development sessions as per the table below;

S/N	Training type and description of training	When	Trainer
1	**Committee Training 1 Topics covered:** The role of Board on Credit oversight; Data Analytics and AI in transforming Company Direction; Board's role on Governing Strategic Performance.	June 3 – 7, 2024	Common Purpose Asia - Pacific Ltd
2	**Committee Training 2 Topics covered:** Blockchain and Cryptocurrency Financial Products; Emerging AI Technology against Employee improved productivity and performance; Green Finance (Borrowing, Lending & Incentives), Opportunities – MACG/Sustainability Reporting and Compliance and Leading from the Future.	July 1 – 5, 2024	Alhuda Cibe FZ LLE and i2i Group Inc.
3	**Global IIA International Conference Topics covered:** Artificial Intelligence; Cyber Security; Sustainability; Global Internal Audit Standards; Governance, Leadership and Board Relations and Human Capital and Social.	July 13 – 18, 2024	Global Institute of Internal Auditors
4	**Board and Management Study Tour Topics covered:** Digital Financial Inclusion; Cyber Security Measures and Fraud Prevention; Regulatory Policies and Digital Innovation and Leadership and Governance in Digital Transition.	September 23 – 27, 2024	Common Purpose Asia - Pacific Ltd

Access to independent advice

The Board may, from time to time, require independent legal, financial, governance or other expert advice. To facilitate this, the Board shall ensure members obtain external advice, as may be required, at the Bank's expense and shall invite senior management to provide technical advice as needed.

All non-executive Directors have access to independent professional advice or external specialists to support them in carrying out their responsibilities when the required expertise is lacking among the current Directors or staff within the Group.

Succession planning

The Group has in place a succession plan for those charged with governance of all critical skills, which is being reviewed regularly. The governing body bears ultimate responsibility for the succession plan. This is through the Board governance and Human resources committee. The committee plays a key role in devising criteria for governing body membership and governing body positions and possibly, with the assistance of external advisors, to identify specific individuals for nomination.

The succession discussion features on the Board governance and Human resources committee agenda as often as necessary for the committee to fulfil its duties. This allows the succession plan to take account of the changing dynamics of the business, making the Bank more agile and enhancing its ability to satisfactorily react to any sudden changes that may occur. The committee maintains a profile of desired skills, competencies, and skills gaps that need to be filled by potential candidates. In some cases, the committee may consult external resources (for example external search firms) to identify appropriate individuals to fill vacant positions.

The Group also rotates Board members between committees to ensure continuity of experience and knowledge and to introduce people to new ideas and expertise.

Access to information

Those charged with the governance have unrestricted access to information, and they are provided with timely information and comprehensive reports on material operational, risk management and financial matters of the Group to facilitate informed discussions during meetings. Those charged with governance have access to the advice of the Company Secretary, who provides support to the Board and is responsible for advising the Board on governance matters. Those charged with the governance also have access to independent professional advice at the Group's expense where they deem necessary to discharge their roles.

Board relationships/ engagement with shareholders/ stakeholders

The Group is committed to maintaining clear communication with our shareholders and other stakeholders by providing regular updates on our performance and addressing any relevant concerns. This commitment is evident through our quarterly financial performance summaries published in leading newspapers, the annual release of audited accounts, and our comprehensive annual integrated report, which complies with regulatory requirements. We also hold an Annual General Meeting to engage directly with our stakeholders.

Additionally, the Board maintains regular communication with analysts and investors, as we believe it is essential to keep them informed about the Bank's financial performance. The Bank strives to publish all relevant information to the market in a timely, effective, and non-discriminatory manner. Financial reports and stock exchange announcements are made available on the Bank's website as well as the Dar es Salaam Stock Exchange website.

The Board recognises, respects, and protects shareholders' rights and ensures equitable treatment of all shareholders in the same class of issued shares, whether minority, institutional, or foreign. It also provides shareholders with information as required under applicable law and has established mechanisms to ensure effective communication with shareholders, including the media, if appropriate.

The Board have a stakeholder-inclusive approach and is responsible for giving due consideration to the legitimate interests and expectations of the Bank's stakeholders in its deliberations, decisions, and actions. Shareholders are not a uniform group, and their interests may be diverse. Although the Board considers the shareholders' views, the Board's duty is to act in what it believes to be the long-term best interests of the Bank and all its shareholders.

The views of certain shareholders are one important factor that the Board evaluates in making decisions.

However, the Board is required to exercise its own independent judgment. Once the Board reaches a decision, the Group consider how best to communicate the Board's decision to shareholders.

The Group engages with long-term shareholders in a manner consistent with the respective roles of the Board and maintains effective protocols for shareholder communications with Directors and for Directors to respond in a timely manner to issues and concerns that are of widespread interest to long term shareholders. The Board has delegated the responsibility of managing stakeholders' relationships to management.

Group culture, ethics, and organisational values

CRDB Bank places great importance on its organisational culture, ethics, and values as it shapes its relationships with various stakeholders, including customers, employees, shareholders, and the wider community. The Bank's culture of excellence and customer-centric approach is evident in everything we do. Furthermore, the Bank realises that its success is closely linked to the well-being and prosperity of the communities it serves. The Bank is committed to transparency, integrity, and accountability, which ensures that it operates in a responsible and sustainable manner while promoting trust and confidence among its stakeholders.

Additionally, the Bank's emphasis on innovation, customer-centricity, and social responsibility enables it to create long-term value for all stakeholders while driving economic growth and development in Tanzania and beyond. CRDB Bank's culture, ethics, and values also significantly impact its decision-making processes and resource allocation.

The Group's code of conduct embodies its culture and values and reflects its commitment to operating responsibly and ethically with high standards of integrity. It provides a comprehensive description of the employees' responsibilities towards customers, other employees, businesses, and society. The code of conduct is designed to empower employees and enable effective decision making at all levels of our business according to defined ethical principles.

The Group have in place mechanisms for employees to seek guidance and to alert management and the Board about potential or actual misconduct without fear of retribution. As part of fostering a culture of compliance, the Group encourage employees to report compliance issues promptly and emphasise their policy of prohibiting retaliation against employees who report compliance issues in good faith.

Risk management and internal control

The Board ensures that the Bank has sound risk management and an internal control system that is appropriate to its activities. The risk management and internal control systems are based on the Bank's corporate values, ethics guidelines and principles

for sustainability and corporate social responsibility ("CSR"). It is the responsibility of the Management to ensure that adequate internal control systems are developed and maintained on an ongoing basis to provide reasonable assurance regarding:

Operational effectiveness and efficiency	Safeguarding of the Group's assets
Reliability of accounting records	Responsible behaviours towards all stakeholders
Compliance with applicable laws and regulations	Business continuity

To ensure the internal controls remain adequate, the Bank has a fully-fledged Risk and Compliance function that coordinates and oversees the implementation of an enterprise-wide risk management framework within the Group. The audit committee, on behalf of the Board, assess issues related to financial review and internal control and the external audit of the Group's accounts. The Board ensures that the Bank can produce reliable annual reports and that the external auditor's recommendations are given thorough consideration. During the year, internal control systems were assessed by the Board and were found to be at an acceptable level.

IT Governance

IT governance is part of the overall corporate governance of the Group, which is aimed at improving the overall management and implementation of IT structure to derive value from investment in information technology. The Group has in place an IT charter and policies which govern the structure and operations of ICT and is being reviewed annually. The charter enables the Group to manage IT risks effectively. It is the responsibility of the Board to ensure the activities associated with information and technology are aligned with the overall Group strategies/business objectives.

Financial reporting and auditing

The Bank publishes its quarterly financial statements within thirty days after the end of the quarter and publishes the annual audited financial statements within fifteen days after approval of the Board but not later than one hundred and five days after the end of the financial year as required by the 'Banking and Financial Institutions (Disclosures) Regulations, 2014.' Copies of the Bank's last audited financial statements are exhibited in the Bank's branches and website, and the annual report is made available to the public two weeks prior to the AGM.

Those charged with governance are responsible for preparing the Annual Report, including the Consolidated and Parent Company Financial Statements, in accordance with International Financial Reporting Standards (IFRS) to comply with the Companies Act 2002. In preparing these financial statements, the Directors are required to:

- Adopt the going concern basis unless it is inappropriate to do so;
- Select suitable accounting policies and then apply them consistently; and
- Make judgements and accounting estimates that are reasonable and prudent

The external auditor presented the audit results to the audit committee and the Board in the meeting dealing with the annual financial statements, including any material changes in the Bank's accounting principles and significant accounting estimates. The auditor also reported on whether the financial statements give a true and fair view of the Group's state of affairs.

Going Concern Assessment

Those charged with Governance have made annual assessment about whether there exists any material uncertainty which may cast significant doubt upon the Bank's ability to continue as going concern. This assessment involves making appropriate inquiries including review of budget and future outcome of inherent uncertainties in existence. The Directors are convinced from the following indications, which give reasonable assurance as to Bank's continuance as a going concern for the foreseeable future.

- **Financial Performance**

  CRDB Bank remains the largest commercial Bank in Tanzania with a leading share of total deposits (27%) and total assets (25%) in the market. The Group closed the year with a strong Balance Sheet, total assets grew by 25.3% to TZS 16,698.8 billion (2023: TZS 13,321.3 billion). Customer deposits increased by 23.5% to TZS 10,934.1 billion (2023: TZS 8,856.0 billion). Net Loans and advances to customers increased by 22.7% from TZS 8,443.5 billion in 2023 to TZS 10,360.8 billion in 2024. After-tax profit of TZS 551.5 (2023: TZS 422.8) growth of 30.4%. Interest income increased from TZS 1,227.4 billion, recorded in 2023, to TZS 1,562.1 billion in 2024, an increase of 27.3%. Combined with commissions and fees, total non-interest income increased from TZS 503.5 billion to TZS 560.1 billion, an increase of 11.2%. Innovative and convenient products and services that were offered to the public contributed to such a positive trend.

- **Ensuring Sufficient Capital Maintenance**

  The Group has demonstrated robust financial health, with the Core capital ratio standing at 16.3% and the Total capital ratio at 17.2%. These figures significantly exceed the minimum regulatory requirements of 12.5% for Tier I capital and 14.5% for Tier II capital, showcasing the Bank's strong capital position and commitment to maintaining financial stability. This solid foundation not only ensures compliance with regulatory standards but also enhances the Bank's ability to support growth and manage risks effectively.

- **Credibility in payment obligations**

  The Group has established a strong reputation for credibility in meeting its payment obligations. We have a consistent track record of timely and accurate payments, which reflects our commitment to financial integrity and reliability. This credibility is further reinforced by the Group's robust capital ratios, which exceed regulatory requirements, ensuring a solid foundation for fulfilling its obligations. By prioritising transparency and accountability, the Group continues to build trust with its stakeholders, enhancing its reputation as a dependable financial institution.

- **Positive Operating Cashflow**

  Group cash flow represents its strengths in its ability to repay its obligations, ability to adapt in changing circumstances and generate sufficient cash and cash equivalents, which will lead the organisation to sustainable future growth. Group Cash Flow from operating activities in 2024 was positive TZS 1,102 billion.

- **Consistent payment of dividends**

  Over the past five years, the Bank has demonstrated strong financial performance and a clear commitment to shareholder value. Dividends per share have risen from TZS 22 per share in 2020 to TZS 65 per share in 2024. This consistent upward trend reflects resilient earnings, effective capital management, and confidence in our long-term strategy. The notable 30% increase in dividends in 2024 highlights our focus on sustainable value creation. We remain committed to delivering strong returns while ensuring sound governance and financial stability.

Year	2020	2021	2022	2023	2024
Dividend Per Share (TZS shilling)	22	36	45	50	65

- **Cross border/ Business/expansion**

  The Bank has expanded its geographic outreach by opening two subsidiaries in Burundi and the Democratic Republic of Congo and branches in various locations, considering their economic significance. As of December 31, 2024, the Bank operated 259 branches across the region.

  The Bank places great importance on product diversification, which is a key strategy for achieving customer satisfaction by tailoring services to meet customer needs. As a result of our effective organisational structure, skilled and dedicated workforce, and strategic business initiatives, the Group's total assets increased by 25% YoY, reaching TZS 16,699 billion in 2024. Additionally, total customer deposits rose by 23% YoY compared to 2023.

  The Bank's management is committed to sustaining this growth in the coming years, demonstrating the bank's intention for long-term success.

- **Satisfactory credit rating**

  The Bank upgraded to B1 from B2 and changed the outlook to stable from positive by Moody's in its report published on 26 March 2024. Moody's rating upgraded CRDB Bank Plc to B1 from B2 the long-term deposit ratings. Moody's also upgraded the ratings of the Bank on the baseline Credit assessment (BCA) to b1 from b2, the Adjusted BCA to B1 from B2, and long-term Counterparty Risk Ratings (CRRs) to Ba3 from B1 (cr).

- **Workplace satisfaction**

  A positive work environment and high employee satisfaction are vital for the Group's long-term success and sustainability. The Group promotes excellent communication among employees and strives to be honest while treating everyone fairly. Our team is the backbone of our operations, and their engagement, well-being, and productivity directly affect service quality, operational resilience, and strategic execution. Ongoing efforts in employee development and workplace satisfaction are essential for retaining top talent, fostering innovation, and enhancing our overall performance.

  In 2024, the Bank conducted an employee satisfaction survey, achieving an overall satisfaction level of 94% with high scores for job satisfaction and internal customer service. Details of the survey results are in section 6: 'Entity operation,' subsection: Employee engagement.

  The satisfaction level of our employee is the testament of our Group continuance as a going concern for the foreseeable future.

From the assessment, Those charged with Governance concluded that the Bank and its subsidiaries has the ability to continue as a going concern and satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, those charged with governance are not aware of any material uncertainties that may cast significant doubt on the Bank and its subsidiary's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

In addition, there are NO events or conditions, which create uncertainty to the Group's ability to continue as a going concern in the next 12 months.

Executive and management Team

The Bank's executive office consists of the Managing Director, who is the Chief Executive Officer. He is assisted by the Chief Commercial Officer, Chief Operations Officer, and Chief Finance Officer, who report directly to him. They oversee various functions via Directors of departments within the Bank.

The Bank is organised in the following functions/ departments:

- Finance
- Credit
- Risk and Compliance
- Treasury and Capital Markets
- Human Resources
- Procurement
- ICT
- Banking Operations
- Retail Banking
- Internal Audit
- Corporate Affairs
- Corporate Banking
- Business Transformation
- Internal Audit

The key management personnel who served during the year, were:

Name	Position	Qualification	Age
Mr. Abdul-Majid Nsekela	Managing Director & Chief Executive Officer	MBA-IBF, PGD-Business Administration,	53
Mr. Boma Raballa	Chief Commercial Officer	MBA, BA (Accounting)	41
Mr. Bruce Mwile	Chief Operations Officer	MBA (Finance), B.com (Finance)	54
Mr. Frederick Nshekanabo	Chief Financial Officer	MSc. Finance, CPA (T), Advanced Diploma in Accountancy	53
Mr. Alex Ngusaru	Director of Treasury and Capital Markets	MBA (Finance)	56
Mr. Pendason Philemon	Director of Procurement	MBA, CSP (T), CIPP	51
Mr. Godfrey Sigalla	Director of Internal Audit	CPA (T), PGD (Tax management), B, Com (Accounting) and MBA (Finance)	51
Mr. Bonaventure Paul	Director of Retail Banking	MSc. Accounting & Finance, ADA, CPA(T)	44
Mr. Admin Mwansansu	Director of Banking Operations	Bachelor of Commerce in Accounting	42
Mr. Godfrey Rutasingwa	Director of Human Resources	Master's degree in public administration, bachelor's degree in education.	44
Mr. James Mabula	Director of Risk and Compliance	MSc. Finance, MBA, PG Dip. Financial Mgt. Advanced Diploma in Accounting.	50
Ms. Tully-Esther Mwambapa	Director of Corporate Affairs	MBA, BA Public Administration & International Relations.	55
Mr. Xavery Makwi	Director of Credit	CPA (T), PGD (Legal Practice), LST, LLB, MBA, B.com (Finance)	56
Mr. Deusdedit Massuka	Director of ICT	MSc. Computer Numerical Control (CNC) Systems	58
Mr. Mussa Kitambi	Director of Corporate Banking	Master's degree Banking and Finance	49
Mr. Leo Ndimbo	Director of Business Transformation	PGD- BA, Int'l Adv. Dip in Computer Engineering (IADCE)	40
Mr. John Rugambo	Company Secretary	MA International Business Administration	57
Mr. Fredrick Siwale	Managing Director – CRDB Bank Burundi (subsidiary)	MBA, PGD in Business Administration	48
Ms. Jessica Nyachiro	Managing Director – CRDB Bank Congo (subsidiary)	MBA International Business, B. Ed & Diploma in Accounting	46
Mr. Wilson Mnzava	Managing Director – CRDB Bank Insurance Company Ltd. (subsidiary)	MSc in Insurance & Actuarial Science, PGD in Cooperative.	50

Key roles and responsibilities of the Management team

The management team, spearheaded by the Group Managing Director and Chief Executive Officer, plays a crucial role in the daily operations of the Group, which oversees a diverse portfolio of financial services. This dynamic team, comprising experienced professionals from various sectors of the banking industry, is tasked with managing day-to-day activities and ensuring the effective execution of the comprehensive strategies and policies established by the Board of Directors.

Through regular performance monitoring using key performance indicators (KPIs) and data analytics, the Executive Team aligns departmental objectives with the organisation's overarching vision, driving efficiency and excellence. By fostering a culture of accountability and innovation, the management team encourages employees at all levels to contribute ideas and solutions, effectively nurturing talent and promoting professional growth within the Bank. This collaborative approach enhances service delivery and strengthens the Bank's competitive position in the market, ensuring sustainable growth and customer satisfaction

Management team is charged with the following duties:

Business operations

The CEO and management run the Group's business under the Board's oversight, with a view toward building long-term value.

Strategic planning

The CEO and senior management generally take the lead in articulating a vision for the Group's future and in developing strategic plans designed to create long-term value for the Group, with meaningful input from the Board. Management implements the plans following Board approval, regularly reviews progress against strategic plans with the Board, and recommends and carries out changes to the plans as necessary.

Identifying, evaluating, and managing risks

Management identifies, evaluates, and manages the risks that the Group undertakes in implementing its strategic plans and conducting its business. Management also evaluates whether these risks and related risk management efforts are consistent with the Group's risk appetite. Senior management keeps the Board and relevant committees informed about the Group's significant risks and its risk management processes.

Accurate and transparent financial reporting and disclosures

Management is responsible for the integrity of the Group's financial reporting system and the accurate and timely preparation of the Group's financial statements and related disclosures. It is management's responsibility, under the direction of the CEO and the Group's Chief Financial Officer, to establish, maintain and periodically evaluate the Group's internal controls over financial reporting and the Group's disclosure controls and procedures, including the ability of such controls and procedures to detect and deter fraudulent activity.

Annual operating plans and budgets

Senior management develops and presents the Group's annual operating plans and budgets to the Board. The management team implements and monitors the operating plans and budgets, adjusting them to reflect changing conditions, assumptions, and expectations. The team also keeps the Board apprised of significant developments and changes.

Business resiliency

Management develops, implements, and periodically reviews plans for business resiliency that provide the most critical protection considering the Group's operations. It is the responsibility of Management to identify the Group's major business and operational risks, including those relating to natural disasters, leadership gaps, physical security, cybersecurity, regulatory changes, and other matters. Management develops and implements crisis preparedness and response plans and works with the Board to identify situations (such as a crisis involving senior management) in which the Board may need to assume a more active response role.

A key factor in the ongoing success of the Group is the quality of its management team. This team is composed of individuals with a strong mix of leadership skills and diverse experiences. To effectively leverage this extensive expertise, the Group Managing Director has established Management Committees. These committees consist of departmental Directors and other senior managers as needed.

As of 2024, the Management Committees that support the Group's operations are structured as follows.

Executive Committee (EXCO)

Key Focus	Objectives
Strategy development & strategic updates	Oversee strategy development and receive updates on strategic initiatives implementation, including corporate BSC.
Policy development & Governance oversight	Institute policies and recommend to Board for approval Provide overall Governance oversight.
Leadership & resource deployment	Provide direction for the implementation of key strategic issues. Provide oversight and direct on optimal resource allocation.
People and culture	Discuss the implementation of culture transformation
Escalation points from other committees	Resolve any escalations from various committees. Challenge & re-organise underperforming committees of the Bank.
Decision making on key disruptions	Based on various strategic issues (internal & external), decide how to address disruptions and delegate execution to other committees.

Expected Outcome

- Enhanced collaboration between business functions,
- Improved productivity as senior management will be able to advise and take the lead on key business

Management Committee (MCM)

Key Focus	Objectives
Business Performance	Key Business strategies implementation updates from Business, including Treasury. Also, discuss the challenges and support needed
Operational Updates	Key Operational strategies implementation updates, challenges and support needed
Monitoring of deployed resources	Discuss how human, business, and operational resources have been optimised and give directives to correct deviations.
Escalation points from other committees	Resolve any escalations from various committees working under MCM.
Decision Making	Based on various deliberations, make decisions (within the Mandate) and give directives. Should escalate strategic issues to EXCO

Expected Outcome

- Focused discussions based on key business and operational results,
- Increased productivity
- Creates a culture of ownership where some decisions shall be made at a Business unit level instead of being brought to the Meetings

The Asset Liability Committee (ALCO)

Key Focus	Objectives
Manage structure and composition of Assets and Liabilities	• Continuously review and decide on strategy and direction of all aspects of balance sheet management • Oversee financial risk management and ensure compliance with all regulatory requirements
Manage Market Risk and Funding Optimisation	Ensure the Bank achieve its strategic goal while balancing both risk & return.
Monitor Regulatory Requirements	Review adherence to regulatory limits and requirements
Monitoring of deployed resources	• Discuss how business and operational resources have been • Optimised and give directives to correct deviations.
Decision Making	Based on various deliberations, make decisions (within Mandate) and give directives

Expected Outcome

- Focused discussions based on key ALCO targets, deviation, lags & exposure results,
- Increased productivity, and increased efficiency on resolving deviation from internal limit
- Creates a culture of ownership where some decisions shall be made at a Business unit level, instead of being brought to the Meetings.
- Enhance collaboration while decreasing silos among functional units

Management Audit and Risk Committee (MARC)

Key Focus	Objectives
Oversight on the Bank's Performance	• Continuously review and discuss on strategy execution and all aspects of the Bank's productivity • Oversee cost management and ensure compliance with all regulatory requirements
Monitor Culture & Management Actions	• Monitor culture initiatives implementation progress, • Monitor implementation of management directives from various management meetings
Manage BSC Optimisation	Ensure Bank achieve its strategic goal while balancing both risk & return through adequate KPIs and targets on day-to-day operations.
Decision Making	Based on various deliberations, make decisions (within Mandate) and give directives. Should escalate strategic issues to EXCO.

Expected Outcome

- Focused discussions based on key targets, deviation, lags & exposure results,
- Creates a culture of ownership where some decisions shall be made at a Business unit level, instead of being brought to the Meetings.

Productivity and Cost Committee (CPC)

Key Focus	Objectives
Risk Appetite	Set the tone and discuss the risk appetite of the Bank, any exceptions and significant deviations reported to Board.
ERM Practices across the Group	Oversight on Risk Management practices across CRDB Bank Group
Regulatory Compliance	Oversight on Regulatory Compliance across the Group.
State of Internal Audit	Oversight on where audit matters are being properly managed by the management of both the parent and subsidiaries.
Decision Making	Based on various deliberations, make decisions (within the Mandate) and give directives

Expected Outcome

- Focused discussions based on key RisksAudit & Controls exposure results,
- Increased productivity, increase efficiency on resolving audit and risk deviations
- Creates a culture of ownership where some decisions shall be made at a Business unit level, instead of being brought to the Meetings.
- Enhance accountability and collaboration while decreasing control issues to functional unit.

Customer Experience Forum (CEF)

Key Focus	Objectives
Oversight on Customer Experience	Oversight on the issues around customer experience and associated risks.
CX Strategy updates	Key customer experience strategies implementation updates, challenges and support needed from the management.
Performance management	Recommending the establishment of customer service standards and monitoring the performance of management to such standards
Escalation points	Resolve any escalations from branches and customer experience team, act as a centre for guidance and support
Decision Making	Based on various deliberations, make decisions (within Mandate) and give directives. Should escalate strategic issues to EXCO.

Expected Outcome

- Focused discussions based on key business results, to drive experience to customers.
- Increased productivity and ownership of deployed resources to create better customer experience culture.
- Creates a culture of ownership by business units to drive accountability around customer experience.
- Enhance accountability and collaboration while decreasing control issues around the customer experience process.

Compensation of Key Management Personnel

The Board reviews and approves the compensation of key management personnel on an annual basis. The remuneration of key management personnel during the year was TZS 12,588 million (2023: TZS 12,469 million). Details are in note 64 of the financial statement.

Group Performance evaluation and reward

The Group's performance and reward approach ensures remuneration structures are balanced and are designed to drive sustainable performance by ensuring that reward programmes support our business strategy and are both supportive of and aligned with sound remuneration practices. Individual rewards and incentives are linked directly to the performance and behaviour of the employee, the performance of their respective business units and the interests of shareholders. Details on the remuneration of the key management personnel are disclosed in Note 64 to the financial statements

Quality Management

Information security management system

The Bank is certified with ISO 27001: 2013 (Information security management system) international standard by the British Standard International (BSI). The certificate indicates the secure management of financial products and services, information processing and store facilities, databases, clients' data, and the Bank's financial information in core banking operations in the Bank.

The Bank has been certified as compliant with the Payment Card Industry Data Security Standard (PCI-DSS), which applies to any company that accepts, stores, processes, or transmits cardholder data. The certification was presented to the Bank following an in-depth assessment by Qualified Security Assessor (QSA) - Advantio Limited and after the Bank was found to have met all the standards' requirements. This compliance helps the Bank protect its payment systems from breaches and theft of cardholder data.

Business Continuity

Being the leading Bank in Tanzania, we found it imperative to be at the forefront of improving our business resilience by benchmarking our practices against the best management system/standards in the market. In this regard, we have been certified by the British Standards Institute (BSI) as ISO22301:2019 BCMS certified. ISO 22301 is the international standard for Business Continuity Management (BCM), and it provides a practical framework for setting and managing a business continuity management system, aiming to prevent, prepare for, respond to, and recover from unexpected and disruptive incidents.

Risk Management Report – FY 2024

Message From the Director of Risk and Compliance

Driving Strong Performance Amidst Uncertainty

In the face of an ever-evolving business landscape, CRDB Bank Plc has remained steadfast in its commitment to proactive risk management, which continues to play a critical role in driving the Bank's success. Despite headwinds such as fluctuating exchange rates, market liquidity issues and rising cyber threats, our ability to anticipate and address risks has been instrumental in delivering strong performance during uncertain times.

We have significantly enhanced our risk management framework, ensuring timely identification and mitigation of risks and control gaps. Our strategy integrates risk and opportunity assessment into every initiative, fostering a balanced approach to value creation. To strengthen resilience, we have automated key controls improving monitoring capabilities for early detection and swift mitigation of potential threats.

Further, our prudent risk appetite continues to align risk-taking with expected returns generating value for our shareholders while safeguarding the interest of our stakeholders. The Bank's strong financial performance reflects the success of this strategy, underpinned by robust governance and disciplined execution.

Throughout the year, CRDB Bank Plc navigated multiple challenges while maintaining a Non-Performing Loan (NPL) ratio within our established risk appetite. We closed the year with a strong capital position and buffers, ensuring the Bank remains well-positioned to absorb any potential shocks.

Looking forward, we are fully prepared to comply with the new capital and liquidity regulations set to take effect in April 2025. We are also embedding new guidelines on sustainability risk management and disclosures ensuring compliance, resilience, and a future-focused approach.

As we continue to drive the economic development of Tanzania and build a sustainable future for the communities we serve, the Bank remains committed to a dynamic and forward-looking approach to risk management. Our dedicated team is excited to continue contributing to the stability and growth of the Bank, safeguarding the future for all our stakeholders.

Risk Management

The Group remains committed to meeting stakeholders' expectations in mitigating risks through a robust enterprise risk management framework. It is designed to ensure that risks are systematically identified, assessed, managed and monitored, aimed at achieving an optimal-risk reward profile.

Our framework has well-defined internal structures, adequate processes, systems and policies, which monitor and mitigate current and emerging risks—whether stemming from external pressures or internal vulnerabilities—while promoting proactive, preventive actions to minimise potential harm, losses, or disruptions.

We strongly believe that effective risk prevention drives long-term shareholder value. By managing risks proactively and strategically, we unlock greater earning potential, ensure earnings stability, and safeguard the business from unexpected losses.

Primarily, our risk management framework aims to protect our solvency through the preservation of high asset quality, operational efficiency and prudent capital management. This approach supports sustained earnings that augment our core capital while ensuring regulatory compliance, and enhances market confidence, thereby fostering lasting stakeholder trust and support.

Risk Management Principles

At CRDB Bank Plc, we acknowledge that effective risk management is not just about mitigating threats—it is about creating value and supporting achievement of our strategic objectives. This is driven by continuous review of processes and systems to ensure our risk management framework remains relevant and impactful.

Our integrated risk management framework and governance structures are embedded within both operational and strategic planning processes. This ensures that key decision-makers across the Group rely on proactive risk principles to make informed choices, prioritise actions, and strike the right balance between risk and reward.

Drawing from experience, we understand that effective risk management requires a thorough analysis of all available information while recognising the potential limitations of that data. Accordingly, our risk management framework ensures both internal and external factors are carefully considered, enabling a well-rounded adaptive risk approach.

We also recognise the role of human and cultural factors in risk management. Our framework emphasises the importance of people and culture in achieving the Group's business objectives. To this end, we constantly engage stakeholders—internally and externally—throughout the risk management process, recognising that open communication and collaboration are key to identifying, analysing and monitoring risk effectively.

Moreover, we acknowledge that managing risk demands flexibility and adaptability. Operating in a dynamic and ever-evolving environment requires our continuous vigilance, scanning for emerging threats while adjusting for risks that no longer exist. The Group's commitment to strengthening its risk culture is reflected in the ongoing allocation of resources to ensure we manage risks effectively and demonstrate sustained achievement.

The Group's Attitude Towards Risk

We actively pursue opportunities within our risk appetite and risk tolerance levels. Each risk we take is carefully assessed to ensure potential benefits justify the exposure. Unacceptable risks, those that exceed maximum tolerance set by our Board of Directors or those that could hinder the Group's sustained growth and disrupt operations, are strictly avoided.

Group Approach In Managing Risk

The primary responsibility of managing risk resides with the business and functional areas, where the risk is taken (first line of defence). The Group business and subsidiary function owners are accountable for embedding the Group Risk Management Framework into daily risk management processes. All employees have the responsibility to ensure an effective risk management and must report appropriately any control failure, omissions or any potential exposures that may result in financial or reputational loss to the Group.

For every new product, process or system that is introduced or implemented in the Group, an internal control process is developed and made available to all relevant employees. The control process, at a minimum, includes the following elements: defined accountabilities, identification of key risks and controls in place to mitigate the risks, objectives of the internal controls being proposed, and description of the control environment —which must be implemented, maintained, monitored, and reported on.

The Group Management Audit and Risk Committee and Subsidiary's Audit and Risk Committees oversee risk management and monitor effectiveness of controls implementation in their respective areas.

The Group Risk and Compliance function provides an independent oversight and monitoring of group-wide risks and controls. This function reports directly to the Group CEO and Managing Director, ensuring transparency and accountability.

Risk Philosophy and Appetite

The Bank, while carrying out its business, is exposed to a broad range of risks. To support effective governance and foster a risk informed decision-making culture, the Bank has set out qualitative risk appetite statement (RAS) that outlines its approach to managing these exposures. The risk appetite statement considers the full spectrum of risks the Bank faces and provides a structured approach to manage them.

To complement this, the Bank has in place quantitative risk appetite in the form of risk limits, which enable the Bank to take calculated risks while ensuring operations remain within defined boundaries.

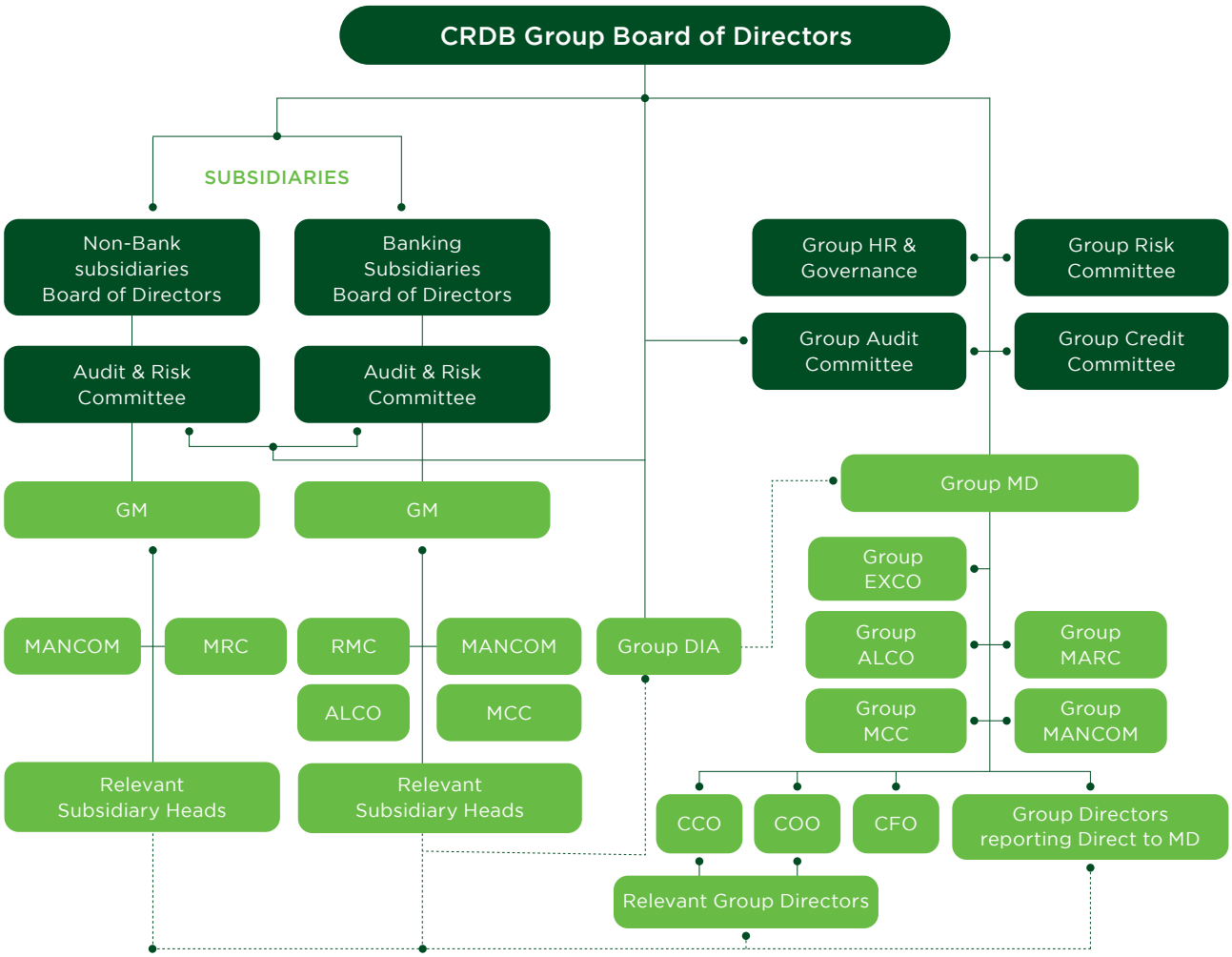
To supplement this, the Bank consistently ensures sufficient resources are available to manage risks effectively and maintain exposure within acceptable levels.

Further, the Bank acknowledges that eliminating all risks is neither possible nor desirable. Some level of risk is essential to foster innovation, enhance efficiency and seize strategic opportunities.

To reinforce this approach, the Bank has developed and implemented various policies, procedures and tools that align the risk appetite with the risk taken and expected returns. This ensures that decision making supports the Bank's strategic objectives.

Moreover, the Group maintains a zero-tolerance policy, demonstrating unwavering commitment to integrity and accountability. In other areas, the Bank embraces calculated risks to achieve its growth ambitions, always striving to align with industry best practices and maintain robust risk management across the Group.

CRDB Group Organisational Structure



Roles and Responsibilities of the Group Board of Directors in Risk Management

The Group's Board of Directors holds ultimate responsibility of the risk management function across the Group. This includes setting the tone and shaping a strong risk-aware culture throughout the Group.

Their key responsibilities include:

- Approving the overall business strategy, risk appetite and limits, the Group Risk Management Framework and its associated policies.
- Ensuring the risk management framework and its related policies are effectively embedded across the Group's operations with strict adherence to regulatory requirements at all times.
- Defining the nature, role, responsibility, and authority of the risk management function within the Group, ensuring a clear mandate and scope for risk oversight.
- Reviewing and monitoring the Group risk profile through management reports to assess the Group's risk exposure. This ensures risks remain within the Board approved appetite and timely remedial actions are taken.

Responsibilities of the Group Senior Management in Managing Risks

The Group Senior Executive Team plays a pivotal role in setting the tone for risk management and fostering a strong risk-aware culture across the Group.

Their key responsibilities include:

- Facilitate the review and/or development of the Group Risk Management Framework and its related policies, recommending changes to the Group Board for approval.
- Provide an oversight to the Bank and its subsidiaries' operations covering risk management, strategy formulation and execution.
- Execute the Group's strategy while proactively managing the inherent risks of each initiative, ensuring continuous compliance with laws and regulations, both on a long-term and day-to-day basis.
- Establish and regulate robust policies, controls and risk monitoring systems, while ensuring accountability and clear lines of authority throughout the Group.
- Establish and communicate a strong awareness of and the need for effective internal controls and high ethical standards.

Segregation of Duties in Managing Risks

All employees across the Group hold are vital in ensuring the business operates within the approved risk appetite. These responsibilities have been clearly defined based on their roles within the 'three lines of defence.'

First Line of Defence

The First Line of Defence comprises employees engaged in risk-taking, revenue generation and client facing areas of the Group and all associated support functions, including finance, treasury and capital markets, technology, human resources, operations and administration, etc.

Employees in the First Line of Defence have primary responsibility for their risks, including:

- Proactively identifying and managing all inherent risks in the activities they are engaged in and developing appropriate policies, business processes/standards and controls to govern their activities.
- Operating within approved risk limits and appetite.
- Escalating risk events to senior management and the Risk and Compliance function promptly.
- Ensuring the business/function structure reflects actual operating practices.
- Ensuring there are adequate, accurate, reliable and timely financial, operational and regulatory reports with exceptions noted and promptly investigated.
- Establishing and maintaining self-assessments to test controls and maintenance of departmental risk registers.
- Responsible for ensuring that identified material weaknesses (from internal or external reviews/audits) are adequately documented, given the appropriate attention (with objective verification and review), and timely resolved.

The First Line of Defence is responsible for designing and maintaining its own policies and controls in line with the established control framework, particularly for operational activities. All employees are expected to manage controls within the defined risk tolerances. While First Line teams may carry out control-related activities, these must stay within any applicable limits established. All activities in the First Line are subject to oversight from the relevant parts of the Second and Third Lines of Defence.

Second Line of Defence

The Risk and Compliance function comprises the Second Line of Defence. Its role is to coordinate the establishment of risk limits, rules and constraints under which the First Line activities shall be performed, consistent with the risk appetite. The Second Line actively monitors performance and intervenes when breaches occur, ensuring swift corrective action and maintaining risk discipline. It also holds the authority and responsibility to independently challenge risk decisions and exposures in the First Line whenever necessary.

In discharging its role, the Second Line shall:

- Develop and oversee risk management strategies, structures, and processes that address the institution's full spectrum of risks.
- Collaborate with the First Line to establish robust control processes that ensure compliance with relevant regulatory and legal requirements.
- Continuously monitor changes in relevant legislation and regulatory environment and ensure timely adaptation and compliance.
- Design and maintain risk management frameworks and structures to ensure consistent, effective risk management practices across the Group.
- Reinforce risk culture and strengthen risk management through awareness programmes and staff training.

Where deemed necessary by the Director of Risk and Compliance, the Second Line may take on additional activities or interventions to minimise or mitigate the Group's exposure to emerging or unforeseen risks, reinforcing its role as an independent, proactive safeguard.

Third Line of Defence

The Internal Audit function comprises the Third Line of Defence. It provides independent assurance to the Board of Directors and senior management regarding the effectiveness of governance, risk management, and control over current, systemic and evolving risks.

Combined Assurance

The Bank has implemented a combined assurance framework designed to coordinate activities across the 'three lines of defence' for an effective control oversight. This has maximised oversight, minimised duplication of efforts and optimised overall assurance provided to senior management and Board of Directors about the risk and overall control environment.

Stress-Testing

The Group conducts stress testing to complement its existing risk management measures. It covers the principal risks to which the Group is exposed, namely: credit, interest rate, foreign exchange, liquidity, operational, and climate-related financial risks.

Stress tests provide an indication of the potential size of losses that could arise in an extreme or worst-case condition. The Group applies risk factor stress testing, where stress movements are applied to each risk category. The analysis assists in assessing and determining the Group's capital resilience under different assumed market shocks which are likely to occur.

Stress testing is carried out quarterly to evaluate capital adequacy. This serves as an early warning indicator to senior management on potential unfavourable outcomes and determines capital buffers necessary to absorb significant losses in severe market shocks. The results guide strategic decisions by highlighting weak spots and supporting pre-emptive measures to strengthen the Group's financial position.

Classifying Risks

The Group's risk management strategy aims to support the achievement of business objectives while identifying and quantifying risks, establishing clear risk ownership, and maximising business value, while considering associated costs and risk level of the organisation. Consequently, we have classified risks into distinct areas based on ownership and operation set up of our business. These categories are outlined in the table below.

Risks	Mitigations	Strategies	Capital impacted
Credit A risk of financial loss arising from non-payment of principal and interest on credit accommodations.	There are robust policies and processes for managing credit risk approved by the Board. The Group also ensure that; • All credit facilities are insured. • Credit risk is assessed and managed from credit origination to recovery management. • Monitoring is done throughout the credit management life circle.	Maintaining healthy asset quality with optimal risk reward considerations	
Market The risk of financial loss on earnings or capital arising from adverse movement in market rates or prices such as interest rates, foreign exchange rates and equity prices.	• Matching the sensitivity of Group assets and liabilities to changes in market interest rates. • Matching of assets and liabilities of the same currency. • Close monitoring of equity price movement	Optimising profitability of marked-to-market products within the constraints of liquidity and market risk appetite of the Bank	

Financial Capital Manufactured Capital Intellectual Capital

Human Capital Social and Relationship Capital Natural Capital

Risks	Mitigations	Strategies	Capital impacted
Liquidity Liquidity risk is the risk that the Bank may not be able to meet its financial obligations as they fall due without incurring unacceptable losses	The liquidity risk management process is monitored by the Asset and Liability Committee (ALCO) which includes. • Day-to-day funding. • Ensure liquidity is managed within the limits set. • Ensure diversification of funding sources to minimise liquidity concentration risk.	To maintain healthy liquidity in comparison to the balance sheet size of the bank to tide over any unforeseen stress scenario Maintaining competitive cost of funds	
Compliance Refers to the risk to earnings and capital from non-compliance with laws and regulations, or misinterpretation of them.	Comprehensive Board-approved Compliance policy in place. Management also ensures; • Daily monitoring of regulatory changes. • Awareness to all staff on the new regulations. • Conformance tests across the Group to detect compliance gaps. • Engagement with policymakers when contradictions arise among jurisdictions	Ensuring businesses work within the contours of regulation	
Operational Refer to the risk which arises from inadequate or failed internal processes, people and systems or from external events. It includes risk of loss due to legal risk.	A Board-approved governance structure is in place with detailed framework and processes, internal controls, information technology and fraud monitoring mechanisms	Minimising operational losses through risk mitigation	

Financial Capital

Manufactured Capital

Intellectual Capital

Human Capital

Social and Relationship Capital

Natural Capital

Risks	Mitigations	Strategies	Capital impacted
Reputation Any adverse stakeholder and public perception about our Bank may negatively impact our ability to attract and retain customers and may expose us to litigation and regulatory actions	We communicate with our stakeholders regularly through appropriate engagement mechanisms to address stakeholder expectations and their concerns.	Delivering superior customer experience	
Cyber and Data Risk of cyber-attacks on our Bank's systems through hacking, phishing, ransomware and other means, resulting in disruption of our services or theft or leak of sensitive internal data or customer information	• Our high-level cybersecurity strategy is centred around the following principles: proactiveness, defence, continuous improvement and comprehensive risk management. • The Bank's cybersecurity architecture has been meticulously designed and implemented to align with the regulatory landscape and with a highly Tech-enabled Cyber-risk Prevention.	• Facilitating growth via secure Digital initiatives. • Adapting and updating Cyber Defence framework to counter new-age threats • Continuous information security awareness for employees and customers	
Climate Climate change poses financial and physical risks stemming from the transition, which may affect our business's financial performance as climate risks materialise into financial risks	We evaluate climate-related risks as part of our comprehensive risk management strategy. We identify potential risks in the current risk structure and take proactive measures to mitigate or manage these risks through our ESMS.	• We are exploring frameworks to model and assess climate risk. • We also continue our endeavour to acquire granular data and test tools for climate risk assessment and conducting scenario analysis.	

Financial Capital Manufactured Capital Intellectual Capital

Human Capital Social and Relationship Capital Natural Capital

Strategic Outlook

Navigating the Future: Resilient Growth and Strategic Expansion

Our strategic framework—centred on sustainable banking, innovation, and expansion—positions us for sustained growth and market leadership.

Delivering long-term value demands a clear strategy, strong leadership, and a proactive approach to shareholder expectations. Our five-year business strategy, ‘EVOLVE,’ embodies our drive for excellence and industry leadership.

We channel resources into sustainability-driven initiatives, environmental stewardship, and responsible banking, minimising our impact while maximising value. These efforts reinforce our commitment to resilience, sustainable growth, and long-term success.

Our Strategic Framework

Strategic

- Provide distinctive customer experience.
- Attract new and retain existing customers
- Increase the transaction income
- Compliance with Regulation
- Increase in market share

Economic

- Improve the return on equity
- Grow quality loan books responsibly
- Improve the efficiency ratio

Operational

- Digital transformation
- Develop automated solutions
- Train and develop employees

Social

- Help surrounding communities
- Financial inclusion
- Build a reputation as an employer of choice

Environmental

- Ensure environmental sustainability

Our Strategic Objectives

- Elevate customer obsession
- Enhance operational efficiency and effectiveness
- Seize growth opportunities in emerging business markets
- Expand locally and regionally, enhance international presence
- Build a resilient and responsible organisation
- Accelerate digital disruptive capabilities

Key Strategic Priorities for Sustained Growth

Corporate Social Investment

CRDB Bank's Corporate Social Investment strategy targets significant social challenges by creating sustainable solutions in areas of health and wellness, education, environment and financial capabilities with a focus on women and youth. It prioritises initiatives that address immediate community needs and empower communities to achieve self-sustainability.

Digital Leadership and Technological Advancements

Digital innovation remains central to our strategy. The focus is on leveraging cutting-edge technology to enhance customer experience, streamline operations, and drive efficiency across all touchpoints, ensuring agility in an increasingly digital world. This includes adopting new technologies and business models to foster growth and enhance digital adoption.

Cybersecurity Strategy

The Bank's high-level cybersecurity approach is built on principles of proactiveness, robust defence, continuous improvement, and comprehensive risk management.

ESG Integration

ESG and climate-related factors are embedded within the corporate strategy. By integrating these elements, we adopt a holistic approach to value creation, evaluating risks and opportunities related to sustainable and socially responsible practices.

Governance

Individuals in governance roles are responsible for overseeing the entity's strategic direction, including the financial reporting processes.

Regional Expansion

A key focus is on expanding into East and Central Africa, where the Bank aims to leverage cross-border opportunities, support regional trade, and enhance its position as a leading pan-African financial institution.

Our Roadmap for Transformative Growth

Achieve full digitalisation through advanced internet and mobile banking features to enhance banking accessibility.

Optimising our balance sheet and leveraging stakeholders engagement for business growth to accelerate strategy execution.

Strengthen technology to better serve customers and increase capacity to serve.

Enhance service through process simplification and automation to accelerate process reengineering programmes.

Strategic Pillars Shaping Progress

Our strategic pillars strengthen our competitive edge, drive business expansion, and embed sustainability at the core of our operations, ensuring a solid foundation for future growth. These guiding principles shape our initiatives, with clear, measurable goals in place to track our progress and sustain long-term impact.

Monitoring Strategic Performance

Governance plays a pivotal role in steering the Group's operations, ensuring alignment with our strategic vision. Through quarterly reviews of key performance indicators (KPIs), individuals in governance assess comprehensive reports from Management, evaluating successes and identifying challenges arising from internal and external factors.

These reports also outline the necessary support to achieve our objectives, enabling proactive decision-making and strategic interventions. This structured oversight framework strengthens operational effectiveness, driving sustained growth and resilience.

Strategic Pillars

- Ringfence the Business
- Grow the Business
- Futureproof the Business

FINANCIAL STATEMENTS

The Report by those charged with Governance	**196**
Statement of Directors' Responsibilities	**326**
Declaration of the Chief Financial Officer	**327**
Financial Statements:	
Report of the Independent Auditor	**328**
Statements of Profit or Loss	**332**
Statement of Other Comprehensive Income	**333**
Statements of Financial Position	**334**
Statements of Changes in Equity	**335**
Statements of Cash Flows	**339**
Notes to the Financial Statements*	**340**

*Scan the QR code above to view the financials.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE

FOR THE YEAR ENDED 31 DECEMBER 2024

1 INTRODUCTION

Those charged with governance (“ Directors”) have the pleasure to submit their report and the audited financial statements for the year ended 31 December 2024, which disclose the state of affairs of CRDB Bank Plc (“the Bank”) and its subsidiaries, CRDB Bank Burundi S.A., CRDB Bank Congo, CRDB Insurance Company Limited and CRDB Bank Foundation (together “the Group”).

This report has been prepared in compliance with TFRS 1 issued by the National Board of Accountants and Auditors (NBAA) which became effective on 1 January 2021.

2 INCORPORATIONS

The Bank was incorporated in the United Republic of Tanzania under the Companies Act No.12 of 2002 as a Public Company limited by shares with registration number 30227. The Bank was established in 1996 and listed on the Dar es Salaam Stock Exchange on 17 June 2009. and has established three wholly owned subsidiaries, namely CRDB Bank Burundi S.A., incorporated in the Republic of Burundi in 2012, CRDB Insurance Company Limited incorporated in the United Republic of Tanzania under TIRA in 2023 and CRDB Bank Foundation registered by the Registrar of NGOs in 2023. The Bank also own another subsidiary in Congo, “CRDB Bank Congo “, incorporated in the Democratic Republic of Congo in 2023, with 55% ownership.

3 VISION

Transform lives and develop economies to their fullest potential.

4 MISSION

Provide disruptive solutions to unlock social-economic value for our stakeholders.

5 OUR PURPOSE

Improve livelihoods and deliver sustainable impact.

We believe our role as an organization is to positively impact the world and the people we serve. We strive to improve the livelihoods of our customers, employees, and communities by delivering innovative products and services that make a real difference in their lives.

6 ENTITY OPERATION

The bank is licensed in Tanzania under the Banking and Financial Institutions Act of 2006. It has several subsidiaries, which are as follows:

- CRDB Bank Burundi S.A: This is a licensed bank in Burundi under the Banks and Financial Institutions Act of 2003. It provides banking services.
- CRDB Bank Congo: CRDB Bank DR Congo is a public limited company and licensed Bank registered under the Ohada Uniform Act, relating to the law of commercial companies and G.I.E and the Banking Regulation of DR Congo. It provides banking services.
- CRDB Insurance Company Limited is a licensed insurance company in Tanzania that provides insurance services.
- CRDB Bank Foundation: This is a non-profit organization registered in Tanzania that aims to promote inclusive growth for social-economic and financial inclusion through community-focused initiatives.

The Bank is a public listed company on the Dar es Salaam Stock Exchange. The share price as at 31 December 2024 was TZS 670 (2023: TZS 460). Market capitalization as at 31 December 2024 was TZS 1,749.93 Billion (2023: TZS 1,201.45 Billion). The Bank remains one of the largest commercial Bank in Tanzania with a leading share of total customer deposits of 27% (2023:27%) and 26% (2023:25%) of assets as of 31 December 2024.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

6 ENTITY OPERATION (Continued)

Environmental matters and impact on the Group's business operations

The Group believes that taking care of environmental and social matters is a key responsibility for everyone. As corporate citizens, we have embraced a culture of responsible living, with the ultimate intention of building a sustainable work environment with insignificant impact on the environment, which can impact business operations. Details on environmental matters, impact, and what the bank is doing to reduce the adverse effects of the environment and social risks have been disclosed under section 25.

Bank's Employees

Our people are the cornerstone of our success. Their engagement and commitment make us who we are. Our employees play an important role in contributing to the bank's long-term success and performance. The employee focus is centered on learning and development, employee well-being, employee engagement, and diversity and inclusion.

- **Learning and Development**

  The Bank greatly emphasizes continuous learning, even in a fast-paced environment. It offers online and classroom training programs to ensure that its staff stays updated with the latest industry trends and actively develops their skills. These programs are carefully designed to cater to the employees' busy schedules, allowing them to prioritize their work while taking advantage of the available training opportunities.

  To further encourage self-learning among its employees, the Bank has introduced an online platform that offers a wealth of educational resources, training materials, and interactive modules. This platform is accessible 24/7, allowing employees to learn at their own pace and convenience, regardless of location or schedule. Overall, the Bank is committed to providing its staff with ample opportunities for professional development and growth and constantly strives to create a supportive and conducive learning environment.

  By promoting self-learning through this platform, the Bank empowers its employees to take ownership of their professional development. They can continuously learn, acquire new competencies, and stay relevant. This benefits the individual employees and contributes to the Bank's overall growth and success.

  The availability of an online learning platform that can be accessed conveniently on mobile phones demonstrates the Bank's commitment to fostering a culture of learning and development throughout the year. In addition, the Bank has also established a dedicated unit to promote learning among its staff, and the top learners are recognized semi-annually based on the number of courses completed. This recognition serves as an encouragement for everyone to put in effort and improve their skills.

  During the year, the Group spent TZS 7.98 Billion (2023: TZS 6.60 Billion) for Learning and development, and 4,081 staff were trained (2023: TZS 3,338) from senior management to support staff level.

- **Employee Well-being**

  As a Bank, we believe employee wellness is essential to our overall employee value proposition. We prioritize the value of 'Care' and constantly seek ways to provide the best possible customer experience. We recognize that a happy and engaged workforce is critical to achieving this goal. To achieve this, we prioritize health and well-being. We understand that a sedentary lifestyle, poor posture, and stress are the primary health concerns in the workplace. To address these issues, we conduct regular medical check-ups, promote best health practices, and provide counselling services through a dedicated helpline to help our employees deal with mental health issues.

  Additionally, we offer medical coverage to all our employees, and we have a specialized maternity care program to support our female employees on the path to motherhood. We also understand the importance of nutrition, physical fitness, and stress reduction. Our bank firmly believes that quality health is essential for our organisation's success and for promoting our staff's well-being. In 2021,

6 ENTITY OPERATION (Continued)

Bank's Employees (Continued)

- **Employee Well-being (Continued)**

  we launched well-being services focused on empowering our colleagues and eligible dependents to address challenges related to physical and social well-being. The services offered include:

  i. Professional telephone counselling in Swahili and English: Counselling for psychosocial problems, substance abuse and addiction, relationship problems, financial management, health, personal, or work-related problems, and all mental disorders. During the year 144 staff received counselling through this platform.

  ii. In 2024, 110 staff were provided with professional face-to-face Counselling for any psychological, relationship, medical stress, financial problems, marital and prenatal counselling, trauma-focused counselling, teenage counselling, family therapy, individual and corporate coaching, fitness, nutrition, and lifestyle management issues.

  iii. Managerial Consultation for stress management, crisis management, assistance in managing risk cases, cultural diversity, or performance management of employees were provided to 139 staff in 2024.

  iv. Psychiatric care arrangement: outpatient assessment and care through an accredited Psychiatrist.

  v. Emergency response critical incident stress debriefing (CISD): Worksite counselling and stress management support for issues such as armed robbery, death, or disaster at a worksite.

  vi. Education Support and awareness: Periodically conduct an awareness program across the network to equip employees with key psychological threats/signs. During the year 3500 staff were provided with awareness training on social wellbeing including mental health and stress management.

  vii. Human Resource department, in collaboration with Occupational Safety and Health Authority (OSHA), annually conducts fitness to work and medical examinations for all staff.

- **Employee Engagement**

  The Group believes Employee engagement is the foundation that supports several positive business outcomes, such as productivity, profitability, growth, customer experience, employee retention, and safety. At CRDB, employees are engaged at three levels: physical, emotional, and cognitive. These are not only to ensure full commitment from the employees but also create passionate and motivated workers who strive hard to work towards the Bank's vision and personal goals. By focusing on employee engagement at multiple levels and providing opportunities for growth, recognition, and well-being, CRDB aims to create a motivated and committed workforce that can contribute to the bank's success and deliver exceptional customer experiences.

  In addition to work-related activities, CRDB organizes sports events such as the CRDB Super Cup and supports young talents through the UniTalent Sponsorship program. These initiatives contribute to employee engagement by promoting teamwork, friendship, and personal development outside the regular work environment.

  Fundamentally, people want to be recognized and appreciated for their efforts. To emphasize this, in 2020, the Bank formally launched the "CEO Awards" award to recognise excellence in the workplace, which is conducted annually. The awards were structured in line with our strategic themes to recognize key drivers of change within the Bank. As a future-oriented employer, we believe in rewarding excellence among our staff as a motivating factor and a noble action.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

6 ENTITY OPERATION (Continued)

Bank's Employees (Continued)

- **Employee Engagement (Continued)**

The Bank believes that to continue becoming an employer of choice in the market, it must keep its employees engaged and listened to. From time to time, the Bank has used an employee satisfaction survey to listen to and engage its employees. The survey is conducted annually with the main aim of better understanding employees' morale, satisfaction, and engagement across the Bank and our subsidiaries. The survey is very important for the Group as it provides feedback to management to improve the working environment.

The survey is conducted via research, a simple and easy-to-use online survey tool. Employee survey responses are anonymous, and the survey team cannot trace individuals. The survey results are communicated to staff via organized Group sessions to discuss ways of improving our culture and performance and addressing problem areas.

The table below shows the results of the survey for the three years:

Employee survey data:	2024	2022	2020
Total eligible employees	3,984	3,712	3,278
Participation (no of employees)	3,227	3,623	2,560
Participation rate (%)	81%	98%	78%
Overall satisfaction index	**94%**	**87%**	**80%**

The survey results are used for three purposes.

i. Identify areas of strength, best practice, and potential improvement of our policies to make them more practical and effective.

ii. Understand engagement drivers, satisfaction levels, and team effectiveness.

iii. Formulate actions to resolve issues that demotivate people, compromise customer satisfaction, and /or diminish performance.

Furthermore, the Bank conducts quarterly town hall sessions branded as "CEO Town Hall" a platform where management communicates with employees on strategy, performance, and key updates. The platform also allows employees to ask various questions on performance and issues on staff matters. It is conducted physically and virtually from the head office to enable all staff to participate.

- **Diversity, Inclusiveness, Equity and Belonging**

The Group values Diversity, Inclusion, Equity, and Belonging, which fosters a positive work environment for all. This results in better ideas and promotes equality, ultimately delivering positive outcomes. The Group believes that a diverse and inclusive workplace is critical to ensure that every employee, irrespective of their background or role, feels equally involved, supported, and valued in all aspects of the workplace.

As a bank with a presence in several countries, our workforce comprises more than 4,000 employees. We believe having a diverse team is essential to our business's success, and we prioritise recruiting, developing, and retaining diverse talent. By doing so, we can better understand and connect with our customers, foster creativity and innovation, solve complex problems, make better business decisions, and boost employee engagement and morale.

The Group is committed to providing equal opportunities for all employees to develop and achieve their full potential, regardless of their background or identity. Diversity is an integral source of our strength because it fosters innovation and problem-solving by forcing everyone to look at things from different perspectives.

6 ENTITY OPERATION (Continued)

Bank's Employees (Continued)

- Our response
  - The Group has developed a Diversity, inclusion, equity, and belonging policy to ensure that the Bank adheres to the best human resources practices and standards. The policy sets out our approach to creating an inclusive and diverse work environment. The Group is an equal-gender employer, and several efforts are being made to maintain gender balance.
  - The Bank introduced the She Initiatives program as one of the initiatives aiming at empowering women through training, coaching, and mentoring. This program provides training, coaching, and mentoring opportunities to support women's professional growth and development. The She Initiatives program offers women various resources and support systems to enhance their skills, knowledge, and confidence. Training sessions are designed to equip women with the necessary tools and expertise to excel in their careers. These sessions may cover various topics, including leadership development, communication skills, financial literacy, and other relevant areas.
  - Through Coaching and mentoring, women participants are paired with experienced professionals who can provide guidance, advice, and support based on their expertise and experiences. This mentorship helps women navigate challenges, set goals, and make informed decisions about their career paths. By implementing the She Initiatives program, the Bank aims to create a more inclusive and supportive environment for women, enabling them to thrive professionally. The program seeks to empower women through training, coaching, and mentoring by equipping them with the necessary skills and knowledge to succeed in their chosen fields.

As of 31 December 2024, the Group's total workforce stood at 4,251 staff, with 2,355 (55%) males and 1,896 (45%) females. The workforce below 35 years of age (38%), between the age of 35-50 (55%) and above 50 years (7%). The Bank continued to focus on driving women's agenda through special sessions aimed at inspiring and empowering more women to draw unique leadership qualities that would enable them to rise to the highest levels of leadership.

Social and community issues

The Group acknowledges that Corporate Social and community issues are of increasing importance to our stakeholders and are vital to the continued success of the Group. The Bank is committed to contributing to sustainable developments by delivering economic, social, and environmental benefits for all its stakeholders. This is recognized as an important element of good corporate citizenship, alongside sustainability and good governance, and aims to improve the lives of disadvantaged people across multiple development sectors.

Our Group is committed to responsible and ethical operations that benefit all our stakeholders. To ensure this, we have a Corporate Social Investment (CSI) policy. Through this policy, we partner with communities and invest in them to find sustainable solutions. This helps us achieve our goal of operating in a socially responsible manner.

The Bank's Corporate Social Investment strategy addresses significant social problems to create sustainable solutions, particularly in health and wellness, education, environment, women and youth, and financial capabilities. The Bank also prioritizes programs that enable communities to meet their immediate needs and empower them to become self-sustainable and self-reliant in the future.

Employees are encouraged to participate in Corporate Social Investment (CSI) programs that aim to enhance the living standards of neighbouring communities. Employees are encouraged to participate in Corporate Social Investment (CSI) programs that aim to enhance the living standards of neighbouring communities.

For further details on our Environmental, social and Governance (ESG) section 25.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

6 ENTITY OPERATION (Continued)

The governance

Our Group is founded on strong principles of good corporate governance, which we conceive as integral to our prosperity. We understand the depth of the responsibility placed upon us by our shareholders to safeguard their hard-earned investments. Therefore, we conduct our business openly and transparently, adhering to the tenets of good corporate governance. We have a diverse Board of Directors with the right balance of skills and experience to steer our Group into prosperity.

Those charged with Governance are responsible for controlling the entity's strategic direction, including the financial reporting processes.

The Group has a Risk Management Framework integral to the Bank's corporate governance. It defines the Bank's high-level governance structure and documents the key responsibilities and accountabilities for managing risks inherent in the Group's business and operations.

For further details on our corporate governance structure, see section 23.

The Bank's operating model

Our integrated business model is designed to address the widespread needs of all market segments by responding to the rapidly changing world. Our governance operating model ensures robust internal governing bodies and proper systems and processes to support our customers and stakeholders.

The Bank continues to be innovative and adopt an agile operating model to respond rapidly to our customers' ever-changing needs. More details of the bank's operating model are disclosed under section 10.

Contractual arrangements

The Group entered several contract arrangements, which are grouped as enumerated below;

- Contractual arrangements with customers to whom we provide loans, advances, letters of credit, and guarantees.
- Long-term Borrowings with various reputable local and International Development Financial Institutions, such as IFC, AFDB, EIB, PROPARCO, INVESTEC, FMO, DFC, IBRD GCPF, CITI, ResponsAbility Investments AG, TIB, NBC, and TMRC, as detailed in note 51 of the consolidated and Bank financial statements.
- Strategic partners on green climate projects - GCF
- Contract with vendors/Suppliers of goods and services to the Group and Bank for the provision of various services as detailed in note 47 (other liabilities) of the consolidated and Bank financial statements.
- Professional service contracts with Consultants, Lawyers and Tax advisory firms.

7 OPERATING STRUCTURE

The Group provides a wide range of products that suit the needs of different segments in the market through our business divisions, namely Retail, Corporate, Treasury and Insurance. We are transforming our digital presence, providing simpler, seamless interactions through digital platforms while sustaining extensive customer reach through our leading branch network. We offer digital solutions, including simbanking, internet banking, point of sale (POS) machines, and Agency banking (Fahari-Huduma). Further details on our operating model are in section 10.

Products and services offered

The Bank has become one of the most innovative and preferred financial services partner in East Africa, supported by uniquely updated services like CRDB agency banking, Mobile banking, and Internet banking. The main services provided by CRDB are corporate banking, small business banking, Institution banking, Consumer banking, Capital market, and Insurance services through a network of 259 branches, including mobile branches, 684 ATMs, including depository ATMs, 4,708 Point of Sale (POS) terminals, and 36,566 registered banking Agents.

8 OPERATING ENVIRONMENT

Macro and micro economic overview

Global Economic Growth

The global economy sustained its recovery towards the end of December 2024, driven by private consumption and easing monetary policies in major economies. Global trade remained strong, particularly in emerging markets and developing economies, amid rising demand. The global GDP growth is estimated at 3.2% in 2024 and is projected at 3.3% in 2025, with emerging and developing economies contributing most of the growth. Global headline inflation is expected to decline to 4.2% in 2025 and to 3.5% in 2026, converging back to the target earlier in advanced economies than in emerging markets and developing economies.

Among advanced economies, growth forecast revisions vary. In the United States, underlying demand remains robust, reflecting strong wealth effects, a less restrictive monetary policy stance, and supportive financial conditions. Growth is projected to be at 2.7% in 2025.

In the euro area, growth is expected to pick up but at a more gradual pace than anticipated, with geopolitical tensions continuing to weigh on sentiment. Weaker-than-expected momentum at the end of 2024, especially in manufacturing, and heightened political and policy uncertainty explain a downward revision of 0.2% point to 1.0% in 2025. In 2026, growth is set to rise to 1.4%.

Emerging markets and developing economies

The overall growth forecast for emerging and developing economies in 2025 and 2026 is expected to align closely with the growth anticipated for 2024, indicating a period of relative stability in these regions. This stability is particularly vital as these economies face various global economic challenges, such as fluctuating commodity prices, shifts in trade dynamics, and inflationary pressures.

In 2025, China's economy is projected to expand by 4.6%, marking a slight upward revision of 0.1% points from previous estimates. This adjustment is attributed to favourable expectations stemming from recent trade policy developments, including trade agreements that may enhance export opportunities and stimulate domestic consumption.

Looking ahead to 2026, China's economic growth is expected to remain stable at 4.5%, sustaining the momentum gained in 2025. This consistency suggests that the foundations of the Chinese economy, such as innovation, infrastructure investment, and consumer spending, are likely to remain resilient, even amid potential global uncertainties.

In the Middle East and Central Asia, growth is projected to pick up, but less than expected in October. This mainly reflects a 1.3%-point downward revision to 2025 growth in Saudi Arabia, mostly driven by the extension of OPEC+ production cuts. In Latin America and the Caribbean, overall growth is projected to accelerate slightly in 2025 to 2.5%, despite an expected slowdown in the largest economies of the region. Growth in sub-Saharan Africa is expected to pick up in 2025, while it is forecast to slow down in emerging and developing Europe

East Africa

East Africa is the fastest-growing region in Africa, with a GDP growth rate averaging 4.8%. The region's economy is diverse, with agriculture playing a pivotal role. Key crops include coffee, tea, and horticultural products. Agriculture employs the majority of the population and contributes significantly to GDP. There has been rapid growth in tourism, with Tanzania and Kenya pioneering due to their safari parks.

Inflation rates in East Africa show significant variation across the region. By early 2025, Ethiopia's inflation rate is projected to reach 17%, while Kenya's is expected to be 3.5%, Tanzania's 3.1%, Burundi 12.6%, Congo 9.2% and Uganda's 3.7%. Key factors contributing to the anticipated inflation in East Africa include:

- **Oil Prices:** Fluctuations in global oil prices significantly impact inflation, especially in oil-importing countries like Kenya and Tanzania.
- **Exchange Rates:** Depreciation of local currencies increases the cost of imported goods, contributing to inflation.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

8 OPERATING ENVIRONMENT (Continued)

East Africa (Continued)

- **Political Stability:** Political turmoil disrupts supply chains and investor confidence, driving inflation. Stable governance helps manage inflation more effectively.

Challenges and Opportunities:

- Inflation Management: Central banks in East Africa focus on maintaining low and stable inflation through prudent fiscal management and monetary policy adjustments.
- Infrastructure Development: Efforts to improve infrastructure and attract foreign investment are ongoing, contributing to steady economic growth.

Tanzania

The economy maintained robust performance in 2024, growing at an average of 5.6% and is projected to grow at 6% in 2025, mainly supported by agriculture, construction, improvement of transport and logistics, and stable power supply. Inflation remained stable throughout 2024, well below the target of 5%. We closed the year with inflation rate of 3.1% compared to 3.0% in December 2023. Inflationary pressures are projected to remain at around 3.1% to 3.5% due to adequate food supply, a stable exchange rate, and moderate oil prices in the world market.

Zanzibar's economy demonstrated steady growth in 2024, driven by a strong recovery in tourism, increased trade activities, and enhancements in infrastructure investments. The real GDP growth rate was estimated at 6.2%, a rise from 5.8% in 2023, fueled by expansions in tourism, construction, and agriculture. The economy is projected to grow robustly at 6.8% in 2025, supported by the implementation of blue economy initiatives and ongoing construction projects.

Headline inflation remained low and stable throughout 2024. By December 2024, the headline inflation rate was recorded at 4.9%, down from 5.5% in 2023. Inflation is expected to remain below the 5% target in 2025.

Money Supply and Credit Developments in Tanzania

During the year, the extended broad money supply (M3) grew by 11.1%, compared with 14.1% in December 2023, largely driven by credit to the private sector. Credit to the private sector grew by 12.4%, in line with the thrust of monetary policy, reflecting a strong and sustained demand for new loans, driven by improving global and domestic economic conditions and decreased lending risks, evidenced by a reduction in non-performing loans. In 2024, the ratios of credit to GDP and M3 to GDP (key indicators of financial deepening) were 19.4% and 26.2%, respectively, higher than 16.8% and 23.1% recorded in 2023.

Personal loans, particularly those extended to small and medium enterprises (SMEs), have consistently represented the largest portion of outstanding credit in the financial sector. These loans play a pivotal role in stimulating private sector credit growth. Following personal loans, trade financing also contributes significantly to this growth, facilitating the movement of goods and services and enabling businesses to capitalize on market opportunities. The combined impact of these lending practices underscores the importance of SMEs in driving economic development and maintaining robust financial health within the private sector.

Interest Rates

During the year, the overall lending rate slightly decreased to 15.2%, down from 15.3% in 2023. Similarly, the negotiated lending rates have dropped to 12.8%, compared to 13.0% in the previous year. On the other hand, the overall deposit rates have increased to 8.33%, rising from 7.5% in 2023. Likewise, the negotiated deposit rate has risen to 10.4%, up from 9% reported in 2023. As a result, the spread between short-term lending and deposit interest rates has narrowed to 6.12%, down from 7.0% during the same period in 2023.

Developments in the Foreign Exchange Market

Foreign exchange liquidity improved significantly during the year ending December 2024, on account of external and domestic factors. The main external factor was the improvement in global economic conditions, particularly interest rate cuts by central banks in advanced economies, a decrease in oil prices

8 OPERATING ENVIRONMENT (Continued)

Tanzania (Continued)

in the world market, and a decline in inflation, contributing to the improvement in foreign currency inflows. Interest rate cuts eased financial conditions in the international capital markets and reduced capital flows to the advanced economies. The decrease in oil prices and global inflation reduced demand for foreign exchange in the country.

Climate change issues and policy options

Agriculture, manufacturing, and energy sectors are most vulnerable to climate change, with drought affecting agriculture and reliable power supply. According to the 2021 Global Conflict Risk Index (GCRI), Tanzania ranks 67th. The latest review of the 2015 Nationally Determined Contribution (NDC) estimated that the economic costs from climate shocks would be around 1% of GDP. The government has developed policies such as the National Climate Change Strategy 2021-2026, the Zanzibar Climate Change Strategy (2014), and the Environmental Management Act Cap to support climate resilience. Tanzania aims to reduce greenhouse gas emissions by 10-20%. by 2030 by promoting clean technologies and renewable energy sources, per their Nationally Determined Contribution (NDC). The country is on track to achieve SDG 13 on climate action.

Regulatory Environment in Tanzania Financial Sector

The banking environment remains stable and resilient, with sufficient capital to support economic activities. The Bank of Tanzania (BOT) plays a crucial role in maintaining the integrity and stability of the country's financial system. To fulfil this important mandate, the Bank developed guidelines on fees and charges for banks and financial institutions during the year. The guidelines are designed to provide directions on how banks and financial institutions should impose fees and charges for the financial products and services they offer to customers.

In developing these guidelines, the Central Bank adopted a consultative approach, involving various stakeholders to ensure that the guideline strikes a balance between the sustainability of financial institutions and the protection of consumer interests.

These detailed guidelines provide clear directions on the fair imposition of fees and charges related to the range of products and services offered by banks and financial institutions. They aim to create an equitable pricing structure that benefits consumers and financial providers, thus fostering a healthy competitive environment. By encouraging innovation in delivering financial products and services, these guidelines ultimately support the broader goal of financial inclusion, ensuring that a wider segment of the population has access to essential financial services.

The Group response to the regulatory environment

- The Group takes compliance with laws and regulations very seriously. We are committed to meeting the requirements to promote positive effects on the industry, our customers, and other stakeholders. To ensure compliance, we have a dedicated Risk and Compliance department with the primary responsibility of ensuring that our business operations adhere to laws, regulations, rules, and codes of conduct concerning proper standards of market conduct, managing conflicts of interest, and specifically dealing with matters such as the prevention of money laundering and terrorist financing.

  The Risk and Compliance department achieves this by regularly conducting physical and virtual meetings to inform all staff of new regulatory changes. These meetings help staff stay current on the latest compliance requirements so that we better serve customers and maintain the Group's reputation as a responsible and ethical business. The Group's commitment to compliance and risk management ensures that we continue to operate in a safe and responsible manner, providing our customers with the best possible service while adhering to all applicable laws and regulations.

- The Group maintains a good and ethical relationship with Government and Regulatory bodies to support the implementation of laws and regulations through engagement to ensure sustainable economic development.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

8 OPERATING ENVIRONMENT (Continued)

Tanzania (Continued)

Regulatory Environment in Tanzania Financial Sector (Continued)

Taking action on climate change

Climate change is a complex global issue that poses a significant threat to our planet and all forms of life. As a responsible bank, we recognize the urgency of this challenge and are fully committed to managing our environmental impact. We focus on sustainable finance to help create a more sustainable future for everyone.

We are fully committed to promoting innovative solutions and facilitating the transition towards a low-carbon economy. To achieve this, we have adopted a strategic approach that involves directing resources towards initiatives prioritising sustainability, environmental preservation, and eco-friendly practices. Our initiatives are thoughtfully designed to manage and minimise the environmental and social impacts of our financial activities. Our primary goal is to promote a net positive societal effect by encouraging responsible financial practices.

As a responsible bank, we strive to ensure that our banking practices positively impact on the environment and do not cause any harm. To achieve this goal, we evaluate credit risks by considering environmental, social, and governance (ESG) factors within our ESMS. By adopting sustainable practices, we can effectively manage risks and take advantage of opportunities in the ever-changing economic landscape. More details on section 25 – Sustainability.

Burundi

The outlook for the Burundi economy for 2024 and 2025 is positive, with real GDP growth estimated at 4.6% in 2024 and projected to grow at 5.9% in 2025, This growth is expected to be driven primarily by significant investments in the mining sector and increased public spending. The mining sector is anticipated to play a crucial role in boosting economic activity, while public investment in infrastructure and social services will further support growth. Additionally, the government's efforts to improve the business environment and attract foreign investment are likely to contribute positively to the economic landscape.

Inflation in Burundi is expected to decrease significantly, from 22% in 2024 to 12.6% in 2025, largely due to improvements in local food supplies and better fiscal management. The reduction in inflation will help stabilize the economy and improve the purchasing power of Burundians. Furthermore, the budget deficit is projected to improve, falling to 4.4% of GDP in 2024 and 3.8% in 2025, as the government continues its fiscal consolidation efforts. However, potential risks such as political instability, regional security issues, and external economic shocks could pose challenges to these positive projections. Therefore, continued economic and financial reforms, along with support from international development partners, will be essential for sustaining this positive trajectory

Democratic Republic of Congo (DRC)

GDP growth is estimated at 4.9% in 2024 and expected to stabilize at 4.8 % in 2025. This growth is expected to be driven by the continued expansion of major mines and a gradual acceleration of the non-extractive sector. The mining sector, particularly copper and cobalt, remains a key driver of economic activity, benefiting from high global demand and prices. Additionally, investments in infrastructure and energy projects, such as the Inga hydropower project, are anticipated to support growth in the non-extractive sectors.

The government's efforts to improve the business environment and attract foreign investment are also likely to contribute positively to the economic landscape. Inflation in the DRC is expected to decrease from 11.6% in 2024 to 9.2% in 2025. This reduction in inflation will help stabilize the economy and improve the purchasing power of Congolese citizens. However, the Congolese Franc (CDF) is forecasted to depreciate by 5% against the US Dollar, with the exchange rate shifting from USD/CDF 2,845 in 2024 to USD/CDF 2,977 in 2025.

8 OPERATING ENVIRONMENT (Continued)

Burundi (Continued)

Competitive position

The banking landscape is facing increased competition from Mobile Network Operators (MNOs) and FinTech companies. MNOs use their mobile infrastructure to offer financial services like mobile money, which is especially beneficial in areas with limited traditional banking access. FinTech companies provide digital financial services such as peer-to-peer lending and digital wallets, leveraging technology to enhance user experience.

Additionally, mergers and acquisitions in the banking industry are creating larger entities with more resources, intensifying competition. These changes are pushing traditional banks to innovate and adapt to stay competitive in this rapidly evolving environment.

Our response

- The Group is dedicated to its digital transformation agenda, which seeks to create the Bank of the Future and offer customers convenient financial services through mobile devices. With simbanking and internet banking, our customers can access credit, make transfers within CRDB, transfer to other banks, and send money to mobile wallets. They can also make payments to vendors and merchants.
- The bank enhances its competitive edge by focusing on a customer-centric approach, prioritizing our slogan “The Bank that listens” to deliver value to all stakeholders through a dedicated workforce.
- A wide network of 259 branches and 36,566 registered Agents across Tanzania, Burundi, and the Democratic Republic of Congo to reach underserved populations.
- Our strong brand gives us a unique opportunity to enhance customer experience

Speed and effect of technological change

The banking industry has evolved with the rise of online banking. Today, banks provide services through digital channels, such as the Internet and mobile applications, while maintaining a limited physical presence. Their business operations rely on financial technology (fintech) and innovation to enhance customer experiences and promote financial inclusion.

However, the use of technology also exposes banks to various risks, particularly in the areas of information security and cybersecurity. Unauthorised access and cyberattacks put banks at risk of data leaks and breaches of confidentiality, which can lead to significant legal costs and damage the bank’s reputation.

Our response

- The Group strategically focuses on utilizing technological advancements to meet growing customer demands and stay competitive. The Bank is dedicated to adopting new technologies and business models that foster growth and enhance digital adoption.
- To prevent breaches, the Bank has developed a cyber risk management plan that protects its network from potential threats and ensures financial security for its clients. The bank prioritizes information security because its primary business is providing banking services to customers both within the country and in the Diaspora, through various physical and online channels.
- The Group is committed to staying up to date with technological advancements that enhance the speed, convenience, and safety of financial transactions for our customers. We are actively competing in this space by innovating new products that provide easier access to banking services. Additionally, we are strengthening our ICT infrastructure and transforming our operations to improve service delivery. We are also in the final stages of implementing a new core banking system to create a scalable infrastructure for future growth.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

8 OPERATING ENVIRONMENT (Continued)

Market forces

The Group serves a diverse customer base with evolving needs and an increasing demand for greater value and convenience. The banking industry is significantly impacted by technology, and customers now expect seamless access to banking services 24/7, along with continuous innovation. The Group is committed to maintaining a customer-focused approach by developing innovative business models that meet customer demands and utilizing advanced technology to deliver effective solutions.

We have enhanced the capabilities of our banking systems and alternative channels, ensuring a strong presence nationwide and in our cross-border operations to provide an exceptional customer experience.

SWOC analysis

Strengths	Weaknesses
• Strong recognizable brand with strong relationship with clients • Asset size with market leadership • Digitalization and innovation: Being at the forefront of innovation allows us to deliver excellent customer experiences and enables growth. • Operations and governance: The Group Risk Management Framework forms the Bank's integral part of corporate governance. • Customer focus: we are the Bank that listens. The Group maintains a customer-centric focus. • Large network footprint: The bank has the largest network of branches & agents. • Strong stakeholder relations: The Bank has strong relations with multiple stakeholders, including the Government • Strong CSI: The Bank has invested in community development. • Strong International affiliations and partnerships	• Semi automated process
Opportunities	**Challenges**
• Youth: a growing, vibrant population • Women, Informal, and SME sectors: underserved segments with limited offerings in the markets we operate • Agriculture Value Chains: The agriculture sector is heavily underinvested with few forward linkages in industries – increase focus on that sector • Strategic Partnerships: collaboration with diverse stakeholders to support growth and speed of execution • Regional Brand: Continue with cross Boarder expansion to increase our brand visibility	• Cyber risk • Macro-economic and geopolitical uncertainties • Climate risks • Disruptions caused by changes in technology. • Unpredictable changes in the regulatory environment.

8 OPERATING ENVIRONMENT (Continued)

Societal matters in the environment in which we operate

Financial inclusion

"Creating an enabling banking environment for everyone."

We are dedicated to fostering financial inclusion by ensuring our community can access affordable and convenient financial products and services, regardless of location, background, ethnicity or financial status. Our brand propositions and offerings have been designed to cater to our customer's diverse and evolving needs. We have invested significantly in the latest technologies and innovative delivery channels to ensure our services are accessible to everyone. We are committed to providing a level playing field for our customers, especially those in underserved and remote areas, to help them achieve their financial goals and aspirations.

Our response

- Our approach to financial inclusion centres on the CRDB Bank Foundation through the Imbeju programs, which empower individuals by providing valuable financial literacy training and capacity-building sessions. These initiatives enhance participants' business and financial management skills, transforming lives and strengthening local economies to their fullest potential. In 2024, we reached 196,650 (2023:109,722) women and youth across Tanzania, further solidifying our commitment to fostering economic empowerment and sustainability within communities.

- The Bank made reforms in its business, concentrating on creating sustainable value, increasing financial inclusion, and building the economy integrated through products, services, and innovative service delivery systems through our wide range of networks, ATMs, Agency banking and point of sales. Our distribution network, for example, CRDB registered agents, increased significantly to 36,566 from 34,627 recorded last year.

- In addition, through our Al Barakah banking services, we proudly offer an Islamic banking window designed specifically to cater to the community's needs that adhere to Shariah laws. Unlike conventional banking options, our Islamic window provides tailored financial solutions that align with religious principles, ensuring that our clients can manage their finances in a manner that respects their beliefs and values. Our commitment is to serve those seeking banking alternatives that are ethical and in harmony with their faith.

- The Bank has partnered with Development Finance Institutions (DFIs) to improve financial inclusion for small businesses in Tanzania, which are vital to the country's economy. The partnership focuses on providing credit and technical assistance to help these businesses modernize and digitize their operations. The Bank is committed to supporting small businesses, encouraging them to become active participants in their entrepreneurial journeys.

Human rights

As a socially responsible bank, we closely monitor the human rights elements of the markets we operate in. We strive to ensure human rights-related matters are suitably addressed across our operations and by the third parties we work with. Our human rights practices have been embedded within all our operations. This includes:

- Fostering a work environment free from all forms of harassment, bullying, and discrimination

- Combating financial crime and corruption(including bribery and money laundering)

- Robust due diligence on our suppliers, customers, and business partners to ensure compliance with ethical code of conduct.

- All existing employees are required to complete mandatory refresher training on AML annually and acknowledge that they understand our Code of Conduct, including our stance on anti-corruption.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

8 OPERATING ENVIRONMENT (Continued)

Societal matters in the environment in which we operate (Continued)

Human rights (Continued)

All employees must report alleged or suspected human rights violations through the available reporting channels or our whistleblowing procedures. The Bank takes any reported incidence of human rights abuses seriously.

During the year, no incidence of human rights violations was reported.

Health

The Bank is committed to conducting its business in compliance with all applicable health and safety laws and regulations (the Occupational Safety and Health Act.No.5 of 2003). The Bank strive to provide a safe and healthy work environment to avoid adverse impact and injury to its employees and customers. The achievement of this goal is the responsibility of all employees of the Bank irrespective of their positions.

We recognize the importance of protecting our employees and customers from potential hazards and adverse effects. To this end, we actively assess and manage risks to prevent accidents and health issues. Our commitment extends to everyone present on our property—including our valued employees, contractors, customers, visitors, and public members. We ensure that all individuals are safeguarded against exposure to conditions that might compromise their health and safety. Through ongoing training, awareness programs, and safety protocols, we strive to foster a culture of safety that benefits everyone who interacts with our Bank.

Our response

- Considering the importance of employees' health, the Group invests in the best office chairs, which are comfortable and ergonomic seating for reducing backache.
- The Bank effectively adheres to workplace health and safety policy for its employees. Our office buildings have adequate lighting, which enables employees to view their work and environment easily without straining their eyes.
- The Group has been running various programs for employees across the country, including health check-ups for all employees each year, including introducing a special day for physical exercises and mental health awareness.
- The Bank has set up a special first aid room and Lactation room for mothers and children.

Poverty

The Group is committed to collaborating with society to create a brighter and more prosperous future as the country embarks on its journey towards self-reliance, in line with Sustainable Development Goal No. 1: "No Poverty." This goal aims to eradicate extreme poverty for all people by 2030. The bank is dedicated to implementing innovative solutions that enhance small businesses' access to financing and support entrepreneurs in accessing funds. By doing so, the bank seeks to promote growth and job creation while reducing poverty. This approach focuses on uplifting the most vulnerable members of society and fostering inclusive economic development.

8 OPERATING ENVIRONMENT (Continued)

Societal matters in the environment in which we operate (Continued)

Poverty (Continued)

Our response

- The Group has been setting aside 1% of its net profit back to the community on corporate social investment.
- The launch of the IMBEJU program is in line with the slogan "Leave No One Behind," which emphasizes the empowerment of marginalized groups and tackling inequality in economic opportunities.
- The bank has entered into agreements with international agencies to obtain funds for issuing affordable loans to women and youth. These funds help the bank to expand access to finance for women and youth borrowers in the education and health sectors, micro, small and medium enterprises (MSMEs), and the informal sector throughout Tanzania.

Population and demographic changes

The Group considers various demographic factors, such as age, education, income, ethnicity, and gender, when developing new products, creating marketing campaigns, or deciding on branch and agency locations. Age is particularly important to monitor, especially considering the transfer of wealth to younger generations.

Our response

By closely observing these demographic factors, the Group ensures that its products and services are tailored to meet the unique needs and preferences of our customers, delivering the best possible experience. For instance, the Bank offers customized accounts for different demographics: Junior Jumbo accounts for children, Scholar accounts for college students, Malkia accounts for women, Imbeju seed capital for women and youth, Tanzanite accounts for the diaspora, and pension accounts specifically designed for pensioners.

Environmental challenges

The Bank faces environmental challenges, primarily driven by climate change and the need for sustainable practices. As a financial service provider, we must manage physical risks, such as damage from extreme weather events to our properties and held collateral. For instance, properties used as collateral in flood-prone areas are at risk of devaluation due to increased flooding, while agricultural loans may be affected by prolonged droughts.

We also encounter transition risks associated with moving towards a low-carbon economy. This requires compliance with evolving environmental regulations, integrating Environmental, Social, and Governance (ESG) criteria into our risk management systems, and addressing the impacts of climate change, which can disrupt supply chains and affect economic growth.

Additionally, the lack of standardized data for assessing environmental risks complicates the accurate measurement and reporting of our environmental impact.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

8 OPERATING ENVIRONMENT (Continued)

Environmental challenges (Continued)

Our response

- As a responsible bank, we aim to ensure our practices positively impact the environment. We assess credit risks by considering environmental, social, and governance (ESG) factors through our Environmental and Social Management System (ESMS). By adopting sustainable practices, we can manage risks and seize opportunities in the changing economic landscape.
- The bank has implemented an environmental, social, and climate risk management policy to optimize opportunities and manage climate-related risks. This policy integrates climate risks into our governance and risk management practices, enhancing outcomes for financed activities in portfolio management and operations.
- We apply international best practices, including the IFC Performance Standards, in our credit review appraisals before approvals.
- We have invested TZS 281.3 Million during the year to combat the environmental challenges

Our Group is dedicated to enhancing environmental sustainability, reducing climate change risks, and contributing to a more sustainable future for the communities we serve. Section 25 on sustainability provides more details.

Political environment

The Bank operates in countries with stable political environments to safeguard its shareholders' interests and fulfil the needs of its stakeholders. This approach also contributes to the overall stability and growth of both the bank and the economy. A stable political environment has boosted foreign and domestic investments, providing assurance to both local and international stakeholders.

Key stakeholders' legitimate needs and interests and value created

The Bank recognizes that building strong relationships with stakeholders is essential for creating and maintaining value. To stay competitive and successful in the long run, we must meet and exceed their expectations. This approach helps us connect more deeply with the communities we serve, ensuring our relevance. Engaging with stakeholders allows us to understand how our actions impact society and the economy. This interaction enables us to share our solutions and initiatives while gathering valuable feedback. By listening to our stakeholders, we can make informed decisions that directly influence our strategy. Therefore, stakeholder engagement is crucial at every stage of our business.

8 OPERATING ENVIRONMENT (Continued)

Key stakeholders' legitimate needs and interests and value created (Continued)

The following are our key stakeholders, their concerns and expectations, our responses, and how we measure our performance.

Customers	Our feedback, decisions, and interactions with our customers significantly influence the growth and success of our Bank.	
Concerns and expectations	**Our response**	**How we measure our performance**
Security and fraud protection: Account security, transaction safety, and protection from fraud.	**Security measures:** • Our high-level cybersecurity strategy is centred around the following principles: proactiveness, defence, continuous improvement and comprehensive risk management. • The Bank's cybersecurity architecture has been meticulously designed and implemented to align with the regulatory landscape and with a highly Tech-enabled Cyber-risk Prevention. • Regular review of the cyber security systems.	All incidents are recorded, and monthly assessments check the number of fraud cases and measures to enhance the security of our systems.
Quality of service: Our customers value responsive and personalized service, which includes assistance with account management, inquiries, and issue resolution.	**Customer service excellence:** • Our primary goal is to provide world-class customer experience. Therefore, we continuously invest in our contact centre and customer experience department. • We have a customer complaint register at each branch and a resolution mechanism.	**Customer satisfaction surveys:** We regularly conduct surveys and gather feedback to assess customer satisfaction and identify areas for improvement. We use the Net Promoter Score (NPS) and the Customer Satisfaction Score (CSAT). **Customer complaint resolution:** We track and monitor customer complaints to ensure timely and satisfactory resolutions in line with established KPIs and industry best practices.
Convenience and accessibility: Our customers expect banking services to be convenient and accessible, whether through branches, agencies or digital platforms.	**Alternative Channel Banking:** The Bank offers various banking channels, including physical branches, agencies, online banking, and mobile apps, to ensure customers can access its services conveniently 24/7. **Branch realignment:** Our customer service manager is positioned at the forefront of engaging directly with customers. This initiative aims to improve customer experience in a more convenient manner.	The Bank measures through analysing the performance in terms of the number of customers and transactions in various banking channels.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

8 OPERATING ENVIRONMENT (Continued)

Key stakeholders' legitimate needs and interests and value created (Continued)

Customers (Continued)		
Concerns and expectations	**Our response**	**How we measure our performance**
Transparency and fairness: Our customers want clear and transparent communication about fees, terms and conditions, as well as fair treatment in all interactions with the Bank.	**Transparency and communication:** • Through our digital communications channels and our branch service centre, we strive to provide clear and transparent information about fees, rates and charges. • We are also complying with BOT guidelines in quarterly publications of all our fees and charges.	Through customer feedback in formal and informal channels including social medias.
Value created	**Enhanced customer experience** We create value by fostering long-term customer relationships and loyalty by addressing key customer concerns and delivering exceptional service. This was evidenced by a customer NPS score of 56% from 53% in 2023 and a CSAT score of 90% from 81%.	
	Trust and reputation: Our dedication to security, convenience, transparency, and service excellence fosters trust and enhances our reputation, attracting significant growth in customers to 6.4 Million in 2024 from 4.0 Million in 2023	
	Financial performance: Positive customer experiences enhance our financial performance by driving increased customer retention, fostering cross-selling opportunities, and generating positive word-of-mouth referrals.	
	Social impact: By addressing customer needs and expectations, the Bank enhances societal well-being through the promotion of financial inclusion, economic stability, and trust in the banking system.	

8 OPERATING ENVIRONMENT (Continued)

Key stakeholders' legitimate needs and interests and value created (Continued)

Employees	Our employees are our greatest asset, bringing the skills and expertise essential for the Bank's progress. Without them, we cannot effectively implement our strategy. Therefore, we continually engage with our employees to foster stable relationships, boost productivity, and ensure everyone is aligned to achieve our strategic objectives.	
Concerns and expectations	**Our response**	**How we measure our performance**
Career growth and development: Opportunities for career advancement, skills development and learning opportunities to equip them with an evolving technology landscape.	**Training and development programmes:** • We continue to offer training and development programmes, mentorship opportunities, and career progression pathways to support employees in enhancing their professional skills and advancing their careers. • The Bank offers an online platform to all employees through "linkedin learning", which provides various courses to equip staff for their personal and career development.	• Through performance management, the senior management team are being measured by training attended by their team. • The online training through LinkedIn is mandatory; hence, all staff are required to attend the learnings for a minimum of 24 hours annually, and the HR department will track their progress.
Compensation and benefits: Competitive salaries, comprehensive benefits packages, and attractive incentives.	**Competitive compensation and benefits:** • The bank reviews the salaries of all employees annually to account for inflation and individual performance. • All employees have access to medical coverage, ensuring competitiveness and attractive value propositions.	**Retention rates:** We analyze employee turnover rates to evaluate retention and identify factors influencing employee departure.
Work environment: A safe, healthy, inclusive and engaging work environment that promotes a culture of innovation.	**Work environment:** • We foster open communication channels to voice concerns through the Bank HR help desk platform, which provides centralised support to employees who encounter technical issues, have questions, or need guidance. • We conduct an anonymous annual employee survey, encouraging employees to provide 360-degree feedback. • Each department has designated specific Human Resource Business Partners (HRBPs) to promptly address and resolve employee.	**Performance reviews:** We conduct regular performance reviews and evaluations to assess both individual and team performance, set goals, and provide constructive feedback for improvement. **Employee feedback mechanisms:** The Bank encourages open communication and employee feedback through channels such as suggestion boxes, town hall meetings, the intranet and anonymous feedback surveys.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

8 OPERATING ENVIRONMENT (Continued)

Key stakeholders' legitimate needs and interests and value created (Continued)

Employees(Continued)

Concerns and expectations	Our response	How we measure our performance
Recognition and appreciation based on merit: Recognition of contributions and achievements, along with opportunities for feedback and constructive criticism.	• Fundamentally, people want to be recognised and appreciated for their efforts. To emphasise this, in 2020, the Bank formally launched an award named "CEO Awards," which is conducted annually and aims to recognise excellence in the workplace. • Internal recognition for staff outperforming sales, or any campaign launched, such as increasing deposits or selling new products.	**Participation rate:** • The percentage of employees actively participating in recognition campaigns is a vital metric for assessing the effectiveness of these initiatives. High participation rates indicate that employees are engaged and value the recognition efforts. **Employee feedback** • Conduct a survey regularly to gather the employees' opinions on the recognition program. This helps identify areas for improvement and understand how the appreciated employees feel.
Value created	**Employee Satisfaction and Retention:** By addressing key employee concerns and promoting a positive work culture, the Bank creates value by enhancing employee satisfaction, loyalty, and retention.	
	Enhanced productivity and performance: Engaged and satisfied employees are more likely to be productive, motivated, and committed to achieving the Bank's goals, resulting in improved performance and outcomes.	
	Talent attraction and Retention: The Bank promotes a supportive work culture and offers competitive benefits, which help attract top talent and recruit skilled professionals.	
	Innovation and creativity: A diverse and engaged workforce promotes innovation, creativity, and collaboration, fostering continuous improvement and adaptation to changing market dynamics.	

8 OPERATING ENVIRONMENT (Continued)

Key stakeholders' legitimate needs and interests and value created (Continued)

Investors/ shareholders	We strengthen our engagement with shareholders and investors through transparent, consistent communication about our strategy execution and the outcomes that contribute to long-term, sustainable value creation.	
Concerns and expectations	**Our response**	**How we measure our performance**
Financial performance: Our investors and shareholders are concerned about the bank's financial health, including its profitability, revenue growth, and return on investment.	**Financial reporting and transparency:** Throughout the years, we have consistently provided timely and accurate financial reporting, including quarterly reports, annual reports, and investor presentations to keep investors informed about the Bank's financial performance.	Our financial performance is measured using metrics such as. • growth of revenue, • return on assets, • return on equity, • cost to income ratio • Asset quality • Earnings per share
Risk management: To provide assurance, our investors expect the Bank to implement strong risk management practices that effectively mitigate potential risks, including credit, market, operational, cyber, compliance, etc.	**Risk management framework:** We have a robust risk management framework that includes regular risk assessments, stress testing, and internal controls to effectively identify, assess, and mitigate risks.	**Risk management indicators:** Our key risk management indicators include capital adequacy ratios, liquidity ratios, credit risk metrics (such as non-performing loan ratios), and operational risk incidents. These are used to assess the effectiveness of the Bank's risk management practices.
Corporate governance: The Bank's governance structure, which includes transparency, accountability, and ethical standards, is a major concern for investors.	**Corporate governance framework:** We follow best practices in corporate governance, ensuring independent Board oversight, establishing clear conflict of interest policies, and committing to ethical conduct and integrity. Additionally, we take pride in having a highly skilled and experienced leadership team.	We regularly assess our corporate governance practices, including Board evaluations and compliance audits, while adhering to regulatory requirements and industry standards.
Sustainability practices Investors are more concerned about the Bank's sustainability practices.	• The Bank has established a dedicated unit to spearhead and monitor sustainability practices. • We have an ESG strategy embedded in the Group's corporate strategy. • Mandatory ESG training is provided to all staff. • It is a standing agenda item in Board discussions.	The performance is evaluated based on the metrics set in the strategy.
Value Created	By addressing investors' concerns and ensuring transparency, accountability, and financial stability, CRDB adds value by enhancing investor confidence and attracting capital investment.	
	Effective risk management practices reduce financial losses and reputational damage, thereby increasing shareholder value and ensuring the Group's long-term sustainability.	
	Strong corporate governance, ethical conduct, and a commitment to sustainability enhance CRDB's reputation and brand value, which helps attract customers, investors, and other stakeholders.	
	By incorporating ESG and climate-related factors into our business strategy and operations, we adopt a holistic approach to value creation when evaluating risks and opportunities related to sustainable and socially responsible practices.	

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

8 OPERATING ENVIRONMENT (Continued)

Key stakeholders' legitimate needs and interests and value created (Continued)

Suppliers and business partners	Suppliers and business partners are fundamental to our brand's success and reputation. We prioritize building strong, collaborative relationships with these stakeholders through regular communication and joint initiatives. By sharing best practices, we enhance efficiency and foster innovation that benefits all parties involved. Our commitment to continuous improvement allows us to gain valuable insights into industry trends and challenges, helping us to amplify our positive impact on the community and the environment. In addition, we place great importance on ethical alignment. We strive to ensure that our business ethics, core values, internal policies, standards, and codes of conduct resonate with those of our partners.	
Concerns and expectations	**Our response**	**How we measure our performance**
Timely payments: Receiving timely payments for goods and services provided to us to maintain their own cash flow and operational stability.	**Prompt payments:** As a bank, we commit to making timely payments to suppliers, within agreed-upon terms, by actively managing our accounts payable process to minimise delays.	**Payment timeliness:** We measure the timeliness of payments to suppliers with key metrics such as days payable outstanding (DPO) and payment cycle times.
Fair treatment: Assurance of fair treatment when bidding for tenders, negotiating terms and during performance management.	**Effective communication:** In enhancing our engagement with our suppliers, we maintain open channels of communication with them, providing clear guidance, feedback and updates on procurement needs and requirements.	**Quality and compliance metrics:** Performance is evaluated based on quality and compliance metrics, such as product/service defects, specification adherence, and compliance with regulatory requirements.
Communication and transparency: Clear communication and transparency regarding expectations, requirements and changes in demand or procurement processes.	**Quality assurance:** We work closely with suppliers to establish quality standards provide necessary support and resources and conduct regular quality checks to ensure products or services meet expectations.	**Supplier satisfaction:** As our business partners, we aim to have regular engagement with our suppliers to assess supplier satisfaction levels, gather feedback on the procurement process and identify areas for improvement.
Quality and standards: Ability to meet our quality standards and compliance requirements.	**Fair and Sustainable procurement practices:** • We ensure fair treatment of suppliers through transparent procurement processes, competitive bidding and adherence to responsible sourcing principles, which include compliance with our code of conduct. • Our procurement decisions consider environmental and social impacts, promoting sustainable and ethical sourcing practices. • We give priority to local businesses when sourcing, with more than 80% of our suppliers being sourced locally.	**Contract performance:** We monitor supplier performance against contract terms, including delivery schedules, quality standards and cost efficiency, to ensure contractual obligations are met.

8 OPERATING ENVIRONMENT (Continued)

Key stakeholders' legitimate needs and interests and value created (Continued)

Suppliers and business partners(Continued)		
Concerns and expectations	**Our response**	**How we measure our performance**
Value Created	**Supplier relationships:** By addressing suppliers' concerns and maintaining fair and transparent procurement practices, we create value by fostering strong, mutually beneficial relationships with suppliers.	
	Operational efficiency: Timely payments and effective communication with suppliers contribute to operational efficiency, reducing the risk of supply chain disruptions and improving overall procurement processes.	
	Quality and innovation: Ensuring quality standards and collaboration with suppliers fosters innovation and continuous improvement, creating value through the delivery of high-quality products and services to customers.	
	Reputation and trust: Demonstrating integrity, fairness and transparency in supplier relationships enhances the Bank's reputation for trustworthiness, creating value by attracting reputable suppliers and building confidence among stakeholders.	

Government and regulators	Regulators are integral to ensuring the integrity and stability of the financial sector, as they implement controls that mandate the responsible operation of financial institutions. Thus, it is imperative to cultivate strong professional relationships with these regulatory bodies by adhering to applicable laws and regulations. Our regulatory authorities include: • Bank of Tanzania Central bank • Capital market and securities authorities • Tax revenue authority • Insurance regulators (TIRA) • Dar es salaam stock exchange	
Concerns and expectations	**Our response**	**How we measure our performance**
Compliance with regulations: Regulators are concerned about our compliance with banking laws, regulations and industry standards to ensure the safety and soundness of the financial system.	**Risk management framework:** We implement a robust risk management framework that includes risk identification, assessment and mitigation strategies and monitoring processes to effectively manage various types of risks across the Group.	**Regulatory compliance audits:** Regulatory compliance audits, conducted by Risk team, internal audit teams or external auditors, assess our compliance with applicable laws, regulations and regulatory guidelines.
Risk management: Our risk management practices, including credit risk, liquidity risk, operational risk and compliance risk are scrutinized by regulators to mitigate potential threats to financial stability.	**Compliance programmes:** We have established robust compliance programs, policies, and procedures to actively promote adherence to regulatory requirements. Our dedicated compliance officers play a key role in monitoring and reporting on compliance activities, ensuring that we continually improve our practices. To further enhance our efforts, we provide regular training on essential banking regulations, focusing on areas such as Anti-Money Laundering (AML), data protection, cybersecurity, business continuity management (BCM), and environmental, social, and governance (ESG) principles. This proactive approach helps us foster a culture of compliance and accountability.	**Risk management metrics:** Risk management metrics, such as capital adequacy ratios, liquidity ratios, credit risk metrics (e.g., non-performing loan ratios) and operational risk incidents, are used to assess the effectiveness of the Bank's risk management practices.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

8 OPERATING ENVIRONMENT (Continued)

Key stakeholders' legitimate needs and interests and value created (Continued)

Government and regulators(Continued)		
Concerns and expectations	Our response	How we measure our performance
Financial health: Our financial health and stability, including capital adequacy, asset quality and liquidity levels, prevent systemic risks and maintain financial stability and resilient.	**Consumer protection measures:** We prioritise consumer protection by providing clear and transparent information to customers, handling complaints promptly and fairly, and adhering to regulations related to fair lending and consumer rights.	**Examination reports:** Regulators regularly assess our operations, risk management practices, and compliance with regulatory requirements. These assessment reports offer feedback on both strengths and areas for improvement.
Consumer protection: Measures such as equitable lending practices, comprehensive disclosures, and effective management of customer complaints are essential regulatory priorities aimed at safeguarding the interests of bank customers.	**Financial reporting and transparency:** We maintain transparent financial reporting practices and engage in regular communication with regulators to provide updates on financial performance, risk exposures and regulatory compliance efforts.	**Consumer complaints resolution:** We track and monitor the resolution of consumer complaints with metrics such as complaint response times, resolution rates, customer satisfaction scores and updates made on the Bank's website, in line with our commitment to the Central Bank of Tanzania to resolve customer complaints.
Value created	**Regulatory Compliance:** By addressing regulators' concerns and maintaining compliance with regulatory requirements, we create value by mitigating regulatory risks, avoiding penalties and preserving the Bank's reputation as a trusted and responsible financial institution.	
	Financial stability: Effective risk management practices and regulatory compliance contribute to our financial stability, creating value by enhancing investor confidence, maintaining access to capital markets and supporting sustainable growth by future proofing the Bank.	
	Consumer trust: Prioritising consumer protection measures and transparent communication with regulators builds consumer trust and confidence in the Bank, thus attracting and retaining customers and enhancing our reputation in the marketplace.	
	Systematic stability: By ensuring compliance with regulatory requirements and managing risks effectively, we contribute to systemic stability in the financial system, create value by minimising the risk of financial crises and promote economic stability and growth.	

8 OPERATING ENVIRONMENT (Continued)

Key stakeholders' legitimate needs and interests and value created (Continued)

Communities	We made progress in our sustainability efforts, and in 2024, we invested TZS 2.3 Billion in corporate social initiatives. We focused on health, education, environment, women's and youth empowerment, and other corporate social investment (CSI) initiatives. These sectors are crucial to our corporate social investment approach and policy. We aim to improve people's lives, benefit our stakeholders, and enhance the Bank's reputation. By supporting the community through financial and in-kind aid, we strive to create a more sustainable impact on the community we serve.	
Concerns and expectations	**Our response**	**How we measure our performance**
Access to financial services: Advance financial inclusion by making banking products and services available in underserved community.	**Financial inclusion:** We are dedicated to promoting financial inclusion by providing affordable and convenient financial products and services to our community, regardless of location or background. Our offerings are tailored to meet diverse needs, supported by significant investments in technology and innovative delivery channels. We aim to create a level playing field for all customers, especially those in underserved areas, to help them achieve their financial goals.	**Financial inclusion metrics:** Performance is measured based on financial inclusion metrics, such as. • Number of new accounts. The Bank has seen a significant increase in its customer base, which has grown to 6.4 Million from 4.0 Million in 2023. • Number of agents increased to 36,566 from 34,627 in 2023, highlighting our commitment to delivering services to the unserved population. • loan disbursements to MSMEs and participation in financial literacy programmes. • Increase in online transactions by 53% through our various digital channels.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

8 OPERATING ENVIRONMENT (Continued)

Key stakeholders' legitimate needs and interests and value created (Continued)

Communities (Continued)

Concerns and expectations	Our response	How we measure our performance
Environmental footprint: The Bank is committed to promoting environmental conservation through various initiatives, ensuring that most of our supported activities are environmentally friendly. This commitment is further underscored by our accreditation with the Green Climate Fund.	**Initiatives in managing environmental footprint:** • In 2024, we funded clean cooking campaigns organized by the National Economic Empowerment Council, the Ministry of Energy, and Trident Media Organization, educating communities about the harmful effects of charcoal. As part of this initiative, families received gas cylinders as a cleaner cooking alternative. • we backed a tree planting program for youth in Vunjo Constituency to promote environmental sustainability through hands-on activities. The Bank invested TZS 281.3 Million in these efforts. • The Bank has implemented water filtration and purification solutions at our headquarters, to eliminate the use of harmful plastic bottles • Effective systems to ensure responsible waste collection, recycling and disposal. • The bank also encourages customers to use its digital banking platforms to reduce emissions associated with travel and running large branches • Implementation of paperless solutions "OPTIMA" and "IPV supporting documents on a user-friendly digital screen	• Reduce paper usage by 20% • Invest in digital tools – roll out BIO tools to all our Branches by 2030 • Source 20% of our electricity from renewable sources by 2030 and 40% by 2050. • Reduce water consumption by 25% by 2030 • Roll out of LED lights and sensor lights to all our outlets by 2030 • Reduce waste generation through prevention, reduction, recycling and reuse.
Value created	**Community empowerment:** By actively listening to community concerns and implementing comprehensive programs designed to enhance access to essential financial services, we foster local development and promote environmental sustainability. In doing so, we not only create significant value for these communities but also empower individuals, ultimately elevating their quality of life and fostering a brighter, more sustainable future for all. Through our CRDB Bank foundation with imbeju programs we have reached number of beneficiaries from underserved communities. • Capacity building beneficiaries: 196,650 • Financial inclusion: 144,810 • Digital financial inclusion: 127,801	

9 GROUP STRATEGY AND OBJECTIVES

Short, medium, and long-term strategic objectives

To create long-term sustainable value for the Group, we acknowledge the importance of having an appropriate strategy, focused leadership, strong corporate values, and a timely response to shareholders' needs. Our primary goal in the long term is to achieve undisputed market leadership.

In 2024, we entered the second year of implementing the Bank's new five-year business strategy for 2023-2027, themed "EVOLVE." We are confident in responding effectively to the industry's challenges. Most importantly, the Group has reimagined itself to enhance its competitiveness and ensure sustainability for decades. We prioritize efficiency, innovation, competitiveness, and a commitment to sustainability to achieve our ambitions for 2027 and fulfil our purpose.

Group strategic pillars

Our strategic pillars strengthen our market position, encourage business growth, ensure sustainability, and create a solid foundation for future development. These pillars guide our actions, and we have established measurable targets to monitor our progress.

Strategic Pillars	Ringfence the Business	Strengthen our service offerings and cement our presence in the market.
	Grow the Business	Tap into our unrealized potential and introduce offerings that are new to the Bank.
	Futureproof the Business	Enhance Sustainability and Governance, explore new horizons to adapt to evolving client demands.

Our strategic framework

The Group has established a framework that outlines the strategy to achieve its objectives

Objective	Strategy
Strategic	• Provide distinctive customer experience. • Attract new and retain existing customers • Increase the transaction income • Compliance with Regulation • Increase in market share
Economic	• Improve the return on equity • Grow quality loan book responsibly • Improve the efficiency ratio
Operational	• Digital transformation • Develop automated solutions • Train and develop employees
Social	• Help surrounding communities • Financial inclusion • Build a reputation as an employer of choice
Environmental	• Ensure environmental sustainability

Strategic objectives

- Elevate customer obsession
- Enhance operational efficiency and effectiveness
- Seize growth opportunities in emerging business markets
- Expand locally and regionally, enhance international presence
- Build a resilient and responsible organization
- Accelerate digital disruptive capabilities

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

9 GROUP STRATEGY AND OBJECTIVES (Continued)

Strategies to implement strategic objectives

- The Group aims to achieve digitalization across all our transactions through increasing accessibility of banking services by encouraging virtual money management through providing value-adding internet and mobile banking functionalities.
- The Group will continue to optimize the balance sheet, capitalize on stakeholder engagements for business growth, and build capacity to hasten the execution of the strategy.
- The Group shall also continue to create technological strength to increase our capacity to serve.
- We aspire to enhance the service experience through process simplification and automation. We will therefore prioritize the delivery of critical technology projects as enablers and accelerate process reengineering programs.

Resources allocation plans to implement our strategy

As we work towards implementing our strategy, one of our most crucial tasks is to create comprehensive plans for allocating our resources. This involves a detailed examination of our budget, personnel, and other assets, to identify the areas where they can have the greatest impact. To begin, we analyse our current resources and determine how they are being utilized. This allows us to identify any inefficiencies or redundancies that may exist and optimize our resource allocation accordingly.

We then evaluate our strategic priorities, identifying the projects and initiatives that are most crucial for achieving our overall goals. Based on this analysis, we develop detailed plans for allocating our resources in a way that maximizes their impact on our strategic objectives. This involves reallocating resources from less critical areas to those of greater strategic importance or investing in new resources that will help us achieve our goals more effectively. We carefully balance our resource allocation to ensure that we are making the most of our available resources while also maintaining financial sustainability and avoiding overstretching ourselves.

This allocation has been made with careful consideration of the current macroeconomic and operational environment, ensuring that we remain flexible and responsive in managing our resources effectively. Out of the total capital expenditure TZS 120 Billion for the FY 2025, 47% has been allocated to Information and Communication Technology (ICT). This significant investment is crucial for the implementation of mission-critical systems including completion of our new core banking system which will improve system reliability and continuing investing in digital solutions and advancing our cyber security measures to achieve our strategic goals.

By developing comprehensive and detailed strategic plans for resource allocation, we clearly identify and prioritize our most critical objectives. This approach allows us to optimize the use of our financial, human, and technological resources, ensuring that each resource is directed toward initiatives that offer the highest potential for impact.

Short- and long-term funding plans to support the strategies to achieve the Bank's objectives

The bank has short- and long-term funding plans designed to support our strategic initiatives aimed at achieving overarching objectives. These funding plans include a variety of sources, such as capital markets, customer deposits, and interbank loans, ensuring the bank maintains robust liquidity and financial stability. The short-term funding strategy focuses on meeting immediate operational needs and managing cash flow effectively, while the long-term funding strategy is geared towards financing investments that drive sustainable growth and profitability over time. By aligning these funding strategies with our overall goals, the bank is well-positioned to adapt to market changes and seize new opportunities for expansion.

Short term funding plan

- **Lines of credit:** We have established relationships with various financial institutions to create flexible lines of credit. These lines offer immediate liquidity, allowing the bank to quickly cover unexpected obligations or seize short-term opportunities without the delays associated with normal loan application processing.

9 GROUP STRATEGY AND OBJECTIVES (Continued)

Short- and long-term funding plans to support the strategies to achieve the Bank's objectives (Continued)

Short term funding plan (Continued)

- The Bank uses short-term loans, usually with terms of one year or less, to meet immediate financial obligations. This strategy provides quick access to capital during times of tight cash flow, helping to ensure operational continuity or to fund specific projects that need prompt financing.
- **Internal financial reallocations:** We conduct a thorough review of the Bank's current budget to identify excess funds or underperforming areas. By reallocating resources from lower-priority projects to those that are urgent and necessary, the Bank effectively address pressing financial needs while maximizing overall efficiency.

Long-term Funding Plans

- **Debt Financing:** The Bank raises capital by issuing bonds or securing long-term loans from financial institutions. This strategy enables sustained growth and investment in key areas such as infrastructure through our Samia Bond, and in sustainable projects through our green bond, branded as Kijani Bond. We emphasize creating a positive impact on the communities we serve while generating returns that exceed the cost of borrowing over time.
- **Strategic Partnerships:** The Bank prioritizes the development of collaborative relationships with strategic partners who possess the expertise and resources needed to enhance our existing capabilities. These partnerships enable us to achieve our strategic goals more efficiently, leverage shared resources, access new markets, and acquire innovative technologies. By working together, we initiate co-funded projects that improve our competitiveness and financial stability.

  Over the years, the Bank has worked with various Institutions, including IFC, AFDB, EIB, PROPARCO, INVESTEC, FMO, DFC, IBRD GCPF, CITI, ResponsAbility Investments AG, TIB, NBC, and TMRC to support key sectors of the economy. As at 31 December 2024, the Group had an outstanding exposure of TZS 1,787 Billion which includes subordinated debts as disclosed in Note 51 and 52 respectively.

Group strategic KPI

Key Financial Performance Indicator	Target 2024
Return on Equity	>26%
Return on Assets	>5%
Cost to income ratio (CIR)	<55%
Growth in customer deposits	>12%
Non-performing loans to total loans	<5%
Growth in loans and advances to customers	>10%
Growth in total assets	>15%
Total Capital ratio	>14.5%

Non-Financial KPIs

Description	2024 Target (YoY growth of number transactions from 2023)
Simbanking (USSD & App)	
Volume (transactions)	>50%
Number of registered accounts	>30%
Internet banking	
Volume (transactions)	>40%
Number of registered customers	>20%
Agency banking	
Volume (transactions)	>10%
Number of registered agents	>20%
ATMs	
Volume (transactions)	>10%
Number of registered cards	>20%

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

9 GROUP STRATEGY AND OBJECTIVES (Continued)

Monitoring the achievement of the strategic objectives

Those charged with governance play a crucial role in overseeing the Group's operations. They monitor the achievement of KPIs set quarterly through performance reports presented by Management. The reports highlight the achievement of each KPI, any challenges faced due to internal or external factors, and the support required to achieve the set objectives. This helps ensure that the Group is operating effectively and efficiently while staying aligned with its goals and objectives.

Those charged with governance manage the Group's operations by monitoring the achievement of KPIs set quarterly through the performance reports which are being presented by Management, highlighting the achievement of each KPI, challenges if any regarding the internal or external environment and the support required to achieve the set objectives.

10 GROUP BUSINESS OPERATING MODEL

The Bank plays a vital role in connecting capital providers with users. We acknowledge our importance in society, and our success as a business is closely linked to the progress of the individuals, communities, and businesses we serve. Our goal is to grow and create value for all our stakeholders. We believe that value is best reflected in the quality of life of our shareholders, employees, and community. In pursuing value for our stakeholders, we base our actions on a strong foundation of clearly defined values.

The Group's mission is to provide innovative solutions that unlock socio-economic value for our stakeholders, while our purpose is to enhance livelihoods and deliver sustainable impact.

The Bank maintain a robust portfolio supported by a resilient balance sheet and a talented workforce. We invest in our people, technology, and processes to deliver value responsibly and sustainably. We expand our delivery channels through innovation and strategic investments and increase access to financial services.

The Group has a comprehensive plan to promote financial inclusion, specifically targeting underserved communities through our CRDB Bank Foundation and Islamic Banking initiatives and incorporating lower market segments into the economic ecosystem. As a leading commercial bank in Tanzania, our relevance today and in the future depends on our ability to manage and leverage available resources effectively, transforming inputs through our operations into outputs and outcomes that fulfil the Bank's strategic purposes and create value in the short, medium, and long term.

How we differentiate ourselves in the market

We take pride in delivering exceptional customer service and providing tailored financial services, customized account packages, and dedicated relationship managers and customer experience teams to our valued customers. We aim to make our customers feel appreciated and valued. We offer convenient and user-friendly online and mobile banking services, and we have recently integrated the Simbanking platform (Mobile App and USSD) into a more stable and secure enterprise. This has enabled us to enhance customer experience, improve service performance, and deliver faster services.

We offer competitive rates and fees for banking services such as Current and Savings Accounts, Loans, Credit Cards, Agency Business, Online Banking, and Trade Finance. Additionally, we are an active member of the local community, and we believe that community involvement helps us build a positive reputation and win customer loyalty. Our Bank sponsors local events, donates to charities, and offers financial education programs through our CRDB Foundation to help improve financial literacy in the community.

10 GROUP BUSINESS OPERATING MODEL (Continued)

Our Group revenue generation after the initial point of sale

Our business operating model involves providing various financial services to our customers, for which we earn fees and commissions. We recognise this income based on the amount that we expect to receive in exchange for our services, which covers the cost of the system, software license, etc. When we service our customers, consideration is determined based on the bank's rates and charges. It is generally due immediately upon satisfaction of a service provided at a point in time or the end of the contract period for a service provided over time. The performance obligations, as well as the timing of their satisfaction, are identified and determined at the inception of the contract.

Non-funded income, which includes fees and commissions earned, is a crucial component of bank profitability, particularly during an economic slowdown or in times of difficulty in lending. Non-interest income is derived from sources outside a bank's core activities of taking deposits and managing loans. Banks generate a significant part of their non-interest income from fees imposed over time after the initial point of sale, such as account service charges, annual fees, deposit fees, mobile banking charges, withdrawal charges, etc.

Bank approaches the need for innovation

CRDB Bank's innovative solutions are the result of a profound understanding of our business strategy and the specific needs of our customers. As a customer-centric bank, we prioritize actively listening to and comprehending the unique requirements of our customers at any given moment. By doing so, the bank can tailor our strategies to effectively fulfil those needs and provide personalized solutions. This customer-focused approach allows us to continuously adapt and innovate to better serve our clientele.

Operating model and response to change

The Bank's operating model is designed to be flexible and provide room to quickly adapt to changes in the environment we operate. Continuous innovation and proactiveness are required for the bank to stay competitive in addressing market demands while improving customer experience. The bank's strategy is to continuously promote and drive an agile culture throughout the organisation to speed up execution and adapt to the changes in our environment.

Our delivery channels

- We have a robust branch network comprising 259 branches and 36,566 Agents spread across the country.
- Robust Mobile Banking Services, Self-Account opening, bill payment, etc.
- Internet Banking, International Money Transfers
- Debit and Credit Cards VISA, Union Pay, Mastercard cards

10 GROUP BUSINESS OPERATING MODEL (Continued)

Resources employed to provide service to our Stakeholders

Type	Inputs	Group activities for value creation	Output	Outcome	Group response
Financial resource	• Shareholder's fund • customer deposits • Borrowings	• Accepting customer's deposits • Provisions of Loans and advances • Local and International fund transfer • Insurance services	• Equity of TZS 2,173.3 Billion • Total assets TZS 16,698.8 Billion • customer deposits of TZS 10,934.1 Billion • Long term borrowings TZS 1,786.5 Billion • Market share of 27% deposits and 26% total assets	• Return on equity 27.7% • Return on asset 5.2% • Dividend per share TZS 65 • Cost to income ratio 45.7% • A total of TZS 218.7 Billion was paid as tax in 2024.	• The Group maintained a solid capital base and diversified funding sources that enabled us to provide banking solutions competitively across the markets we operate. • Group access funds at competitive rates, to efficiently create and maximize shareholder value.
Human resources	• The Group's total workforce stood at 4,251 employees, where 2,351 (55%) were males and 1,896 (45%) females. • Experienced and competent key personnel management team. • Experienced and competent Board of Directors with mix of skills.	• Various Training and development programs. • Competitive salary packages and benefits. • Continuous Employee engagement • Employee wellbeing initiatives • Occupational health and safety.	• Improved staff morale. • Increase in staff Productivity. • Lower staff turnover rate. • Improved staff Skills • Good health and safety records – award from OSHA.	• Remarkable performance resulted from staff morale improvement. • Competent and efficient workforce. • Increased customer satisfaction evidenced by an increase in NPS of 56% from 53% reported in 2023.	• continuous training and development programs. • Focused on embedding a culture of continuous development, which increases competitiveness and investment in the development of skills required by employees to serve the digital customer of the future. • Extra compensation to staff working in rural and risky areas. eg risk allowance, rent subsidy.
Intellectual resources	• Focus on technology. • Robust Loan origination and underwiring. • Risk enterprise Management framework. • Collaboration with fintech and start-ups branded as "IMBEJU". • Brand positioning.	• Digital Transformation. • Continuous improvement of systems and processes. • Increase awareness of the brand through various marketing activities and CSI.	• Innovative products and solutions. • Automated processes. • Collaborative teams through a shared service model.	• Strong Brand. • Increase in digital transactions. • Operational efficiency.	• Robust technology and infrastructure capabilities that drive seamless customer experiences and support strong resiliency. • Group invested in strong brand and subsidiary businesses, strategic partnerships, and innovative products and solutions that we offer to our customers.

10 GROUP BUSINESS OPERATING MODEL (Continued)

Resources employed to provide service to our Stakeholders (Continued)

Type	Inputs	Group activities for value creation	Output	Outcome	Group response
Natural resources	• LED lights. • Digital solutions. • Installation of sensor taps in our office buildings.	• Reduction of paper usage through; i. Implementation of Digital Banking Mobile and Internet banking, ATM. ii. Automated processes. iii. Implementation of a paperless solution "Optima". • Reduction of energy consumption initiatives.	• Innovative and sustainable digital solutions.	• Reduced electricity cost • Improvement of TAT • Reduction number of paper usage by 21% (number of reams to 17,810 from 22,535 in 2023).	• Continue monitoring resource usage (water, fuel, power, and paper). • Institute clear governance and oversight of environmental matters.
Manufactured resources	• Banking outlets, including mobile branches. • ATMs cash deposit and withdrawal machines. • Agency Banking. • Merchants.	• Investment in digital solutions. • Investment in banking outlets and alternative channels.	• Easy access to financial services. • Financial inclusion.	• Banking outlets (259), • ATMs (684), including deposit ATMs, • POS machines (4,708), • Registered agents (36,566)	• Continuing with awareness and training on digital solutions. • Continuous improvement of our systems and processes. • Continue increase in outreach – increase accessibility of financial services.
Social and relationship resources	• 1% of CSR budget on net profit. • Strategic Partnership on the execution of community matters.	• CSR programs executed. focused on health, education, and the environment. • Youth and women empowerment programs • Engagement with the community via marathons and sports.	• Contribute to the implementation of Goal no 1 "No poverty. • Contribute to the implementation of Goal no 3 "Good health and well-being." • Contribute to the implementation of Goal no 4 "Quality Education." • Reduce the unemployment rate.	• During the year, more than TZS 156 Million supported the health sector • TZS 1 Billion in supporting education sector • TZS 281 Million was used to implement environmental related initiative • TZS 432 Million has been invested in Women & Youth programs in 2024 • TZS 438 Million in supporting other philanthropic activities, • Net promoter scores of 56% from 53% in 2023.	• Continue to increase the annual budget to save a large population. • Continue to increase customer experience that is seamless across all our touchpoints.

10 GROUP BUSINESS OPERATING MODEL (Continued)

Factors that affect resources availability, quality and affordability and group's expectations and ability to produce flows from the resources to meet future demand

Resource	Inputs	Factors affecting the availability of resource	Factors affecting the quality of resource	Factors affecting the affordability of resource	Group's expectations and ability to produce flows from the resources to meet future demand
Financial resource	• Shareholder's fund • customer deposits • Borrowings	• Competition. • Complicated Terms of Borrowing covenants. • Geopolitical and macro-economic uncertainties	• Stable funds	• Funding cost	• The Group maintained a solid capital base and diversified funding sources. • The resource will enable the Group to invest in various digital solutions to meet future demands.
Human resources	• The Group's workforce. • Board of Directors.	• Qualifications and experienced workforce	• Integrity • Skills required • Good Corporate Governance	• Cost	• continuous training and development programs. • Invest in employee value propositions such as improvement in staff benefits. • Staff recognition through promotions and awards as a retention strategy.
Intellectual resources	• Focus on technology. • Brand	• Global shortage of future skills i.e. Artificial intelligence (AI), robotics • Cyber risk • change in technology	• Version of Technology • Brand positioning	• Investment Cost • Consulting cost on the new technology.	• Continue investment in new technology • Improvement in customer experience
Natural resources	• LED lights. • Digital solutions. • Installation of sensor taps in our office buildings.	• Shortage of sustainable eco-friendly products in the market • Climate change	• The source of origin	• Cost • Investments in R&D in innovative sustainable digital products.	• to ensure we reduce GHG emissions through investment in sustainable projects
Manufactured resources	• Banking outlets • ATMs • Agency Banking. • Merchants.	• Persistent system offline • Changes in Technology. • Slow pace of digital adoption	• System uptime • System capacity	• Cost	• Continuous improvement of our systems and processes. • Continue increase in outreach – increase accessibility of financial services.
Social and relationship resources	• 1% of CSR budget on net profit. • Stakeholders' engagement • Strategic Partnership	• Budget Constraints • partners to collaborate	• Project to invest in a sustainable outcome	• Good customer experience • Group reputation	• continue to drive digital adoption and engagement • Enhancing community welfare through CSI, focus on ESG

10 GROUP BUSINESS OPERATING MODEL (Continued)

Outcomes

We deliver value to our stakeholders and fulfil a vital role in the economies in which we operate.

Stakeholders	Positive Outcome	Negative outcome	Group response/ actions
Employees	• Conducive work environment. • Recognition and reward. • Self-led development and an opportunity for career progression. • Gender and diversity inclusiveness • Equal opportunities in training and development • free of discrimination and harassment	• Branch locations in rural areas which result in staff turnover.	• Extra motivations including rent payments
Customers	• Innovative, efficient cost-effective banking solutions that meet their needs. • Improved access to financial services. • A safe and trustworthy financial services provider • Supporting financial goals for our customers with products and services delivered through a superior offering.	• Lack of education on financial services to underserved communities which slows down the pace of financial inclusion.	• Continuous training on awareness and advantages of financial services through various campaigns e.g., road shows
Regulators	• Compliance with laws and regulations. • Continuous engagement. • Payment of taxes, 2024 TZS 218.7bn (2023: TZS 195.3bn) was paid to the Government	• Decrease in amount to be paid as Tax due to decrease in profitability. • Non-compliance to the regulations resulting in penalties and fines.	• Increase in profitability in line with strategic objectives. • The Group has a dedicated department that ensures compliance.
Society	• Providing support to our communities, and access to social and environmental financing to address societal needs. • Increased access to, and funding for education, health, and sports-related opportunities.	• Lack of presence in some areas especially in rural areas.	• Continue to increase a wide network through Agency banking to reach unbanked populations.
Investors/ shareholders	• Delivering attractive and sustainable shareholder returns on their investment on the foundation of a strong balance sheet. • Attractive dividends and growth in share price. The Bank paid TZS 50 per share as dividends in the year 2024 for 2023 performance and expects to pay TZS 65 per share in 2025 for 2024 performance.	• Decrease in amount to be paid as dividend due to decrease in profitability.	• Continuous engagement through AGM and shareholders' seminar • Investor's awareness day branded as "Uwekezaji day" which is being done annually.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

11 STAKEHOLDER RELATIONSHIP

Effective relationship through consistent dialogue with key stakeholders is central to business sustainability.

Stakeholder Group	Modes of engagement	Frequency	Key Concerns and Expectations	Response/ Mitigation
Shareholders/ Investors	• Annual General Meeting (AGM) • The annual report • Shareholder's seminar • Investor's meeting • Quarterly reports	Continuously.	• Return on investment. • Compliance • Governance and ethical practices	• Continuous engagement. • Robust risk management and Internal control processes. • Continuous improvements in business performance.
Employees	• Annual performance appraisal. • Employee engagement initiatives • Employee annual feedback survey	Continuously/ Annual performance review.	• Fair remuneration. • Effective performance management and recognition. • Career development. • A safe and healthy work environment.	• Employee engagement. • Health and wellness programs • Continuous training. • Embracing equity, diversity, and inclusiveness.
Customers	• Customer visits. • A call Centre is there to ensure constant engagement. • CRDB website and other social media platforms. • Customer satisfaction survey	Continuously.	• Innovative financial solutions and services • Convenient access to banking services through digital channels. • Excellence in client service. • Strong cyber risk management	• Awareness of data • security and • privacy • Improvement of products and services to cater to their financial goals. • Work on the feedback • obtained from the survey.
Suppliers	• Regular meetings with suppliers. • Phone calls and surveys.	Continuously	• Fair bidding and timely payments • Governance and ethical practices. • Feedback on delivery of goods and services • Timely settlement of the invoice	• Ensure timely payments for services. • Whistleblower policy to ensure good practice. • Continuous engagement through meetings • Monthly reconciliations of supplier's account.
Regulatory authorities	• Regular meetings. • Policy updates and directives. • Mandatory fillings with Key Regulators	Continuously.	• Compliance	• Compliance including formulation of relevant policy framework and enforcement thereof.
Community/ Society	• Regular meetings.	Continuously.	• Financial literacy. • Inclusive growth.	• Providing support to our communities, and access to financing to address societal needs • Partnering with the community to address common social • and environmental issues to build a thriving society.

12 FACTORS IMPACTED OUR ABILITY TO CREATE VALUE

Our current operating environment is marked by increased competition, disruptive technologies, changing consumer behaviour, and regulatory/policy changes. As part of our ongoing strategic, cultural, and digital journey, we prioritize the following material matters:

Material matters	Risk/impact on value creation	Our response
Global Economic Trends (US Dollar shortage)	• Increased the exchange rate, which increases the cost to the Bank, i.e., on serving foreign borrowings and procurement in forex. • Increase in non-performing foreign exchange loans due to borrowers' failure to meet payment plans.	• Implementation of BOT circular/Guideline on reduction of usage of US Dollar payments • Reduction of the issuance of foreign exchange loans • Limit the cash withdrawal of USD dollar
Increasing Competition	• Decrease in deposits • Decrease of the non-funded income	• Continuing delivering innovative products and services through an increasingly automated and digitized environment. • Improvements in the simbanking app have enhanced user experience and driven usage. • Implemented various campaigns through our simbanking app (Swahiba tuko mplangoni kwako) to increase deposits and non-funded income.
Disruptive technologies and digital adoption	• Increased cost on the investment of new technology • Increase cost in training cost on cyber security	• The Bank invest in new technologies to mitigate cyber risk and ensure data protection • Mandatory training to all staff on cyber security • Specific trainings to cybersecurity staff for more updates
Rising stakeholder expectations	• Increase in operational and investment cost due to; – Compliance in sustainability and ESG reporting – Stakeholders are pushing for rapid digital transformation to improve customer experience and operational efficiency. – Implementation of robust risk management on cyber security and data protection	• We have also adopted integrated and sustainable reporting to improve transparency in our value-creation process. • Major investment in the systems upgrade to enhance user experience • To better understand stakeholder expectations and incorporate them into our strategic planning, we have increased stakeholder engagement
Ongoing regulatory and policy changes	• Increasing compliance costs, mainly due to new regulations requiring system or operational changes, ultimately impact shareholder returns. • Increase of training cost on the new regulations	• Invested in compliance • Engagement with policymakers and communities to advocate for appropriate regulatory reform. • Training staff in the new regulations
Current and emerging risks	• Disruption of our services due to cyber attacks • Increase cost of assessment of portfolio and collateral held prone to physical risk • Increasing cost of compliance with new regulations on climate risk.	• The Group has a robust data protection and cybersecurity framework in place. • The Group has a dedicated cyber security unit and personnel with strong expertise in the field. • The Group has partnered with GCF on climate-related matters.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

13 CURRENT FINANCIAL PERFORMANCE AND FUTURE DEVELOPMENT PLANS

Financial Performance

Those charged with governance are responsible for the vision, mission, and strategic objectives of the Group and ensure the overall objectives are being supported by business plans, budgets, and marketing plans. The Board is also responsible for the review and approval of the operational and financial objectives of the Group, amendments of key performance indicators, financial statements before publication, and succession plan of senior management including a Chief executive officer. Quarterly, management presents the Group's performance to the Board for their review and guidance.

In 2024 the Group focused on the following strategic key areas:

- Protecting the bank's financial strength and market share.
- Build a resilient and responsible organization.
- Enhance operational efficiency and effectiveness through work force optimization to increase staff productivity.
- Accelerating automation, innovation, and digital adoption to streamline processes and increase customer experience.
- Prioritizing regulatory and compliance
- Expansion - locally and regionally.

Group Performance

CRDB Bank remains one of the largest commercial Bank in Tanzania with a leading share of total deposits (27%) and total assets (25%) in the market. During the year, the Group's total assets grew 25.3% to TZS 16,698.8 Billion (2023: TZS 13,321.3 Billion) whereas customer deposits grew by 23.5% to TZS 10,934.1 Billion (2023: TZS 8,856.0 Billion). Net Loans and advances to customers grew by 22.7% from TZS 8,443.5 Billion in 2023 to TZS 10,360.8 Billion in 2024. Innovative products and services that were offered to the public contributed to such a positive trend.

In 2024 the Group recorded a profit before tax of TZS 778.8 Billion (2023: TZS 598.7 Billion), an increase of 30.1% from the previous year and after-tax profit of TZS 551.5 (2023: TZS 422.8) growth of 30.4%. During the year, interest income grew from TZS 1,227.4 Billion recorded in 2023 to TZS 1,562.1 Billion in 2024, an increase of 27.3%. The interest expenses grew from TZS 350.1 Billion in the prior year to TZS 422.6 Billion, an increase of 20.7%. Combined with commissions and fees, total non-interest income increased from TZS 503.5 Billion to TZS 560.1 Billion, an increase of 11.2%. Operating costs grew by 12.6% from TZS 656.9 Billion in 2023 to TZS 739.6 Billion in 2024 because of the growth of the business.

Performance in the Banking industry

CRDB Bank continues to be among the top-leading banks in Tanzania regarding balance sheet size, with a 26% market share in total assets, 27% market share in deposits, 26% in Loans and advances, and 21% in capital base.

Key performance indicators of the Bank in comparison with the industry in 2024;

KPI	INDUSTRY AVERAGE	CRDB
Non-performing loans	5.0%	2.9%
ROA	5.0%	5.2%
ROE	22.1%	27.7%
CIR	44.0%	45.7%

13 CURRENT FINANCIAL PERFORMANCE AND FUTURE DEVELOPMENT PLANS (Continued)

Financial Performance (Continued)

CRDB Bank Burundi S.A.

The Burundi subsidiary made a 34.0% growth of profit after tax from TZS 30.2 Billion recorded in 2023 to TZS 40.3 Billion in 2024. Financial spread grew by 52.1% to TZS 64.6 Billion from TZS 42.5 Billion recorded in 2023 mainly due to growth in the Government securities and credit facilities. Total deposits grew by 28.7% to TZS 693.3 Billion compared to TZS 538.9 Billion recorded in 2023. Total assets grew by 50.4% to TZS 1,484.4 Billion from TZS 987.1 Billion recorded in 2023.

CRDB Bank Congo

In 2024, the Congo subsidiary started its second year of operation and recorded an after-tax loss of TZS 6.7 Billion. The financial spread increased to TZS 7.6 Billion, compared to TZS 1.69 Billion in 2023, primarily due to growth in government securities, loans, and bank placements. Total deposits amounted to TZS 22.1 Billion, while total assets reached TZS 184.6 Billion.

CRDB Insurance Company Limited

During the year, the insurance company recorded a profit after tax of TZS of 343.5 Million. Other operating income grew by 97%, primarily from investments in UTT Fund (Liquid and Bond), Government securities (Treasury Bonds), FDR, and Faida Fund, to TZS 1.3 Billion.

The Company's assets reached TZS 19.2 Billion, a growth of 133% compared to TZS 8.2 Billion in 2023. Operating expenses decrease by 14%, from TZS 1.8 Billion in 2023 to TZS 1.5 Billion in 2024.

CRDB Bancassurance

The Bancassurance operations within the Group have continued to grow since it was launched in March 2021 through partnerships with ten insurance companies. The solution enables customers to conveniently access insurance products, including life and non-life, under one roof, through mobile banking solutions and our wide range of networks nationwide. The solution serves CRDB and non-CRDB customers, starting with customer on boarding, claims, underwritings, commission collections, and payments. As at December 2024, commissions of TZS 25.69 Billion (2023: TZS 21.79 Billion) were earned from life and non-life insurance products and TZS 21.18 Billion as risk management fee. Total operating expenses were TZS 2.25 Billion (2023: TZS 2.28 Billion).

Al Barakah Banking

Al Barakah Banking represents CRDB's esteemed Islamic Banking window, catering to discerning clientele with a preference for Shariah compliant banking services. The proposition is operated under the Directorate of retail Banking and offers the solution cutting across both Retail banking (Consumer & Business Banking) and Corporate Banking customers. In 2024, our third year of operation, we continued to record significant growth, expanding our customer base from 112,621 in 2023 to 296,000 by the end of 2024, a strong 162% increase year-on-year.

Our Shariah compliant contract financing book also grew from TZS 99.98. Billion in 2023 to TZS 174 Billion by the end of 2024, a 74% increase year-on-year. Customer deposits in Al Barakah grew from TZS 103 Billion in 2023 to over TZS 177 Billion by December 2024, 71% increase year-on-year.

CRDB Islamic banking solution has been key not only for driving financial inclusion, but also to propel economic development by contributing to the financing to key sectors such as agriculture & fishing TZS 31 Billion, mining TZS 34 Billion, energy TZS 17 Billion, trade TZS 34 Billion, transportation TZS 13 Billion and health TZS 2.8 Billion. This robust growth not only underscores our unparalleled value proposition in Al Barakah banking offerings but also signifies the underlying demand for Shariah compliant financial services across our communities.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

13 CURRENT FINANCIAL PERFORMANCE AND FUTURE DEVELOPMENT PLANS (Continued)

Financial Performance (Continued)

Key performance indicators (KPIs)

Those charged with Governance approve and monitor quarterly the implementation of the Group KPIs in line with the strategic objectives through the performance report presented by management. This report highlights the achievement of key KPIs, any challenges regarding the internal and external environment, and the support required to achieve the set objectives.

In managing the KPI, the Group does the following;

- The Group KPIs are proposed by management and approved by those charged with Governance.
- The CEO and Managing Director of the Group cascade the KPI developed to senior management.
- The Senior management team cascades to Departmental Heads, and a departmental balance scorecard is developed for monitoring the KPI set to contribute to the Group KPIs.
- A monthly review is performed for each department to ensure the Group's strategic objectives are implemented as per the KPI set and monitored. Every quarter is presented to the Board.
- Ensure the availability of resources needed to implement the set KPIs.
- Assess the impact (positive and negative) to our stakeholders on the implementation of the KPIs

Key performance indicators, both financial and non-financial, are used by those charged with Governance to assess the Group's performance against its strategic objectives.

Performance of the financial KPIs as at 31 December.

KPI	Definition and Formula	2024	2023	Purpose
Return on Equity	(Net profit/Total equity) *100%	27.7%	26.7%	Measure the ability of the Group to generate profit from the shareholders' investment.
Return on Assets	(Profit Before Tax/ Total assets) *100%	5.2%	4.8%	The ratio determines how efficiently a Group uses its assets to generate a profit.
Operating expenses to Operating Income	(Operating expense/Net interest income + non-interest income) *100%	45.7%	49.5%	Measure the operating cost as compared to the income it generates. The lower the ratio the better the performance of the Group.
Gross loans to customer deposits	(Gross loans to customers/Total deposits from customers) *100%	96.1%	96.7%	Used to assess a bank's liquidity by comparing a Group's total loans to its total deposits for the same period.
Growth in customer deposits	(Increase in customer deposits/ Opening balance of customer deposits) *100%	23.5%	8.0%	Measure the growth of customer deposits from the previous year
Non-performing loans to total loans	(Non-performing loans/Gross loans and advances) *100%	2.9%	2.8%	Measure the quality of the loan portfolio

13 CURRENT FINANCIAL PERFORMANCE AND FUTURE DEVELOPMENT PLANS (Continued)

Financial Performance (Continued)

KPI	Definition and Formula	2024	2023	Purpose
Growth in loans and advances to customers	(Increase in Loans and advances / Opening balance of loans and advances) *100%	22.7%	21.7%	Measure the growth of loans and advances to customers from the previous year
Growth in total assets	(Increase in assets for the year/Total asset opening balance) *100%	25.3%	14.5%	Measure the growth of total assets from the previous year
Tier 1 Capital ratio	(Core capital/ Risk-weighted assets including off balance sheet items) *100%	16.3%	16.0%	Measure the Group financial strength.
Total Capital ratio	(Total capital/ Risk-weighted assets including off-balance sheet items) *100%	17.2%	17.3%	This is a supplementary capital used to measure the Group's financial strength
Earnings per share	Profit attributable to equity shareholders/ Number of ordinary shares in issue (TZS)	211.2	161.9	Indicates how much money a Bank makes for each share invested.

- The source of the above KPI computed is based on the numbers of the audited financial statements and no adjustment made.
- The computation of the KPIs were based on the actual numbers, with no assumptions made.
- During the year there were no changes to either KPIs or the computation method that needed to be disclosed in the underlying accounting policies adopted in the financial statements compared to previous financial years.
- The group complied with all the regulatory ratios during the year.

The Group KPI targets for 2024 are disclosed in section 8.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

13 CURRENT FINANCIAL PERFORMANCE AND FUTURE DEVELOPMENT PLANS (Continued)

Financial Performance (Continued)

Performance of non-financial KPIs

Description	2024	2023	YoY
Sim banking (USSD & App)			
Volume (transactions)	122,340,987	97,562,564	25%
Number of registered accounts	2,062,692	3,299,953	-37%
Internet banking			
Volume (transactions)	10,317,892	6,589,457	57%
Number of registered customers	60,473	82,760	-27%
Agency banking			
Volume (transactions)	104,703,207	87,868,901	19%
Number of registered agents	36,566	34,627	6%
ATMs			
Volume (transactions)	28,338,190	24,124,042	17%
Number of registered cards	6,800,127	4,627,385	47%

How we delivered the KPIs set

- Strong relationship with our stakeholders
- Strong and competent Board, leadership, and management team
- Well aligned Group strategy and business objectives
- Major investment in digital transformation led to efficient operations. We revamped and launched the new Simbanking App and USSD to increase experience and drive usage.
- Aligned branch operations to the new operating model to fit service demands, increase productivity and improve controls.
- Promoted self-learning and accelerated capacity building socially and professionally.
- Conducted HQ and branch processes alignment to optimize resource utilization.
- Paper-less withdrawal at branches using SimBanking
- Automated SLA across the bank to drive customer satisfaction and accountability.
- Migrated disaster recovery data - centre to a robust colocation facility to enhance ICT resilience

Budget Performance

The Group budget process starts with the preparation of budget guidelines which are formulated based on banks' strategic priorities for the year. Financial policies are designed to ensure that all budgetary decisions support the bank's overarching goals and respond proactively to external market conditions.

All budget estimates undergo thorough review and clearance by the respective reporting chiefs before submission to the Finance Department for review and final consolidation, ensuring that all strategic initiatives are adequately funded. After consolidation the draft budget is also being reviewed by EXCO, before presentation to the Board of Directors for consideration and approval.

13 CURRENT FINANCIAL PERFORMANCE AND FUTURE DEVELOPMENT PLANS (Continued)

Financial Performance (Continued)

Budget Performance (Continued)

Achievement against targets

KPI (Amount in TZS' BN)	ACTUAL 2024	TARGET 2024	Variance	Remarks
Profit after Tax	551	608	(9%)	The Group ended the year with a profit after tax (PAT) of TZS 551 Billion, marking a 30.4% YoY growth mainly driven by growth in interest income by 24% and NFI by 33%. However, slightly below the budget by 9% due to NFI being below the budget by 20%, specifically from FX revaluation loss affected by dollar depreciation.
Total Assets	16,699	16,365	2%	The balance sheet grew by 25% YoY to TZS 16,699bn, slightly above the budget by 2%. This was mainly driven by a 23% increase in loans and advances and a 36% rise in balances with other banks.
Total Deposits	10,934	11,502	(5%)	Customer deposits grew by 24% YoY to TZS 10,934bn, driven by a 30% increase in demand deposits,21% savings deposits and 5% growth in time deposits, below the budget by 5% due to tightening market liquidity in the last half of the year and increased collective schemes and bond investments opportunities for customers.
Net Loan & Advances	10,361	9,915	4%	Net loans and advances grew by 23% YoY to TZS 10,361bn, above the budget by 4%. The growth is from corporate at 30%, SMEs at 9%, and personal at 23%.
Return on asset	5.2%	6.0%	(13%)	A slight decrease was mainly due to profit being 9% below budget.
Return on equity	27.7%	28.0%	(1%)	A slight decrease was mainly due to profit being 9% below budget.
Cost to income ratio	45.7%	44.0%	(4%)	The Group achieved a cost-to-income ratio of 45.7%, below the regulatory requirements of 55% due to various cost management initiatives and increased revenue. However, it was slightly above the budget by 4% resulted from of interest expense associated with rising interest and foreign exchange rates.
NPL	2.9%	3.0%	3%	The Group's NPL stood at 2.9%, below the target of 3.0%. This positive outcome was due to effective portfolio management, which minimised migration to a worse category and charge-off loans during the year, in line with BOT requirement.

From the above table, the majority of the KPIs were not achieved against the set budget primarily due to the challenges of prevailing market dynamics, which impacted the overall business operations and performance. Below are some challenges faced;

- Market liquidity constraints compelled the Group to increase borrowing to fund business growth to meet our stakeholders' needs and expectations, resulting in a surge in interest expenses. The increase in interest expense had a direct impact on the bottom line.
- The forex shortage in the interbank market impacted our forex margins income as trading activities remained low, while the appreciation affected related operating expenses.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

13 CURRENT FINANCIAL PERFORMANCE AND FUTURE DEVELOPMENT PLANS (Continued)

Financial Performance (Continued)

Budget Performance (Continued)

Achievement against targets (Continued)

The Group has taken measures to enhance our deposit mobilization efforts and optimize the cost of funding to support business growth while navigating external dynamics and addressing internal gaps. These initiatives are designed to ensure that the Group is well-positioned to capitalize on growth opportunities in the future. The Group's diverse range of businesses across the region is a strong commercial differentiator, enabling it to leverage our competitive advantages and deliver exceptional value to our customers over the medium and long term.

The Group has achieved some KPIs, e.g., the NPL ratio of 2.9% against the Regulatory threshold of below 5% due to the successful containment of portfolio migration to higher risk categories, and the cost-to-income ratio of 45.7% below the regulatory threshold of 55% due to the ongoing implementation of the cost management strategy. Despite the setback, the Group remains committed to identifying and addressing the underlying issues while exploring new strategies to improve future performance and achieve our goals.

Future Development Plans

In 2024, the Bank continued implementing its five-year strategy (2023-2027) themed "EVOLVE," which builds upon the foundation established in the previous strategy. The approach focuses on three main pillars: growing the business, safeguarding the business, and preparing the business for the future. By responding to market dynamics, the Bank has successfully maintained its relevance.

Going forward, the Group will focus on retaining and increasing our market share while driving business growth in the region through strategic partnerships and innovative digital solutions. As our customers' needs and preferences continuously evolve, our success in the market will depend on our ability to respond with strong offerings. The Group will continue to prioritize the delivery of our customers' digital strategies, enabling process optimization, enhancing customer experience, and ensuring ease of use.

The Group is committed to strengthening its ICT infrastructure to support future growth and transform our operations and service offerings. Our goal is to enhance the entire operational value chain through process simplification and automation. Therefore, we will prioritize critical technology projects as key enablers and accelerate our process reengineering initiatives. To achieve this, we will continue to invest in advanced technological capabilities that will streamline our operations and elevate the quality of the services we provide. This investment will enhance our cyber maturity, bolster our data protection measures, and create a robust framework that supports sustainable growth.

Our strategic direction will ensure a harmonious balance between ambitious business growth, sustainability, and adherence to compliance with regulations. This focus will enable us to thrive in a dynamic marketplace while maintaining the highest standards of integrity and security.

Group's Environmental, Social, and Governance (ESG) priorities are essential for our future growth and will shape our investment and capital allocation decisions. As nations develop plans to achieve net-zero emissions, we have the chance to strengthen our partnerships with stakeholders on their sustainability journeys. By aligning with the Sustainable Development Goals (SDGs), we can significantly support our customers' sustainability initiatives.

13 CURRENT FINANCIAL PERFORMANCE AND FUTURE DEVELOPMENT PLANS (Continued)

Future Development Plans (Continued)

We are committed to fostering a sustainable future by leveraging our expertise and resources to positively impact the communities we serve.

2025 Group aspirations:

- Prioritise a lifestyle experience - Leverage technology to enhance frontline customer experience.
- Enhance ecosystem banking - Activate and strengthen value chain optimization.
- Optimize the partners' portfolio - Acquire new and optimize existing partnerships to enhance the ability to serve and grow
- Strengthen talent optimisation - Develop staff to enhance strategy delivery
- Strengthen governance & resilience - Proactively manage emerging risks and evolving dynamics.

Investment in capital expenditure in 2025

- Investments in new and completion of the mission-critical system aimed at creating a scalable infrastructure for future growth, i.e., completion of the core banking system and other systems carried forward from 2024.
- Continue investing in cyber security to mitigate cyber-attacks and data protection and enhance cyber security maturity.
- Renovation of some branches to enhance customer experience.

The Group's expectations from the investment

The investment made during the year, together with planned investment expenditures, will increase operational efficiencies, cost reduction, profitability, and sustainability and create a sustainable business. The transformation targets building a superior banking experience and generating value for all stakeholders. The Bank will harness the opportunities brought about by the transformation initiatives being implemented to achieve a more productive performance. The Bank will endeavour to ensure continuity of the 5-year business strategy, building on the gains made during the year.

In 2025, our Group's strategy focuses on developing new products and services that align with our customers' evolving needs, keeping pace with technology, and providing sustainable support for our customers and community. This strategy aims to unlock the Group's full potential by enhancing service efficiency and transforming our sales force. We have adopted a forward-thinking model that ensures the long-term stability of our Group. Our plan involves leveraging technology, talent, and opportunities to create a strong value proposition for our customers.

Key priorities for the coming year include the continued expansion of our agency banking business and digital solutions which offer a cost-effective way for the Group to broaden its reach and provide financial services to underserved communities

We will also continue to accelerate process automation review, reengineering, and streamlining our processes. We believe this will enhance efficiency in our service delivery and, in turn, deliver a superior experience for our customers.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

14 MAIN TRENDS AND FACTORS LIKELY TO AFFECT FUTURE DEVELOPMENT PLANS

The banking industry is experiencing a fundamental shift, driven by new competition from FinTech, a cultural shift, continuous change in regulations and compliance, and disruptive technologies. The emergence of FinTech/non-bank start-ups is changing the competitive landscape in financial services, driving traditional institutions to rethink how they conduct business.

Increasing Competition

The competition posed by FinTech, which mainly targets some of the most profitable areas in financial services, is substantial. These Fintech and start-ups are expected to divert revenue from traditional banks and financial Institutions. These new industry entrants are forcing many financial institutions to strive for partnerships and acquisition opportunities as a measure to survive. For the traditional bank to maintain a competitive advantage, it must learn from FinTech by providing a simplified and intuitive customer experience.

Cultural Shift

In the digital world, manual processes and procedures are not an option. Banks must consider technology-based resolutions to banking industry challenges. As a result, banks and financial institutions must institute a culture of innovation in which technology is leveraged to optimize existing processes and procedures for maximum efficiency. The cultural shift towards new technologies reflects the acceptance of digital transformation.

Regulatory Compliance

Regulatory compliance has become one of the most significant challenges in the banking industry due to the growing number of regulations that banks must comply with. Banks sometimes incur additional costs to stay updated on the latest regulatory changes and implement the necessary controls. Overcoming regulatory compliance challenges requires banks to foster a culture of compliance within the organization and implement formal compliance structures and systems.

Rising Expectations

Customers today are more informed than ever, with dynamic needs that demand a high level of personalized service and convenience in their banking experiences. This has led to an increased expectation for digital interactions. Millennials have been at the forefront of this shift towards digitization, showing a strong preference for engaging with brands via social media. They represent a significant portion of mobile and internet banking users. As a result, banks anticipate that future generations will favour mobile banking over visiting physical branches. This trend presents a challenge for banks: they must maintain a hybrid banking model that effectively serves both older and younger generations.

Continuous Innovation

For banks to sustain themselves in the current world, continuous innovation is required, which helps them stay competitive and address market demands while improving customer experience. Innovation stems from insight, which tends to be discovered through customer interactions and continuous analysis. Banks need to build advanced analytics capability to maximize the utilization of the data asset in revenue growth, risk/fraud control, and efficiency (financial control and operational cost). The banks should also continuously promote and drive an agile culture throughout the organisation to manage digital transformation's speed, scale, and value.

14 MAIN TRENDS AND FACTORS LIKELY TO AFFECT FUTURE DEVELOPMENT PLANS (Continued)

Emerging risk

Climate-related risks

Climate change is the major emerging risk in the world, with a potential disruptive impact on the economy. As the world transitions to a low-carbon economy, it poses physical and transition risks to our business. The banking industry is currently working on two interconnected objectives. At the same time, in figuring out the impact of climate change on strategy and operations, banks are attempting to help customers and societies navigate these complicated and fast-moving market dynamics.

The Group categorizes climate-related risks into two;

- Physical risks cover risks that impact the premises and operations of the bank, its customers, and the wider economy. These include extreme weather events and long-term shifts in climate that can lead to the closing of branches or facilities, negatively impact clients' creditworthiness, and adversely affect value asset prices.
- Transition risks cover those that impact a bank's products and services because of the move toward a lower carbon economy. These include the extent to which a Group funds or has a stake in entities that emit greenhouse gases (GHGs), evolving stakeholder expectations, and associated legal or regulatory changes.

Cybersecurity risk

As technology advances, it has become increasingly important for our bank to acknowledge and address the potential risk of cyber-attacks. Cyber-attacks can occur through various means, such as hacking, phishing, and other methods. These attacks can lead to a disruption in our services or a leak of the Group's confidential and customer information.

To mitigate these risks, we have implemented a comprehensive data protection and cybersecurity framework. Our framework includes a range of measures, such as firewalls, intrusion detection and prevention systems, encryption technologies, and multi-factor authentication. These technologies protect our systems from unauthorised access, data theft, and other malicious activities.

Macroeconomic and geopolitical uncertainty

During the year, significant commodity price volatility, high inflation, rising interest rates, and increasing energy prices have affected the current economic environment. The bank focused on supporting our stakeholders in navigating the negative impact of global geopolitical and macroeconomic uncertainties and building resilience that will enable them to withstand future shocks.

15 OUR RISK MANAGEMENT

The Group is committed to meeting stakeholders' expectations in mitigating risks through a robust enterprise-wide risk management framework. The framework ensures that risks are identified, quantified, managed, and monitored to achieve an optimal-risk reward profile. Our enterprise risk management framework has well-defined internal structures, adequate processes, systems, and policies, which monitor and help to mitigate existing and prospective risks or threats of damage, injury, liability, loss, and any other negative occurrence that may arise from external or internal vulnerabilities, and which may be avoided through preventive action.

The Group's Risk Management Framework is implemented through a 'three lines of defence' model, which defines clear responsibilities and accountabilities and ensures effective independent oversight and assurance activities cover key decisions. Details of the three lines of defence are disclosed in Note 10.2 of the financial statements.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

15 OUR RISK MANAGEMENT (Continued)

Risk Management Principles

CRDB Group considers the value our risk framework creates in managing risk to ensure it contributes to the group's objectives. This is achieved through continuous review of processes and systems. Strategically, we have integrated risk management and governing structures that form part of our planning processes at both operational and strategic levels.

All key decision-makers within CRDB Group rely on proactive risk management principles to make informed choices, identify priorities, and choose the appropriate action. We address uncertainties by proactively identifying potential risks and implementing controls and treatments to maximise the chance of gain while minimising the chances of loss.

To manage risk effectively, we must understand and consider all available information relevant to an activity while being conscious that that information may be limited.

Our risk management framework guides us in determining how all available information informs the risk management process, considering the internal and external operating environments.

We also appreciate the role of human and cultural factors in risk management. This framework recognizes people and culture's contribution to achieving the group's business objectives. For this reason, we constantly engage internal and external stakeholders throughout the risk management process, recognising that communication and consultation are key to identifying, analysing, and monitoring risk.

Besides, we acknowledge that managing risk needs flexibility, hence our focus on dynamism. We operate in a challenging environment, which requires that we stay alive to need context for managing risk and continuously work to identify new risks that emerge while making allowances for those risks that no longer exist. CRDB Group aspires to improve its risk management culture by allocating adequate resources over time to efficiently manage risks and ensure the ability to demonstrate continual achievement.

Group's attitude toward risk

We actively take risks, as allowed within our risk appetite and risk tolerance levels. In taking risks, we exhaustively examine the adequacy of the benefits in business terms. Unacceptable risks are risks at a level that exceeds the maximum risk tolerance level, as defined by the Board of Directors, or risks that may impair the growth of the group and perhaps cripple operations. We take a comprehensive perspective, considering regulatory requirements to maximise the group's profitability at a risk level that aligns with our risk appetite.

Risk philosophy and appetite

The Group considers risk management as one of its core functions and a key factor for business continuity and providing stable and good returns to its shareholders. Various policies, procedures, and tools that spell out the risk appetite commensurate to the risk taken and expected return have been developed and implemented. In this process, the Group strives to match the best practices in risk management and ensure that risks are adequately managed throughout the group.

Group approach in managing risk

The primary responsibility for managing risk resides with the business and functional areas where the risk is taken. The Group Business and Subsidiary function owners ensure that the Group Risk Management Framework has been embedded within the Group and Subsidiary's daily risk management processes. In addition, all employees are responsible for ensuring effective management of risk and must report appropriately any known breakdowns/omissions in control or any potential exposures that may result in financial or reputational loss to the Group.

For every product, process, or system introduced or implemented in the Group, an internal control document is developed and made available to all relevant employees. This document includes the following elements, at minimum: a statement of accountabilities, risk identification and controls in place to mitigate the risks, Objectives of the proposed internal controls, and a description of the control environment that must be implemented and maintained, including monitoring and reporting.

15 OUR RISK MANAGEMENT (Continued)

Group approach in managing risk (Continued)

The Group management audit & risk committee is established to manage risks and monitor the effectiveness of control implementation. The Group Risk and Compliance function provides an independent oversight and monitoring process for Group risk and controls across the Group and reports to the Group CEO and Managing Director.

Roles and responsibilities of the Group Board of Directors in risk management

The Group Board of Directors is responsible for Risk Management functions across the Group, including setting the tone and influencing the culture of risk management within the Group. Other responsibilities include:

- Approving the overall business strategies, Group Risk Management Framework, and its associated policies.
- Ensure adequate implementation of risk management framework by the management
- Defining the nature, role, responsibility, and authority of the risk management function within the Group, including the scope of risk management work;
- Monitoring the Group risk profile through reports from Management to determine the level of risk exposure and whether it is within the Board's risk appetite and promptly take remedial actions.

Responsibility of Group senior management in managing risk

Setting the tone of risk management and influencing risk management culture within the Group. More specifically, the Group Executive team has the following responsibilities:

- Facilitate the review or development of the Group Risk Management Framework and its related policies and recommend changes to the Group Board for approval.
- Provides oversight to the Bank and subsidiaries' operations, covering Risk Management and Strategy formulation and execution.
- Implementing strategies in a manner that limits risks associated with each strategy and ensures compliance with laws and regulations on both long-term and day-to-day basis.
- Ensure appropriate policies, controls, and risk monitoring systems are in place and that accountability and lines of authority are clearly defined.
- Establishing and communicating strong awareness of the need for effective internal

Uncertainties in the operating environment

In the environment in which we operate, there are unforeseen circumstances that the Group cannot predict. Uncertainty implies that the outlook for the economy is unpredictable and that there is a high likelihood of negative economic events; however, in case of uncertainties, the Group has a robust risk management process where risk management tools have been deployed to ensure proactive measures are achieved to the greatest extent.

The Bank continues to monitor the economic environment and execute measures to protect the business by reinventing processes and systems to ensure that we adapt to the ongoing changes of the economic environment and, at the same time, protect our customers by offering an enhanced value proposition and having in place contingencies in our business strategy.

We strongly believe that preventing risks enhances shareholder value because it allows us to manage risks proactively and intelligently, which maximises the Group's potential for earnings, ensures stability, and takes measures to protect the business against unexpected losses. Primarily, Our risk management processes aim to protect the Group's solvency by preserving high asset quality, efficient operations, and prudent capital management, resulting in sustained earnings that augment core capital, enable regulatory compliance, and enhance market reputation and stakeholder support.

The table below shows the principal risk, the description of the risk, opportunities, and mitigations to address the risk, strategies, and capital impacted.

16 PRINCIPAL RISKS, UNCERTAINTIES, OPPORTUNITIES AND MITIGATIONS

Principal Risk	Context	Cause/ Circumstance	Key risk indicators (KRI)	Likelihood	Magnitude/ impact	Opportunities and Mitigations
Credit Risk	A risk of financial loss arising from non-payment of principal and interest of credit accommodations.	• Significant adverse changes in the political, economic, regulatory, and technological environment of the borrowers • Death of a Borrower • Borrower becomes bankrupt.	Significant increases in credit risk and default.	The risk event is likely to occur.	Severe - it increases impairment losses, which affect the Group's profitability and liquidity.	All credit facilities are insured. Credit risk is assessed and managed from credit origination to recovery management. Monitoring is done throughout the credit management life circle.
Liquidity Risk	Liquidity Risk is a risk of loss arising from a situation where there will not be enough cash and cash equivalents to meet maturing obligations.	• Mismatch between loans and deposits. • Mismatch of maturity between assets and liabilities • Decrease of money supply in the economy.	Decrease in Liquidity ratio below the internal limit.	The risk event is likely to occur.	Severe – will result to the; • fines and penalties due to non-compliance to regulatory liquidity ratio of 20% and above. • Failure to meet the maturing obligation • Failure to meet day-to-day operation.	The liquidity risk management process is monitored by the Asset and Liability Committee (ALCO) which includes. • Day-to-day funding. • Ensure liquidity is managed within the limits set. • Ensure diversification of funding sources to minimise liquidity concentration risk.
Market Risk	The risk of financial loss on earnings or capital arising from adverse movement in market rates or prices such as interest rates, foreign exchange rates and equity prices.	Market risks arise from open positions in interest rate, currency, price, and equity investments, all of which are exposed to general and specific market movements and changes in the volatility of market rates or prices.	• Changes in interest rate. • Forex fluctuations. • Changes in equity prices.	The risk event is likely to occur	Severe – will result in adverse movements of interest rates, foreign exchange rates, and equity prices, impacting profitability.	• Matching the sensitivity of Group assets and liabilities from changes in market interest rate. • Matching of assets and liability of the same currency. • Close monitoring of equity price movement
Compliance Risk	Refers to the risk to earnings and capital from non-compliance with laws and regulations, or misinterpretation of them.	• Incorrect interpretations of laws and regulations • Non-compliance with laws/ regulations and prescribed standards • Changes in regulatory environments. • Contradicting laws in Parent and subsidiary jurisdiction.	Late submission of returns and statutory payments.	The risk event is likely to occur.	Severe – will result to. • fines and penalties due to non-compliance to laws and regulations, which affect Group profitability.	• Daily monitoring of regulatory changes. • Awareness to all staff on the new regulations. • Conformance tests across the Group to detect compliance gaps • Engaging policymakers when contradictions arise among jurisdictions.

17 CAPITAL STRUCTURE AND FUNDING MIX

Capital structure

The Bank's capital structure for the year under review is as follows:

Authorized

4,000,000,000 ordinary shares of TZS 25 each

Issued and fully paid

2,611,838,584 ordinary shares of TZS 25 each

There were no changes in capital structure as compared to the previous financial year. Share capital details are disclosed under Note 55 in the notes to the financial statements.

The Bank remained strong in terms of financial position, well-capitalized and closed the year with a core capital ratio of 16.3% and a total capital ratio of 17.2%, both above the regulatory requirement of 12.5% and 14.5% respective. During the year, the factors which impacted the Bank's financial position include increased competition, disruptive technologies, digital adoption, raised stakeholder expectations, and challenges associated with macroeconomics and geopolitical uncertainties. However, the Group managed to withstand all the mentioned challenges, as evidenced by the remarkable year-on-year growth of 30.4% Profit after tax.

More details on the factors that impacted our ability to create value are disclosed under section 12.

The Group anticipates the same factors are likely to affect its future financial position. However, the Bank has a bold strategy to overcome the noted challenges.

Bank's utilization of long-lasting assets

During the year, the Bank effectively utilized its long-lasting assets as evidenced by a return on assets ratio of 5.2% which is above the bank's target of >3%. The increase indicates better utilization and efficiency in using the assets to generate revenue. The Bank closed the year with long-lasting assets of TZS 511.9bn (2023: TZS 476.9bn) both tangible and intangible assets used in the expansion and upgrading of the existing assets to enhance productivity for a sustainable future.

In terms of cash flows, the Bank closed the year with a healthy liquidity ratio of 28.2% above the regulatory requirement of 20% indicating the Bank's ability to sustain operations without financial strain and positive operating cash flow which provides insights into the Bank's ability to generate sufficient cash to fund its activities.

Funding mix

The Group's primary funding source during the year was deposits from customers (Demand, savings, and time/ fixed deposits), which accounted for 75% of the total funding. The Current/ Savings Accounts (CASAs) represented 84% of total customer deposits as at December 2024 (2023:83%). Another major funding source was the borrowings of TZS 978bn (2023: TZS 579bn), which were used to fund business growth to meet our stakeholders' needs and expectations. The borrowings accounted for 10% of the total funding, and Equity 15% of the total funding.

There was no major change in the funding mix in 2024 compared to 2023.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

17 CAPITAL STRUCTURE AND FUNDING MIX (Continued)

Funding mix (Continued)

The balance between debt and equity was as follows;

Debt	GROUP		BANK	
In TZS' Million	2024	2023	2024	2023
Customer deposits	10,934,131	8,855,978	10,214,699	8,315,233
Borrowings - Current	123,080	67,278	123,080	116,278
Borrowings – non-current	1,838,626	1,172,021	1,838,626	1,172,021
	12,895,837	**10,095,277**	**12,176,405**	**9,603,532**
Equity				
Issued capital	65,296	65,296	65,296	65,296
Share premium	158,314	158,314	158,314	158,314
Retained earnings	1,872,606	1,491,183	1,829,535	1,448,851
Other reserves	36,373	23,083	22,693	12,866
	2,132,589	**1,737,876**	**2,075,838**	**1,685,327**

Borrowings include subordinated debts and Green bonds.

The balance between equity and debt, the maturity profile of debt, the type of capital instruments used, currency, regulatory capital and interest rate structure are under the Treasury and Capital Market department and are being monitored by the ALCO committee, which meets monthly. The maturity profile of the Group and Bank's financial assets and the undiscounted cash flows of its financial liabilities as of 31 December are disclosed in note 10.4.4 of the financial statement. Treasury and capital market department are also in charge of short and longer-term funding plans to support the strategies of those charged with governance to achieve the Bank's objectives. As per the funding mix, there are short and long-term borrowing; likewise, for deposits, there are time deposits with longer terms to match the maturity profile of the Bank's financial assets

The Group has adopted the above capital structure of deposits (73%), equity (14%) and borrowings (13%) because of the associated cost.

Funding approach

The Group's primary source of funding is customer deposits. The Group maintain a diversified and stable funding base comprising demand, savings, and time deposits. The Group places considerable importance on the stability of these deposits, which is achieved through the Group's retail banking activities and by maintaining depositor confidence in the Group's business strategies and financial strength.

The Group borrows from the interbank market through transactions with other banks for short-term liquidity requirements. As part of the contingency funding plan, the Group has funding lines with local and foreign banks for short-term funding requirements.

Other Group's source of funding is borrowings which are long-term, and the Group has entered covenants in some borrowings in financing contracts, however, none of the borrowings have the effect of restricting the use of financing arrangements or credit facilities, and negotiations with the lenders on the operation of these covenants.

The Group and Bank did not have any defaults of principal, interest, or other breaches regarding borrowings during 2024 or 2023. During the year, the Bank did not enter any covenant in financing contracts that could restrict the use of financing arrangements or credit facilities.

Assets available to meet all the liabilities and cover outstanding loan commitments include cash, balances with the central bank, items in the course of collection and treasury, and other eligible bills due from banks, as well as loans and advances to customers. In the normal course of business, a proportion of customer loans contractually repayable within one year will be extended. The Group would also be able to meet unexpected net cash outflows by selling securities and accessing additional funding sources, such as asset-backed markets

18 TREASURY POLICIES

Treasury conducts its activities within a comprehensive framework provided by the Board-approved Financial Policies and Treasury Policies, which are reviewed and approved by the Board on an annual basis. Treasury is guided by the principles of professionalism, transparency, accountability, and profit maximization within a conservative set of risk parameters.

The Board of Directors, through its Board Risk Committee, had overall responsibility for managing market risks (liquidity risk, interest rate risk). At the management level, the Asset Liability Management Committee (ALCO) and Management Risk Committee are responsible for managing Market Risks.

As the main player in the market risk space, Treasury performs her roles and functions under the oversight of the Assets Liabilities Committee (ALCO), which seats monthly.

Treasury policies are structured in a way to achieve strategic management of Group's statement of financial position with the focus of realizing optimal returns while minimizing risk exposure and related funding costs. Within this framework, Treasury applies the best available market knowledge and techniques to achieve the Group's strategic objectives.

Objectives

The overall objective provides guidance on the management of assets and liabilities as they fall due in the most cost-effective way. The policy aims at providing guidance on:

- Managing liquidity and funding under normal and stressful conditions.
- Establishing internal limits and triggers for liquidity risk management.
- Coordinating decisions made within operating areas that affect the Bank's liquidity position.
- Establishing responsibility and framework for decision-making that may affect the Bank's liquidity position.
- Compliance with regulatory requirements.

The key treasury policies are:

Market Risk Policy

The policy provides guidance/ framework for managing exchange rate and interest risks and protects the value of bank assets from adverse effects of market rate movements.

Liquidity Policy

The policy provides guidance on managing liquidity risk under normal and crisis situations. It sets out a liquidity management decision-making structure in the Bank, approaches to funding and liquidity operations, limits to liquidity risk exposures, procedures and systems for liquidity planning and management, regulatory compliance, reporting, control, and contingency funding planning.

The Group places a strong emphasis on managing liquidity risk and daily cash flows, which is handled by the Treasury Department through the Asset Liability Committee (ALCO) to ensure the Group holds sufficient liquid assets to enable it to continue with its normal operations. Asset Liability Committee (ALCO) also manages the Bank's exposure to liquidity risk by ensuring that limits are in line with realistic assumptions and tracking compliance monthly. The Group closed the year with a liquidity ratio of 28.2%, which is above the regulatory requirement of 20%.

The Group maintains a portfolio of highly marketable and diverse assets that are assumed to be easily liquidated in the event of an unforeseen interruption in cash flow. The Group also has lines of credit that it can access to meet liquidity needs. Net liquid assets consist of cash, short–term bank deposits and liquid debt securities available for immediate sale, less deposits for banks and other issued securities and borrowings due to mature within the next month.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

18 TREASURY POLICIES (Continued)

Liquidity Policy (Continued)

The Group does not foresee problems on the liquidity in the next 12 months which can affect the business operations.

The ability to transfer funds from a parent or its subsidiary to meet the obligations of another part of the group is not restricted.

Liquidity management process

The Group's liquidity management process is being carried out within the Group and Bank and monitored by the Asset and Liability Committee (ALCO) of the individual banks which includes:

- Day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met. These include replenishment of funds as they mature or are borrowed by customers. The Group and Bank maintain 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 liquidity ratios against internal and regulatory requirements; and
- Managing the concentration and profile of debt maturities.

Monitoring and reporting take 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.

Contingency Funding Policy

The policy provides guidance for managing stressed liquidity situation created by a problem or market wider crisis and ensure that the Bank is able all the time to meet its matured obligations as they fall due and remain as good as going concern.

Limit Policy

The policy provides guidance/framework for managing market and liquidity risks for the counterparts at the domestic and international levels. It also provides guidance for investment and credit exposures limits.

Asset Liability Management (ALM) and Investment Policy

The policy highlights a set of actions and procedures designed to manage the Bank's financial risks to ensure competitive return on assets by putting in place specific predefined risk management policies. It covers strategic management of the Bank's statement of financial position and off-balance sheet items intending to achieve sustained growth, profitability, and solvency. It involves a multiplicity of management activities and responsibilities, including the formulation of short and long-term strategic goals and objectives and the management of financial risks.

Fund Transfer Pricing (FTP) Model

The model highlights the process of charging fund users and crediting fund providers to enable the Bank to evaluate the profitability of deposits and loans in line with the bank's own Assets and Liability management strategies.

19 MAJOR FINANCING TRANSACTIONS

During the year, the Group received TZS 978 Billion as long-term borrowing from various strategic partners, as disclosed in Note 51. The borrowings aim to fund business growth to meet our stakeholders' needs and expectations

The major financing from borrowings resulted into the increase in interest expenses by 47%YoY which account for 28% out of total interest expenses during the year. The Group does not foresee the major change of interest rate which could impact the profitability of the Group.

20 CASH FLOWS

The Group's major source of cash flow was from operating activities, which was attributable to an increase in customer deposits by TZS 2,132.9 Billion (2023: increase of TZS 635.6 Billion). The funds generated in 2024 were mainly utilised on lending to customers by TZS 2,105.5 Billion (2023: increase of TZS 1,510.1 Billion) and servicing borrowings by TZS 359.5 Billion (2023: TZS 227.6 Billion). The increase in customer deposits and loans and advances to customers are the key factors driving the Group's cash flow from operations.

Another major source of cash flow was the borrowings of TZS 978 Billion (2023: TZS 579 Billion), which were used to fund business growth and meet our stakeholders' needs and expectations. The Group's projections indicate that future cash flows will mostly be generated from customer deposits. The Group implements different strategies to mobilise deposits and maintain sound liquidity to meet its cash flow commitments.

Additional information to supplement the information provided in the financial statement

During the year, the Group's cash flows were affected by a variety of factors, primarily related to macroeconomic conditions. Below are the specific factors that impacted cash flows, as well as those that may affect future cash flows.

Factors impacted the cashflow during the year

- **Shortage of foreign exchange:** The year 2024, started with continued interest rates hikes in advanced economies as they battled with inflation. This trend stared to normalize in the second half of the year with many central banks announcing interest rates cuts as they achieved inflation targets. Many African economies experienced severe shortage of foreign exchange arising from unfavourable balance of payments. However, in Tanzania the situation started to normalise in the second half of the year on the account of increasing Tourism activities and well as export of major commodities.
- **Market liquidity constraints:** To address this, the Group made the strategic decision to increase borrowing to fund business growth to meet our stakeholders' needs and expectations.
- **Interest Rate Fluctuations:** Changes in interest rates can affect the cost of borrowing and the returns on investments, influencing banks' cash flows.

Factors likely to affect future cashflow:

- **Regulatory Changes:** Ongoing and upcoming regulatory changes may affect banks' operational costs and compliance requirements, which could impact our cash flows. Compliance with Basel III entails higher capital requirements, with mandatory implementation by 2025. This means we will be required to hold additional capital in reserve, reducing the amount available for lending and other revenue-generating activities.
- **Technological Advancements:** The rapid advancement of technology presents both challenges and opportunities for the Bank. To remain competitive in this ever-changing environment, we need to continually update and improve our systems. Our commitment to innovation will require significant investments in state of the art technology to enhance our ICT infrastructure.

  While these technological enhancements are vital for ensuring our ongoing relevance in the financial sector, we must also recognize that they will have a substantial impact on our cash flows. Initial outlays for technology adoption may strain our financial resources in the short term; however, the long-term benefits of increased operational efficiency, customer satisfaction, and market competitiveness will ultimately outweigh these upfront costs. In 2025 more than 40% of our capital expenditure has been allocated to ICT projects.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

20 CASH FLOWS (Continued)

The Group future plans on the use of the excess cashflow

In the future, the Group plans to strategically use any surplus cash generated from its operations to expand its presence. This expansion will involve opening new facilities and investing in advanced technologies. Our goal is to significantly enhance our overall operational capacity, ensuring that we meet the growing demand for our products and services while maintaining high standards of quality and efficiency. This approach will position us for sustainable growth and increased competitiveness in the market.

Short-term Plans:

Effectively managing a bank's excess cash flow in the short term is crucial for optimizing returns while maintaining our liquidity position. By strategically allocating these funds into various financial instruments such as money market and short-term securities, we enhance our financial stability and ensure we are well-prepared for future opportunities or unexpected needs. This approach not only maximizes the potential earnings on excess funds but also supports the bank's overall financial health and operational efficiency.

Long-term Plans:

In the long term, a bank's excess cash flow will be strategically allocated to support sustainable growth and enhance financial stability.

- Capital Expenditure Investments
  - Invest in new initiatives and complete mission-critical systems to create a scalable infrastructure for future growth. This includes finalizing the core banking system and other projects that were carried over from 2024.
  - Continue investment in cybersecurity measures to mitigate the risks of cyber-attacks and enhance data protection, thereby improving overall cybersecurity maturity.
  - Renovate select branches to enhance the customer experience.

The Group future plans on the use of the excess cashflow

- Investment in government and corporate bonds which provide steady returns over time.
- Another key strategy is to strengthen the bank's capital reserves, ensuring compliance with regulatory requirements and enhancing the institution's ability to withstand economic downturns.
- Cross-border expansion to increase our presence and customer base which will drive long-term profitability.

By carefully balancing these investments, we can optimize excess cash flow to achieve sustained growth and resilience in an ever-evolving financial landscape.

21 BORROWING

The Bank has been working with various reputable local and International Development Financial Institutions who have shown interest to support our economy through our Bank. Over the years, the Bank has worked with various Institutions, including IFC, AFDB, EIB, PROPARCO, INVESTEC, FMO, DFC, IBRD GCPF, CITI, ResponsAbility Investments AG, TIB, NBC and TMRC to support key sectors of the economy. As at 31 December 2024, the Group had an outstanding exposure of TZS 1,962 Billion which includes Green Bond and subordinated debts as disclosed in Note 50, 51 and 52.

The borrowings intended to provide financial support for different sectors of the economy, including funding for business expansion, promoting knowledge sharing, offering technical assistance, and facilitating job creation. All borrowings are long-term, with a maturity profile extending beyond one year. The increase in borrowings, which amounts to TZS 978 Billion, was necessary due to the liquidity challenges faced in the market during the year.

As at 31 December 2024, the Group and Bank were compliant with all the lender's covenants and expect to comply in the future.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

22 SHAREHOLDERS OF THE BANK

The Bank's Articles of Association recognize three categories of shareholders namely, shareholders holding 10% or more of the total paid-up shares, shareholders holding less than 10% of the total paid-up shares and shareholders holding less than 1%.

At the end of the year, the shareholding of these three groups was as follows:

Group Shareholding	2024		2023	
	No. of shares	%	No. of shares	%
10% and more	894,828,676	34.3	894,828,676	34.3
Less than 10%	605,829,559	23.2	631,026,062	24.2
Less than 1%	1,111,180,349	42.5	1,085,983,846	41.5
Total	**2,611,838,584**	**100.0**	**2,611,838,584**	**100.0**

Companies Shareholding

Shareholders holding 1% or more of the total paid-up capital as at 31 December are listed below:

Shareholders	2024		2023	
	No. of shares	%	No. of shares	%
DANIDA Investment Fund	548,067,648	21.0	548,067,648	21.0
PSSSF Pension Fund	346,761,028	13.3	346,761,028	13.3
National Social Security Fund - Uganda	206,246,402	7.9	196,456,402	7.5
Kimberlite Frontier Master Africa Fund LP RCKM	61,641,280	2.4	64,352,349	2.5
Patrick Schegg	50,754,057	1.9	50,754,057	1.9
National Social Security Fund (NSSF)	43,575,766	1.7	-	-
Wegen Kilimanjaro Frontier Africa Fund	41,652,795	1.6	41,652,795	1.6
Zanzibar Social Security Fund	41,373,558	1.6	41,373,558	1.6
Change Global Frontier Market, PL Fund-CGPA	34,019,789	1.3	44,216,540	1.7
Hans Aingaya Macha	32,764,200	1.3	32,764,200	1.3
Umoja Unit Trust Scheme (UTT)	32,430,701	1.2	-	-
National Health Insurance Fund	32,040,040	1.2	32,040,040	1.2
CMG Investment Limited	29,330,971	1.1	29,330,971	1.1
Abbas Export Ltd.	-	-	67,515,720	2.6
Duet Africa Opportunities Master Fund IC	-	-	30,569,430	1.2
Total	**1,500,658,235**	**57.5**	**1,525,854,738**	**58.5**

The total number of shareholders by the end of 2024 stood at 37,658 (2023: 32,395 shareholders).

Directors Shareholding

Shareholdings by those charged with governance as at 31 December are listed here under;

Name	Status	Number of shares 2024	Number of shares 2023
Dr. Ally H. Laay	Chairman	201,548	161,548
Mr. Abdulmajid M. Nsekela	Group CEO and Managing Director	204,650	204,650
Prof. Neema M. Mori	Independent Non-executive Director	-	-
Mr. Jes Klausby	Non-executive Director	-	-
Mr. Boniface C. Muhegi	Non-executive Director	2,241,352	2,231,352
Mr. Hosea E. Kashimba	Non-executive Director	64,875	64,875
Prof. Faustine K. Bee	Non-executive Director	41,536	41,536

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

22 SHAREHOLDERS OF THE BANK (Continued)

Directors Shareholding (Continued)

Name	Status	Number of shares 2024	Number of shares 2023
Dr. Fred M. Msemwa	Non-executive Director	12,612	12,612
Mr. Abdul A. Mohamed	Non-executive Director	2,450	2,450
Mr. Martin S. Warioba	Independent Non-executive Director	-	-
Ms. Miranda N. Mpogolo	Independent Non-Executive Director	-	-
Mr. Gerald P. Kasaato	Non-Executive Director	-	-
Mr. Royal J. Lyanga	Non- Executive Director	-	-

23 CORPORATE GOVERNANCE

The Group Statement on Corporate Governance

The Bank's approach to corporate governance is comprehensive and designed to uphold the highest standards of accountability, transparency, and ethical practices. Our primary objective is to optimize performance, minimize risks, and protect the interests of our shareholders. To achieve this, we have put in place robust governance frameworks, policies, and procedures that go beyond regulatory requirements.

We have a Board of Directors that comprises highly experienced and knowledgeable individuals who bring diverse perspectives and skills to the table. The Board provides strategic oversight, sets the tone from the top, and ensures that our actions align with our core values and mission. We have also established various committees, including an Audit, Risk, and Compliance Committee, to provide independent oversight and guidance on key areas of our operations. These committees are composed of experts in their respective fields and are responsible for ensuring that our policies and practices are aligned with best practices.

Furthermore, we have implemented a strong risk management framework that enables us to identify, assess, and mitigate risks effectively. We prioritize transparency and accountability by regularly reporting to our shareholders and stakeholders on our performance, risks, and governance practices. At the heart of our corporate governance approach is a commitment to ethical practices, integrity, and social responsibility. We believe that our success is not only measured by financial performance but also by the positive impact we have on our communities and the environment.

Our Corporate Governance framework

The organization has implemented a comprehensive corporate governance framework. This framework enables the Board to efficiently oversee and direct the organization's strategic direction, financial objectives, resource allocation, and risk tolerance. It also empowers the Board to hold executive management accountable for their actions and ensure the successful implementation of the organization's goals.

Code of Corporate practice of good corporate governance

- The Board is committed to the principles of good corporate governance to strengthen and maintain the stakeholder's confidence. The Board retains full and effective control over the Group, monitors the executive management and makes sure the decision on material matters is in the hands of the Board to fulfil the Group's strategic objectives.
- The Board is committed to healthy corporate governance practices, which strengthen and maintain confidence in the Bank, thereby contributing to optimal long-term value creation for shareholders and other stakeholders. The Board recognises its collective responsibility for the long-term success of the Group. The Board is committed to ensuring compliance with all applicable laws and regulations and considers adherence to non-binding rules, codes, and standards. Compliance is an agenda item in all Board meetings through the Board risk committee.
- Through the Board risk committee, the Board is able to identify all regulations relevant to the group and monitor changes to the rules and new regulations impacting the group.

23 CORPORATE GOVERNANCE (Continued)

Statement of responsibilities for those charged with governance

Those charged with governance are dedicated to upholding the highest standards of corporate governance. The Board is responsible for providing strategic direction, ensuring effective management oversight, and maintaining accountability to shareholders and stakeholders. This includes establishing the bank's vision, mission, and values and ensuring their integration into its operations and culture.

The Board also oversees the implementation of policies and procedures that promote ethical behaviour, compliance with laws and regulations, and the effective management of risks to safeguard the bank's assets and reputation. The Board has delegated the responsibility for implementing strategy and managing day to day operations to the Group Managing Director and Chief Executive Officer, along with the Senior Management Team.

Those charged with governance are committed to fulfilling their fiduciary responsibilities and have established principles to ensure that good governance practices are upheld in their dealings with the Group's shareholders, customers, and other relevant stakeholders in line with the spirit of the Capital markets and securities (CMSA) act, 1994 guidelines on corporate governance practices by public listed companies in Tanzania section 4.0

The Board is dedicated to ensuring a strong governance framework operates throughout the Group. It recognizes that good corporate governance is essential to support management in achieving the Group's strategic objectives and operating a sustainable business for the benefit of all stakeholders. The Board understands that identifying, developing, and maintaining high standards of corporate governance suitable for the Group is an ongoing and dynamic process that must adapt to changes within the Group, its business, the composition of the Board, and evolving corporate governance trends.

Those charged with governance are responsible for the overall governance of the Group. The Board applies good governance practices to promote strategic decision-making that aligns the interests of the Group with our stakeholders and the communities we serve. To achieve this, principles of accountability, transparency, ethical management, and fairness are embedded throughout the business.

Those charged with governance must act in good faith to enhance the Group's success for the benefit of our stakeholders. They should avoid any conflicts between their personal interests and those of the Group, in accordance with Section 209 of the Companies Act 2002. Directors must always prioritize the Group's best interests. They have a statutory duty to promote the Group's success, carefully considering the consequences of their decisions to uphold a reputation for high standards of business conduct.

The Bank remains committed to adhering to the highest standards of corporate governance and business ethics. Good corporate governance practices are essential for delivering sustainable value to our stakeholders. The Group also complies with regulations set by the CMSA, the Dar es Salaam Stock Exchange, and the ethical standards outlined in the Group's Code of Conduct.

Our strong corporate governance and responsible business culture form the foundation for long-term sustainable growth. To support this, sustainability has become a key focus in our board meeting agendas, ensuring that these important topics receive the attention they deserve and are discussed regularly. Furthermore, we have strengthened our sustainability team to effectively implement our initiatives and meet the expectations of our stakeholders.

Board Structure

The Board is structured to ensure a balance of skills, experience, and diversity necessary to provide effective leadership and oversight of the Group. The Board comprises both Executive and Non-Executive Directors, including Independent Non-Executive Directors, to ensure a robust governance framework.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

23 CORPORATE GOVERNANCE (Continued)

Board Structuree (Continued)

The structure of the Board is as below;

- **Chairperson:** Leads the Board and ensures its effective functioning. The Chairperson is responsible for setting the agenda, facilitating open and constructive discussions, and ensuring that all Directors contribute to the decision-making process.
- **Executive Directors:** These Directors are involved in the day-to-day management of the Group. They bring in-depth knowledge of the Group's operations and are responsible for implementing the Board's strategic decisions.
- **Non-Executive Directors:** These Directors provide independent oversight and constructive challenge to the Executive Directors. They bring a diverse range of skills and experience from various industries and sectors.
- **Independent Non-Executive Directors:** These Directors are free from any business or other relationships that could materially interfere with their independent judgment. They play a crucial role in ensuring that the interests of all stakeholders are considered in the Board's decision-making process.
- **Board Committees:** The Board has established several committees to assist in the discharge of its responsibilities. These committees include:
  - Board Audit Committee: Oversees financial reporting, internal controls, and risk management.
  - Board Risk Committee: Monitors and reviews the Company's risk management framework.
  - Board Governance, Nomination, and Human Resources Committee: Responsible for Board appointments and setting remuneration policies.
  - Board Credit Committee: Oversee the credit functions monitor and review the loan portfolio. quality.

The Board meets regularly to review the Group's performance, set strategic objectives, and ensure it operates in accordance with the highest standards of corporate governance.

Board Size

The Board determines its size and composition, adhering to the Company's Articles of Association, Board Charter, relevant policies, applicable laws, and best practices. The Board must always have a minimum of five members, of which two-thirds must be non-executive. Additionally, at least two members must be Tanzanian nationals. The composition of the Board is optimal, considering the size and nature of the Bank's business and its subsidiaries. It is adequately structured and in compliance with key governance codes and regulatory requirements.

During the year, the Board comprised fourteen Directors, including thirteen Non-Executive Directors and one Executive Director. Three of the thirteen Non-Executive Directors are Independent Non-Executive Directors. The Board comprises diverse skills and expertise essential for effective management oversight and the Bank's operations. Each Board member possesses the necessary skills and has access to the tools required for effective performance.

The Board is confident that its current size is optimal, allowing it to effectively manage decision making processes and fulfill its diverse responsibilities. This size facilitates robust discussions, ensuring that a wide range of perspectives is represented while maintaining effective communication and collaboration among members. As a result, the Board is well-equipped to respond to challenges and opportunities in a timely and efficient manner.

23 CORPORATE GOVERNANCE (Continued)

Board Charter

The Group has a Board charter outlining the key values and principles of the bank's Directors. It details the Board's responsibilities, governance practices, powers, and the separation of roles between the Board and Management, as well as the Company Secretary's responsibilities.

This Board charter is subject to the requirements contained in the Bank's Memorandum and Articles Association (MEMARTS), the Banking and Financial Institutions Act, 2006 (BFIA), CMSA Act & Guidelines, Company Laws and other applicable laws and regulatory provisions. The charter is reviewed every two years or on a need basis to ensure it remains adequate and consistent with the Board's purpose. Changes are subject to approval by the Board of Directors.

During the reporting period, the Board is assured that all individual Non-Executive Directors upheld their objective judgment per the approved Board Charter. This dedication to independence underscores the Board's commitment to upholding transparency, and accountability and maintaining elevated standards of corporate governance.

Appointments of the members of the Board

Appointments to the Board are made strictly based on merit, ensuring that candidates are evaluated against specific, objective criteria. This process considers the importance of fostering diversity within the Board, as it recognizes the advantages that varied perspectives and experiences bring to effective governance. A comprehensive and rigorous selection process is adhered to when appointing Directors, involving multiple stages such as interviews, assessments, and reference checks to ensure the highest standards of candidate evaluation.

Non-executive Directors are appointed for an initial term of three years, which allows for a thorough integration into the Board's activities and culture. Following this period, their continuation on the Board is contingent upon re-election by shareholders at each Annual General Meeting (AGM). This mechanism not only maintains accountability but also ensures that the Board remains aligned with the interests of its shareholders.

A Board member will not serve in the Board for more than three terms of three years. The maximum tenure for Board membership shall not exceed 10 (ten) years unless an approval has been granted by the Central Bank of Tanzania.

The term of office for members of the Board is structured so that their terms do not end simultaneously. This approach ensures continuity within the Board, allowing for a seamless transition and sustained governance.

The Group has a formal and transparent procedure for appointing Board members. The vacancies are advertised to the public through newspapers and the Bank's website. This ensures that the selection process is fair, unbiased, and based on merit. By adhering to these principles, we maintain high standards of governance and accountability, fostering trust among stakeholders and promoting effective decision making.

In identifying suitable candidates for board positions, the committee follows these key steps:

- The Group advertises the vacancy through various platforms to attract a diverse pool of candidates. In some cases, it may seek assistance from external consultants to enhance the search process.
- Candidates are evaluated on several criteria, including academic qualifications, technical expertise, relevant experience, nationality, age, gender, integrity, and ethical standards. This comprehensive assessment ensures a well-rounded selection that reflects diverse perspectives.
- After the evaluation, the Group Board Governance and Human Resource Committee recommends new nominees for appointment to the board, ensuring they align with the Group's strategic goals and governance needs.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

23 CORPORATE GOVERNANCE (Continued)

Appointments of the members of the Board (Continued)

To make it effective, the Board's consists of both Non-Executive Directors and Independent Non-Executive Directors. The Board recommends Directors for election and/or appointment to the shareholders at the Annual General Meetings (AGMs) for approval. A Board member elected/appointed by shareholders is not allowed to attend Board meetings or be assigned any responsibility until he/she obtains approval from the Central Bank of Tanzania.

All Directors are required to disclose outside Directorship's business and conflict of interest on an annual basis and inform the Company Secretary of any changes to such Directorships and conflict of interest within 30 days.

Non-Executive Directors do not have service contracts with the Bank but instead have letters of appointment which stipulate the terms of their appointment.

Value creation through good corporate governance

The Group practice good corporate governance through well-defined governance structures which are vital to support our ability to create and preserve value. Our approach to good corporate governance enhances the achievement of our strategic objectives over time and brings together the interests of all our stakeholders in creating sustainable value. Furthermore, Our Board is committed to continuing to improve corporate governance principles, policies, and practices by remaining up to date on the changes in regulations and best practices.

Our corporate governance approach ensures the Group;

- Adheres to applicable legal, regulatory and practice of good corporate governance.
- Deliver sustainable impact to our stakeholders while caring for our community and contributing to our economy and the environment through our business activities.
- Embedded in an ethical and risk-awareness culture.
- Promote transparency, accountability and empathy in managing our stakeholders' relationships.

Roles and functions of the Board

The Board is responsible for ensuring adherence to the code of corporate governance/ Board charter. It is the ultimate decision-making body, and its key role is to provide strategic leadership and guidance to the Bank and its controlled subsidiaries (the Group) and effective oversight of risk management. The Board is accountable to the shareholders for the performance of the Bank's (Group's) businesses.

The specific roles and responsibilities of the Board include but are not limited to the following:

- To prepare financial statements of the Group which show a true and fair view in accordance with applicable standards, rules, regulations, and legal provisions which cover the period from the beginning of the financial year to the end. The Statement of Directors' Responsibilities is found on page 142.

  This responsibility covers the period from the beginning of the financial year to the date those charged with governance approve the audited financial statements and it involves all those charged with governance who acted in this capacity during any part of the period covered by financial statements.
- Determine the Bank's vision, mission and values that promote the sustainability of the Bank.
- Appointing the Group Managing Director and CEO to whom the responsibility of managing the Group is being delegated; reviewing and evaluating his performance regularly; and reviewing and defining succession planning for the CEO and senior management.

23 CORPORATE GOVERNANCE (Continued)

Roles and functions of the Board (Continued)

- Approving corporate strategy, monitoring and evaluating the implementation of the strategy designed to create long-term value for the Group. The Board must understand the risks inherent in the Group's strategic plans and how those risks are managed.
- The Board is responsible for determining and amending the KPIs, such as financial ratios, to be applied in relation to the strategy.
- Establishing adequate policies and procedures that ensure the integrity and effective internal controls and adequate risk management practices across the Group.
- Setting the Group's risk appetite, reviewing and understanding the major risks, and overseeing the risk management processes and internal control systems.
- Reviewing the Group's plans for business resiliency. As part of its risk oversight function, the Board periodically reviews management's plans to address business resiliency, including business continuity, physical security, cybersecurity and crisis management.
- Ensure the Bank is adequately always capitalised.
- Approving significant capital expenditures and changes in the capital structure of the Bank, acquisitions and dispositions and new subsidiaries investments.
- Ensure the Group adheres to compliance with laws and regulations and maintains ethical conduct.
- Continuously monitoring the performance of the Bank and management.
- Reviewing and defining the succession planning of the Board and Committee Chair, Board vice Chair, CEO, and senior management.

During the year, the Board performed its roles and responsibilities, as evidenced by the remarkable performance of the bank and subsidiaries (Group). All members of the Board were collectively responsible and complied with the code of good corporate governance.

Annual Board work plan

The Board has annual work plan which is designed to ensure that the bank's Board of Directors operates effectively and efficiently throughout the year. It is the responsibility of the Chairman and the Company Secretary, working closely with the Group Managing Director and Chief Executive Officer, to come up with the annual Board work plan and the agenda for the Board meetings.

The plan outlines the key activities, meetings, and strategic initiatives that the Board will undertake to fulfill its responsibilities. By adhering to this structured approach, the Board can maintain high standards of oversight, accountability, and transparency, thereby fostering trust among stakeholders and supporting the bank's long-term success. The work plan also facilitates proactive decision-making and continuous improvement, ensuring that the Board remains aligned with the bank's goals and regulatory requirements.

Board operations

The Board meets at least once every three months to discuss the affairs of the Group, and the meetings are structured to allow for open discussions. The notice, agenda, and detailed Board papers are circulated seven days before the meetings to allow time for the Directors to undertake an appropriate review of the Board papers to facilitate full and effective discussions at the meetings. Those charged with Governance can request additional information to support their decision-making when necessary.

During the year, the Board met six(6) times as planned and, during the six meetings, had several discussions regarding the operations of the Bank together with its controlled subsidiaries.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

23 CORPORATE GOVERNANCE (Continued)

Board operations (Continued)

The Board annually elects a chair who is a non-executive Director. The elected chair is not supposed to be a member of any Committee. When deemed fit, the chair may be invited to attend any of the committees' meetings, excluding the Audit Committee.

The Group is committed to maintaining a high standard of corporate governance. The Directors also recognise the importance of integrity, transparency, and accountability. In 2024, the Board constituted four subcommittees to improve corporate governance by delegating specific tasks from the main Board to a smaller group and harnessing the contribution of non-executive Directors whose term of reference is embedded in the respective Board Committee Charter. Committee members are elected annually from among the Board members.

The Board remains collectively responsible for any committee's decisions and is required to review the effectiveness and performance of committees annually.

The sub-committees are;

- Board Audit Committee
- Board Governance, Nomination and Human Resources Committee
- Board Credit Committee and;
- Board Risk Committee

All these Board Committees are constituted and chaired by Non-Executive Directors.

The below table shows the planned meetings and execution for all Boards

Board	Planned Meetings	Executed
Main Board	6	6
Board Audit Committee	5	5
Board Governance, Nomination and Human Resources Committee	6	6
Board Credit Committee	15	15
Board Risk Committee	4	4
Shariah Advisory Board	4	4

Board activities

During the year, the key areas of focus for the Board's activities and topics discussed were on the following matters:

- The Board discussed the quarterly performance of all Group KPIs as presented by management and directed management accordingly regarding the expected performance of the bank, its subsidiaries, and investments made by the bank.
- The Board discussed and approved the Group's budget and strategy for the year 2025 as presented by the management by adding inputs and enlightening management on its expectations for implementing the strategy and budget.
- During the meetings, the Board also discussed the reports received from all Board committees and deliberated accordingly.
- Reviewing financial statements, budgets, and forecasts. The CFO, as a permanent invitee, provides detailed financial reports and insights, enabling the Board to make informed decisions regarding investments, cost management, and financial planning.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

23 CORPORATE GOVERNANCE (Continued)

Board activities (Continued)

- Made a recommendation to the shareholders on the approved final dividend for 2024 performance
- Oversight of the Group and subsidiaries' performance.
- The Board reviewed policies, and compliance reports, with the Director of Risk and compliance providing updates on regulatory changes and compliance status.
- Engaged in detailed discussion on the Group Capital management.
- Approved the audit fees for the external auditor.
- Approved the Board Work Plan
- Reviewing audit reports which include audit findings for the respective year and direct management on addressing audit findings and implementing corrective actions.

Board diversity

Board diversity is a cornerstone of our commitment to good corporate governance. We believe that a diverse Board brings a wealth of perspectives, experiences, and skills that are essential for effective decision-making. Our board's diversity enables us to better understand and address the needs of our stakeholders, including employees, customers, and investors. This diversity fosters innovation and enhances our Group's performance, ensuring that we remain competitive in a rapidly changing business environment.

In line with best practices for corporate governance, we have implemented proactive strategies to ensure our Board reflects a mix of gender, ethnicity, age, and professional backgrounds. We have set ambitious diversity targets and established policies that promote inclusivity. Our Board members participate in regular training and development programs to understand the importance of diversity and how to leverage it for better governance. Additionally, we are committed to transparent reporting on board diversity, demonstrating our dedication to these principles and building trust with our stakeholders.

We recognize that board diversity is not merely about meeting regulatory requirements; it is about creating an environment where different viewpoints are valued and contribute to our success. By prioritizing diversity, we enhance our reputation, attract top talent, and navigate the complexities of today's business landscape more effectively. Our commitment to good corporate governance practices that emphasize diversity ensures that we are resilient and adaptable, ready to thrive in an ever-changing world.

As of 2024, the gender diversity ratio of Directors between males and females is 85:15. There are strategies in place to ensure the number of women on the board increases by encouraging them to apply and by headhunting.

The duration of service for those charged with governance

The Group balance continuity and fresh perspectives on our Board by managing the length of tenure for our members. Our policy includes term limits and periodic evaluations to ensure a mix of long-serving Directors, who provide valuable experience, and newer members, who bring fresh insights. This approach fosters a dynamic and responsive Board, promoting continuous improvement and strategic foresight to guide the Group towards sustained success in an ever-changing business landscape.

Length of tenure	Directors
Less than 1 year	1
1 - 3 years	1
4 - 6 years	1
more than 6 years	10

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

23 CORPORATE GOVERNANCE (Continued)

Board diversity (Continued)

Age mix

The age diversity among the Board members at CRDB Bank Plc showcases a harmonious blend of seasoned expertise and innovative viewpoints. This diverse mix not only enriches the decision-making processes but also fosters a dynamic environment where traditional wisdom complements modern strategies. Below is a detailed table that illustrates this variety in age.

Age	Directors	Composition
< 50	5	38%
> 50	8	62%

This combination fosters a harmonious blend of seasoned leadership and cutting-edge innovative thinking, significantly enhancing the Group's strategic direction and governance framework.

In Tanzania, there is no age limit for board members.

Board effectiveness

The effectiveness of the Board is emphasized by the diverse and experienced leadership team that plays a crucial role in guiding the Group toward its strategic goals. The Board is composed of both executive and non-executive Directors, including industry experts and independent members. This combination ensures a balanced approach to governance and decision-making.

Such diversity promotes strong oversight, strategic guidance, and accountability, all of which are essential for maintaining the bank's robust market position and financial stability. The Board is also dedicated to continuous improvement and adheres to best practices in corporate governance. This commitment enhances its effectiveness, enabling the Group to navigate the ever-changing financial landscape and foster sustainable growth.

Those charged with governance

The Board is confident in its composition, which includes a well-balanced mix of members possessing the right blend of skills, diverse experiences, and extensive knowledge necessary to rigorously evaluate and enhance strategic proposals. Their collective insight enables them to offer independent judgment on critical issues related to performance and risk management. The Board comprises independent non-executive Directors who bring objective perspectives and valuable opinions on a variety of matters, ensuring that discussions are both comprehensive and insightful.

The table below show the composition of those charged with governance served during the year

The Board comprised thirteen Directors - Twelve Non- executive Directors and the Managing Director who is an Ex-officio member.

Name	Gender	Position	Qualifications	Age	Nationality	Date of Appointment/ Resignation
Dr. Ally H. Laay	M	Chairman	PhD in Business Administration in Finance and Accounting MBA in Finance and Marketing, PGDA, ADA, FCPA(T)	68	Tanzanian	Re-appointed May 2022
Mr. Abdulmajid M. Nsekela	M	Managing Director, Ex Officio	MBA-IBF, PGD-Business Administration	53	Tanzanian	Appointed October 2018

23 CORPORATE GOVERNANCE (Continued)

Those charged with governance (Continued)

The table below show the composition of those charged with governance served during the year (Continued)

Name	Gender	Position	Qualifications	Age	Nationality	Date of Appointment/ Resignation
Prof. Neema M. Mori	F	Independent Non-executive Director	PhD in International Business Corporate Governance & Boards of Financial Institutions MBA in Finance Bachelor of Commerce in Finance	46	Tanzanian	Re-appointed May 2023
Mr. Martin S. Warioba	M	Independent Non-executive Director	MSc in Information Management MBA BSc in Computer Science	47	Tanzanian	Re-appointed May 2022
Mr. Jes Klausby	M	Non-executive Director	MSc in Mathematics and Economy	69	Danish	Re-appointed June 2023
Eng. Boniface C. Muhegi	M	Non-executive Director	MSc Engineering (Civil) BSc Engineering (Civil) Advanced Post Graduate Diploma in Construction Management	70	Tanzanian	Re-appointed May 2022
Mr. Hosea E. Kashimba	M	Non-executive Director	MBA in Corporate Management ADA, FCPA(T)	54	Tanzanian	Resignation May 2024
Prof. Faustine K. Bee	M	Non-executive Director	PhD in Development Studies M.A in Development Studies B.A in economics	65	Tanzanian	Re-appointed May 2024
Dr. Fred M. Msemwa	M	Non-executive Director	PhD in Business Administration MBA in Finance	52	Tanzanian	Re-appointed May 2022
Mr. Abdul A. Mohamed	M	Non-executive Director	BSc in Accounting & Finance Associate member of CFA and ACCA (UK)	34	Tanzanian	Re-appointed May 2023

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

23 CORPORATE GOVERNANCE (Continued)

Those charged with governance (Continued)

The table below show the composition of those charged with governance served during the year (Continued)

Name	Gender	Position	Qualifications	Age	Nationality	Date of Appointment/ Resignation
Ms. Miranda N. Mpogolo	F	Independent Non-Executive Director	M.A in Theatre & Development Studies B.A (Hons) in Drama, Applied Theatre & Education	41	Tanzanian	Re-appointed May 2023
Mr. Gerald P. Kasaato	M	Non-Executive Director	MBA(Finance) MSc. in International Finance & Investment Bachelor of Laws degree, LLB (Hons) BSc. Hons) in accounting CFA Charter holder, a Chartered Accountant (UK), a Fellow of the Chartered Management Institute (FCMI, UK), and a member of the Institute of Certified Public Accountants of Uganda (ICPAU).	45	Ugandan	Re-appointed May 2024
Mr. Royal J. Lyanga	M	Non-Executive Director	M.A in Statistics B.A in Statistics	54	Tanzanian	Appointed October 2021
Mr. Abdulrazak I. Badru	M	Non-Executive Director	PhD candidate exploring strategy alignment and execution to create value, and sustainability (in progress) MBA – International Business Management Postgraduate Diploma in Leadership B.A in Sociology – University of Dar es Salaam	56	Tanzanian	Appointed May 2024

M - Male F – Female

There was no regulatory requirement that influenced the design of the governance above.

The Company Secretary during the year ended 31 December 2024 was Mr. John-Baptist Rugambo (Tanzanian), 57 years old

23 CORPORATE GOVERNANCE (Continued)

Company Secretary

The Company Secretary plays a vital role in supporting the Board by offering qualified, competent, and experienced assistance, although is not a member of the Board. The Board is responsible for appointing the Company Secretary. Throughout the year, the Company Secretary ensures compliance with all applicable laws, regulations, and professional standards to maintain a good professional standing.

The primary responsibilities of the Company Secretary include:

- Offering guidance to the Board and individual Board members regarding their duties, responsibilities, and powers, particularly concerning compliance with applicable laws and, when relevant, stock exchange requirements, and ensuring that these are exercised in the best interest of the Company.
- Ensuring that Board procedures are consistently followed and regularly reviewed and that the Board adheres to all applicable laws, rules, regulations, and governmental policies.
- Assisting the Chairperson and the Group Managing Director and CEO in organizing general meetings and Board activities. This includes:
- Organizing General Meetings and Board Activities:
  - Providing Information: Ensuring that all necessary information is available to Board members for informed decision-making.
  - Preparing Agendas: Creating detailed agendas for meetings to ensure all relevant topics are covered.
  - Issuing Notices: Sending out official notices for meetings in a timely manner to ensure all members are informed.
  - Overseeing Meetings: Managing the logistics of meetings, ensuring they run smoothly and efficiently.
- Board Evaluations and Governance Audits:
  - Board Evaluations: Conducting regular assessments of the Board's performance to identify areas for improvement.
  - Governance Audits: Reviewing governance practices to ensure compliance with legal and regulatory standards.
- Board Induction and Development Programs:
  - Induction Programs: Providing new Board members with the necessary orientation and training to understand their roles and responsibilities.
  - Development Programs: Offering ongoing education and development opportunities to enhance the skills and knowledge of Board members.
- Succession Planning:
  - Developing and implementing plans to ensure a smooth transition of leadership within the Board and executive management.
- Reviewing Governance Processes:
  - Regularly evaluating the effectiveness of governance processes within the Board and Group.
  - Making recommendations or developing initiatives to strengthen governance practices.
- Providing secretarial services to the Board, which includes preparing and adhering to the Board Work Plan, circulating Board papers ahead of meetings, keeping records of attendance, safeguarding the corporate seal and documenting its usage, ensuring timely preparation and distribution of minutes from Board meetings and Committees, updating Board and Committee charters, and promptly filing necessary returns with relevant authorities.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

23 CORPORATE GOVERNANCE (Continued)

Company Secretary (Continued)

- Custodian of all Board's official records including Board packs, minutes, and bank's MEMARTS.
- Ensuring compliance with governance regulations, including filing required returns, updating statutory registers and Articles of Association, and adhering to continuous listing requirements.
- Facilitating effective communication between the Group and its shareholders, as well as coordinating the publication and distribution of the annual report and financial statements.
- Organizing and managing the process of conducting the Annual General Meeting (AGM) or extraordinary general meetings and advising on concerns that need to be raised at Board meetings to secure shareholder support and votes.
- Monitoring share movements on the Register of Shareholders

Both the appointment and removal of the Company Secretary are the responsibility of the Board.

Separation of roles and responsibilities

The Chairman, a non-executive role, and the Group Managing Director and CEO are separate roles. The Chairman is responsible for the Board's leadership and management and for ensuring that the Board and its committee's function effectively.

The Group Managing Director and CEO bears overall responsibility for implementing the strategy agreed by the Board, the operational management of the Company, and the business enterprises connected with it. The Senior Management team supports him in this.

The Senior Management team is encouraged and invited to attend Board meetings to facilitate effective communication, assist the Board with its deliberations, and provide critical insights and analysis of various business units within the Bank. Board meetings are held quarterly to deliberate on the Group's results.

While the Chairman and Group Managing Director and CEO are collectively responsible for the leadership of the Group and for promoting the highest standards of integrity and probity, there is a clear and effective division of accountability and responsibility between the Chairman and the Chief Executive, and each plays a distinctive role but complementing each other to ensure that there is a balance of power and authority, and no individual has unfettered powers of decision and control.

Key roles and responsibilities of the Chairman of the Board.

- Provides leadership and governance of the Board to create the conditions for the overall effectiveness of the Board and individual Directors and ensures that the Board discusses all key and appropriate issues in a timely manner.
- Promotes effective relationships and open communication and creates an environment that allows constructive debates and challenges, both inside and outside the Boardroom, between Non-executive Directors and the management.
- Ensures that the Board plays a full and constructive part in developing and determining the Group's strategies and policies, that Board decisions are in the Group's best interests, and that they fairly reflect the Board's consensus.

23 CORPORATE GOVERNANCE (Continued)

Separation of roles and responsibilities

- Ensures that the strategies and policies agreed by the Board are effectively implemented by the Chief Executive and the management.
- Establishes good corporate governance practices and procedures and promotes the highest standards of integrity, probity, and corporate governance throughout the Group and particularly at the Board level. It is the responsibility of the chairman to adhere to the code of corporate governance/ Board charter.

Key roles and responsibilities of the Group managing Director and Chief Executive Officer

- Leads the management in the day-to-day running of the Group's business in accordance with the business plans and within the budgets approved by the Board.
- Leads the management to ensure effective working relationships with the Chairman and the Board by meeting or communicating with the Chairman on a regular basis to review key developments, issues, opportunities, and concerns.
- Develops and proposes the Group's strategies and policies for the Board's consideration.
- Implements, with the support of the management, the strategies and policies as approved by the Board and its committees in pursuit of the Group's objectives.
- Conducts the affairs of the Group in accordance with the practices and procedures adopted by the Board and promotes the highest standards of integrity, probity, and corporate governance within the Group.

Board Independence

A key component of our governance framework is board independence. Our board comprises a majority of Directors who are not part of the Group's executive team or otherwise closely tied to the Bank. This structure ensures that our Directors can provide unbiased oversight, free from conflicts of interest, and make decisions that are in the best interest of our shareholders. By maintaining an independent board, we uphold the integrity of our governance practices and foster trust among our stakeholders.

The Group benefits from the presence of three Independent Non-Executive Directors who have no financial ties to it. Their independence allows them to provide unbiased oversight, hold management accountable, and contribute to strategic decision-making that aligns with shareholders' interests. Their independence is crucial in ensuring that the Board's actions are transparent and focused on long-term value creation for the Group.

Assessing independence.

The Board rigorously evaluates the independence of its Director's both at the time of their appointment and continuously throughout their tenure. Each Director is required to provide an annual declaration of their interests, any conflicts, and their independent status, with the opportunity to declare interests at any point during the year.

In assessing a Director's independence, the Board considers all relevant facts and circumstances, focusing on any direct or indirect relationships with the Bank, senior management, or other Directors that could influence their actual or perceived independence. This includes relationships with companies that have significant business ties with the Bank and not-for-profit organizations receiving substantial support from the Group.

The Board's independence is assessed annually in accordance with the National Board of Accountants and Auditors (NBAA) regulations. Additionally, all Board members are evaluated through the Regulator, the Central Bank of Tanzania (BOT).

Throughout the year, the Board received no complaints regarding Board Independence from the NBAA, the professional body, or from the Central Bank of Tanzania, the regulator.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

23 CORPORATE GOVERNANCE (Continued)

Board Committees

An effective committee structure permits the Board to address key areas in more depth than may be possible at the full Board level. Decisions about committee membership and chairs should be made by the full Board based on recommendations from the nominating/corporate governance committee.

The responsibilities of each committee and the qualifications required for committee membership is clearly defined in a written charter that is approved by the Board. Each committee is required to review its charter annually and recommend changes to the Board. All committees are required to update the full Board of their activities on a regular basis. The report to include findings, matters identified for specific recommendation to the Board, action points and any other issues as deemed appropriate.

The table below shows the number of Board and Committee meetings held during the year and the attendance by those charged with governance:

S/N	Name of Director	Main Board	Board Audit Committee	Board Credit Committee	Board Governance, Nomination and Human Resource Committee	Board Risk Committee
1	Dr. Ally H. Laay	6/6				
2	Prof. Neema M. Mori	6/6		15/15		3/4
3	Mr. Boniface C. Muhegi	6/6		13/15	6/6	
4	Mr. Hosea E. Kashimba *	3/6	3/5			
5	Mr. Jes Klausby	6/6			6/6	4/4
6	Prof. Faustine K. Bee	6/6		14/15	6/6	
7	Dr. Fred M. Msemwa	6/6		15/15		4/4
8	Mr. Abdul A. Mohamed	6/6			5/6	3/4
9	Mr. Martin S. Warioba	6/6	5/5			
10	Ms. Miranda N. Mpogolo	6/6		15/15	6/6	
11	Mr. Gerald P. Kasaato	6/6	6/6			
12	Mr. Royal J. Lyanga	5/6			6/6	4/4
13	Mr. Abdulrazak I. Badru *	1/6	1/5			

During the year, the Group has complied with the principles and codes of best practice.

There was no regulatory requirement that influence the design of the governance above.

* During the year, Mr. Abdulrazak I. Badru joined the Board of Directors in September 2024 to replace Mr. Hosea E. Kashimba

Permanent invitee to Board meetings

The Board ensures that key executives are permanent invitees to its meetings. This includes the Chief Financial Officer (CFO), Chief Commercial Officer (CCO), and Chief Operating Officer (COO). Their presence is crucial for providing expert insights and facilitating informed decision-making. By involving these senior officers, the Board can leverage their specialized knowledge and experience, ensuring that discussions are comprehensive, and decisions are well-grounded in the operational realities of the Group.

Board Audit Committee

The committee oversees the Group's internal audit function and ensures that the internal audit staff has adequate resources and support to carry out its role. The committee reviews the scope of the internal/ external audit plan, significant findings by the internal/ external audit and management's response, and the appointment and replacement of the senior internal auditing executive and assesses the performance and effectiveness of the internal audit function annually.

23 CORPORATE GOVERNANCE (Continued)

Board Committees (Continued)

Board Audit Committee (Continued)

Role of the committee

- Overseeing the financial reporting process, ensuring that internal control systems are adequate and effective; and acting as a bridge between the external auditors and the management.
- Review the quarterly Group performance and give assurance on the integrity of the numbers to the main Board before publication and submission to the Central bank.
- Reviewing the integrity of the Group's Consolidated financial statements for the period ended 31 December.
- Review the appointment of the External auditors their terms of engagement and the audit fees and recommend to the Board for approval.
- Monitoring and reviewing the performance of the Group's external auditors.
- Reviewing periodic audit reports of the Group operations and internal controls presented by the internal auditors.
- Reviewing and recommend to the Board the internal and external audit plans.
- Approving committee annual work plan

This committee planned and met six (6) times during the year.

The committee comprised of the following members:

S/N	Name	Nationality	Qualification
1	Mr. Hosea E. Kashimba*	Tanzanian	MBA in Corporate Management, ADA, FCPA(T)
2	Mr. Martin S. Warioba	Tanzanian	MSc in Information Management, MBA BSc in Computer Science
3	Mr. Gerald P. Kasaato	Ugandan	MBA(Finance) MSc. in International Finance & Investment Bachelor of Laws degree, LLB (Hons) BSc. Hons) in accounting CFA Charter holder, a Chartered Accountant (UK), a Fellow of the Chartered Management Institute (FCMI, UK), and a member of the Institute of Certified Public Accountants of Uganda (ICPAU)
4	Mr. Abdulrazak I. Badru*	Tanzanian	PhD candidate exploring strategy alignment and execution to create value, and sustainability (in progress) MBA – International Business Management Postgraduate Diploma in Leadership B.A in Sociology – University of Dar es Salaam

* During the year, Mr. Abdulrazak I. Badru joined the Board of Directors in September 2024 to replace Mr. Hosea E. Kashimba

To ensure full separation of membership, members serving in the Board Audit Committee are not allowed be elected to serve in any other committee. The committee like other committees, has a charter that describes its oversight function. All members served in this committee during the year are non-executives and independent with no financial interest in the entity or significant relationships with major shareholders, management, suppliers, or customers.

One member in the committee is an accountant holding professional certifications from various bodies. Mr. Gerald P. Kasaato who is chair, is a CFA Charter holder, UK Chartered Accountant (Fellow), a Fellow of the Chartered Management Institute (FCMI), and a member of the Institute of Certified Public Accountants of Uganda (ICPAU).

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

23 CORPORATE GOVERNANCE (Continued)

Board Committees (Continued)

Board Audit Committee (Continued)

Activities of the Committee

The committee held six meetings this year and performed the below activities;

- Reviewed the auditor appointment, considering their effectiveness, independence, and relevant guidelines, and made a recommendation to the Board before the approval at AGM.
- Reviewed and approved the quarterly financial reports for publication presented by the management which was audited by the internal auditors to be published as required by the regulations 7 and 8 of the banking and Financial Institutions (Disclosures) Regulations, 2014.
- Discussed quarterly internal audit reports done in various departments and general branch operations on selected branches which was presented by the Department of Internal audit. The reports were discussed by the members of the Board and direct internal audit department to increase the coverage of the areas to be audited to reduce risks of fraud, and over/understatement of the numbers. Emphasis was pressed on internal controls, to make sure that strong internal controls are in place and are being reviewed regularly.
- Discussed External Auditors' Audit report and audited financial statements for the year ended 31 December 2024 presented by the External Auditors (PwC) and directed management to ensure issues raised which are not system related, are closed timely.
- Discussed the performance of the internal audit department, especially on the closure of issues raised by the Central bank, and directed, they must validate all issues closed by management before they are shared to the Central bank as closed.
- Reviewed and recommended to the Board the internal and external audit plans.
- Approved committee annual work plan for FY 2024.

Board Governance, Nomination and Human Resources Committee

The Committee is responsible for ensuring that the Board remains balanced, both in terms of skills and experience and between executive and non-executive Directors. It leads the process for appointments to the Board, and makes recommendations to the Board, ensuring there is a formal, rigorous, and transparent procedure. It also decides on recruitment at senior levels based on the responsibilities and remuneration of management staff and Directors.

Role of the committee

- Establish and recommends to the Board for approval criteria for Board membership and periodically reviews and recommends changes to the criteria.
- Review of the composition of the Board, along with its succession planning including an assessment of the mix of the Directors' skills, experience and an identification of qualifications and attributes that may be valuable in the future and anticipated Directors' exits.
- Reviewing the appointment of Directors to be recommended to the Board before are recommended to shareholders at the AGM for election and re-election for director who had reached the statutory retirement.
- Monitor evaluation of whether the Board has the necessary tools to effectively perform its oversight function.
- Reviewing and recommending for Board approval the remuneration proposals for Executive, non-executive Directors, as well as Senior Management.
- Reviewing key policies such as Human resources policy which guides the operations, remunerations and management of human capital.
- Reviewing and recommending the annual staff bonus to the Board.
- Reviewing and recommending the renewal of terms and conditions of employment for Board approval.

23 CORPORATE GOVERNANCE (Continued)

Board Committees (Continued)

Board Governance, Nomination and Human Resources Committee (Continued)

This committee planned and met six (6) times during the year.

The committee comprised of the following members:

S/N	Name	Nationality	Qualification
1	Eng. Boniface C. Muhegi	Tanzanian	MSc Engineering (Civil), BSc Engineering (Civil) Advanced Post Graduate Diploma in Construction Management
2	Mr. Jes Klausby	Danish	MSc Mathematics - Economics
3	Mr. Abdul A. Mohamed	Tanzanian	BSc in Accounting & Finance Associate member of CFA and ACCA (UK)
4	Ms. Miranda N. Mpogolo	Tanzanian	M.A in Theatre & Development Studies B.A (Hons) in Drama, Applied Theatre & Education
5	Prof. Faustine K. Bee	Tanzanian	PhD in Development Studies M.A in Development Studies, B.A in economics
6	Mr. Royal J. Lyanga	Tanzanian	M.A in Statistics, B.A in Statistics

Activities of the Committee

The committee held six meetings this year and performed the below activities;

- Discussed issues and matters pertaining to the Board and management including diversity to the Board and management.
- Reviewed the status of women empowerment including trainings to take higher positions.
- Discussed the staff productivity and directed management to ensure staff productivity is enhanced to increase revenues and consequently increase profits of the Group.
- Discussed and recommended to the Board the salary increments to staff
- Reviewed and recommended to the Board bonuses to be paid to staff for year 2024 based on the achievements against targets.
- Discussed and recommended to the Board the approval of the new company secretary whose tenure starts in January 2025.
- Reviewed and recommended to the Board for approval the training development of the Directors.
- Reviewed and made recommendations to the Board on the appointment of Directors, before approval at the AGM.

Board Credit Committee

In recognition that lending is the key business and number one income earner to the Group, the committee shall assist the Board and provide oversight responsibility in the management of credit risk by continuously reviewing and analyzing the Group's credit risk profile and advising the Board on the right direction and corrective action in a timely manner.

The Board credit committee seeks to ensure that the quality of the Bank's asset book remains within acceptable parameters and that the business has an effective credit policy, consistent with regulatory requirements and prudent risk management practices.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

23 CORPORATE GOVERNANCE (Continued)

Board Committees (Continued)

Board Credit Committee (Continued)

Role of the committee

- Assist the Board in understanding of the Bank's credit portfolio and activities including development of credit management strategies and recommending the same to the Board for approval.
- Monitor implementation of the approved credit management strategy.
- Provide strategic leadership role and oversight of credit risk management process and function in the Bank, including reviewing and recommending Credit Policies and credit risk appetite to the Board.
- Reviewing the quality and performance of the Bank's credit portfolio quarterly and advise management accordingly.
- Ensure Compliance to the Bank's Credit Policy and prudential regulations with respect to credit risk management.
- Reviewing and recommend to the Board for approval the loan and advances for charge off as per the Central bank regulation.

This committee planned and met fifteen times (15) during the year.

The committee comprised of the following members:

S/N	Name	Nationality	Qualification
1	Prof. Neema M. Mori	Tanzanian	PhD in International Business Corporate Governance & Boards of Financial Institutions MBA in Finance, Bachelor of Commerce in Finance
2	Eng. Boniface C. Muhegi	Tanzanian	MSc Engineering (Civil), BSc Engineering (Civil) Advanced Post Graduate Diploma in Construction Management
3	Dr. Fred M. Msemwa	Tanzanian	PhD in Business Administration, MBA in Finance
4	Prof. Faustine K. Bee	Tanzanian	PhD in Development Studies M.A in Development Studies, B.A in economics
5	Ms. Miranda N. Mpogolo	Tanzanian	M.A in Theatre & Development Studies B.A (Hons) in Drama, Applied Theatre & Education

Activities of the Committee

The committee held fifteen (15) meetings this year and performed the below activities;

- Reviewed the loan portfolio quality to ensure the Group comply with the internal limit set on NPL ratio and regulatory requirement of not more than 5%.
- Reviewed and recommended to the Board for the approval the annual review of the credit policy
- Reviewed and approved several loans and advances to customers which needed Board approval and recommended the same to the main Board for approval.
- Discussed on the single borrower limit and directed management to ensure the bank always complies as per the regulation requirement.
- Discussed the restructured loans and thereafter made recommendations to the Board on the remedial actions as well as measures that may enhance the quality of the portfolio.

23 CORPORATE GOVERNANCE (Continued)

Board Committees (Continued)

Board Risk committee

The main responsibility of the Board risk committee is Group risk oversight and is required to provide the main Board regularly with the information it needs to understand all the Group's major risks, their relationship to the Group's strategy and how these risks are being addressed. The committee oversees and advises on current and potential risk exposures of the Bank; the Bank's Risk Management Framework; the future risk strategy of the Bank, including strategy for capital and liquidity management and promoting a risk awareness culture in the Bank, alongside established policies, and procedures.

Role of the committee

- Group risk oversight
- Reviewing reports on the risk assessment every year
- The committee maintains a risk register for each department and a consolidated risk register for the Group, which the Board reviews regularly
- Reviewing all business operations policies and recommend to the main Board for approval.
- Overseeing the internal control and risk management systems.
- Oversee Group's compliance with applicable legal and regulatory requirements

This committee planned and met four (4) times during the year.

The committee comprised of the following members:

S/N	Name	Nationality	Qualification
1	Mr. Jes Klausby	Danish	MSc Mathematics – Economics
2	Dr. Fred M. Msemwa	Tanzanian	PhD in Business Administration MBA in Finance
3	Prof. Neema M. Mori	Tanzanian	PhD in International Business Corporate Governance & Boards of Financial Institutions MBA in Finance Bachelor of Commerce in Finance
4	Mr. Abdul A. Mohamed	Tanzanian	BSc in Accounting & Finance Associate member of CFA and ACCA (UK)
5	Mr. Royal J. Lyanga	Tanzanian	M.A in Statistics, B.A in Statistics

Activities of the Committee

The committee held four (4) meetings this year and performed the below activities;

- Discussed on the risk assessment, management and compliance issues to avoid unnecessary penalties which can result from non-compliance on the internal controls and regulators.
- Reviewed and deliberated the risk assessment report presented by the management and thereafter recommended the report to the main Board.
- Discussed Group's compliance issues, including the Group's code of conduct, reporting compliance and compliance with all internal ratios set by the Board.
- Discussed the legal and regulatory updates.
- Reviewed the terms of reference of the committee.
- Approved committee annual work plan for the FY 2024.

In addition to the above committees, there are committees on a management level comprised of senior management whose frequency of meetings is weekly, monthly, and quarterly.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

23 CORPORATE GOVERNANCE (Continued)

Shariah Advisory Board

The Shariah Advisory Board for CRDB Bank plays a crucial role in the bank's operations by ensuring that all financial products and services offered under the Al barakah Islamic window comply with Islamic principles. This Board is made up of respected scholars and experts in Islamic finance who carefully review and approve the bank's offerings. Their guidance guarantees that CRDB Bank's Islamic banking window, "Al Barakah," operates within the framework of Shariah law, providing ethical and interest-free financial solutions to its customers.

The Shariah Advisory Board comprised of the following members:

Name	Nationality	Age	Qualification
Mr. Abdul A. Mohamed	Tanzanian	34	BSc in Accounting and Finance
Mr. Sheikh Issa Othman Issa	Tanzanian	60	Advance Diploma in Social Science (Counselling)
Mr. Khalfan A. Salim	Tanzanian	41	Master's degree in management and leadership
Mr. Juma A. Mohammed	Tanzanian	57	MSc. in Finance
Mr. Exavery Makwi	Tanzanian	56	Master of Business Administration (Finance)
Prof. Monzer Kahf *	USA	84	Ph.D., Economics
Prof. Aishath Muneeza**	Maldivian	39	Ph.D., Islamic Banking

Shariah Advisory Board meetings

The Shariah Advisory Board planned to meet (4) and met (4) times during the year.

Name of Director	Number of meetings
Mr. Abdul A. Mohamed	4/4
Mr. Sheikh Issa Othman Issa	4/4
Mr. Khalfan A. Salim	4/4
Mr. Juma A. Mohammed	2/4
Mr. Exavery Makwi	4/4
Prof. Monzer Kahf *	-
Prof. Aishath Muneeza**	-

*Prof. Monzer Kahf retired in March 2024.

**Prof. Aishath Muneeza was appointed in November 2024

Directors' Remunerations

Remuneration of Those charged with governance, (Directors) considers the demands, complexities, and performance of the Group. Management periodically prepares a proposal for fees and other emoluments to be paid to Directors. Proposals include benchmarking against similar companies or the industry, market realities, and the need to attract and retain skilled, experienced Directors to drive the business. The same is forwarded to the Annual General Meeting (AGM) for final approval.

The Remunerations are reviewed annual to ensure are appropriate and adequate in comparison with the industry benchmark. The Directors are not eligible for pension scheme membership and are not part of the Bank's remuneration scheme.

The table below shows remunerations of the Directors of the parent company, subsidiaries and that of the Shariah advisory Board within the parent company.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

23 CORPORATE GOVERNANCE (Continued)

Directors' Remunerations (Continued)

Information on aggregate amounts of the emoluments and fees paid during the year to Directors in comparison to the previous year is disclosed below: -

Name	2024 TZS Million	2023 TZS' Million
Dr. Ally H. Laay	89	89
Mr. Boniface C. Muhegi	84	84
Mr. Hosea E. Kashimba*	41	82
Prof. Neema M. Mori	86	86
Mr. Jes Klausby	80	80
Prof. Faustine K. Bee	80	80
Mr. Abdul A. Mohamed	76	76
Dr. Fred M. Msemwa	80	80
Mr. Martin S. Warioba	76	76
Ms. Miranda N. Mpogolo	80	80
Mr. Gerald P. Kasaato	76	76
Mr. Royal J. Lyanga	76	76
Mr. Abdulrazak I. Badru**	38	-
Mr. Abdulmajid M. Nsekela***	-	-
TOTAL	**965**	**965**

During the year 2024 Mr. Hosea Kashimba was paid for two quarters that he served (Q1 and Q2) in the Board.

** During the year 2024 Mr. Abdulrazak Badru was paid for two quarter he served (Q3 and Q4) in the Board to replace Mr. Hosea E. Kashimba

***Mr. Abdulmajid Nsekela (Managing Director) is an ex-officio member who is paid a monthly salary by the Bank, this is part of key management remuneration

The table below shows Directors who also served the Group's subsidiaries during the year with the respective fees paid

Name	2024 TZS Million	2023 TZS' Million
Mr. Hosea E. Kashimba	92	83
Prof. Faustine K. Bee	46	46
Dr. Fred M. Msemwa	44	31
Mr. Martin S. Warioba	26	1
Mr. Gerald P. Kasaato	19	19
TOTAL	**227**	**180**

Details of the meetings attended has been disclosed to the respective subsidiary's separate financial statements for the year ended 31 December 2024.

Shariah Advisory Board

The table below shows Directors who served the Shariah Board during the year with the respective fees paid

Name	2024 TZS Million	2023 TZS' Million
Mr. Abdul A. Mohamed	32	32
Mr. Sheikh Issa Othman Issa	21	21
Mr. Khalfan A. Salim	21	21
Mr. Juma A. Mohammed	21	21
Mr. Exavery Makwi	21	21
Prof. Monzer Kahf	5	21
Prof. Aishath Muneeza	-	-
TOTAL	**121**	**137**

*Prof. Monzer Kahf retired in March 2024

**Prof. Aishath Muneeza was appointed in November 2024

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

23 CORPORATE GOVERNANCE (Continued)

Board and committees' performance evaluation

The Board has an effective mechanism for evaluating its performance on a continuing basis. The evaluation is based on an annual assessment of the effectiveness of the full Board, the operations of Board committees, and the contributions of individual Directors. The results of these evaluations are reported to the full Board, and thereafter, there is a follow-up on issues and concerns that emerge from the evaluations.

The Board periodically considers a combination of methods to result in a meaningful assessment of the Board and its committees. Common methods include the use of written questionnaires. After evaluation, the Board discusses the results of the evaluation exercise, which informs the Board on the training needs of its members.

After every three years, Board evaluation and assessment are done by an external party/consultant to ensure the Bank, and the Board continue to operate consistently within good governance and best practice principles. During the year, the evaluation of the Board, its committees and the individual Directors was performed internally using questionnaires, results discussed, and the training needs of the members were identified, which will be implemented in the year 2025.

Code of conduct and Ethical behaviour

The Board has adopted a code of conduct for all Directors and employees, including the chief executive officer, that addresses conflict of interest, among other things. The code is reviewed and updated regularly. It is shared annually with all employees and Directors, who are required to confirm in writing that they have complied with it.

Board members are expected to observe the highest standard of ethical behaviour, which supports and encourages policies that require Directors and all employees to maintain a high standard of integrity and display honesty in their dealings.

We are committed to high standards of ethical behaviour and operate a zero-tolerance approach to bribery and corruption, which we consider unethical and contrary to good corporate governance. It is the utmost responsibility of all staff within the Bank to comply with the Group's code of conduct. In addition, the code of conduct emphasises the responsibility of the Board and internal and external auditors to ensure the confidentiality of the Group information.

Board Policies

The Board has developed comprehensive policies and procedure documents to serve as essential guides for the Directors and Management in effectively executing their roles and responsibilities. These documents provide a framework that ensures clarity and accountability throughout the Group. Below, is a detailed summary of the governance documents along with their key provisions.

Conflict of interest policy

The Board has established a policy and a set of procedures relating to Directors' conflicts of interest and related party transactions. In all Board meetings, there is an agenda for declaring conflicts of interest, and a conflict-of-interest register is reviewed regularly.

Those charged with governance 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:

- Declare any interests that may give rise to potential or perceived conflict e.g., multiple Directorships, business relationships or other circumstances that could interfere with the exercise of objective judgment;
- Declare as soon as they become aware that a subject to be discussed at a Board or committee meeting may give rise to a conflict of interest at the outset of the applicable meeting. The conflicted Director is not allowed to participate further in the discussion of that subject, nor vote on it.
- Director(s) with a continuing material conflict of interest is required to consider resigning from the Board.

23 CORPORATE GOVERNANCE (Continued)

Board Policies (Continued)

Board members are required to inform the Company Secretary of any changes regarding Directorships and conflicts of interest within 30 days. The Board is required to evaluate all potential or perceived conflicts of interest as declared and approve such transactions with the bank as may be appropriate.

A register of declared conflicts of interest is being maintained by the Company Secretary.

During the year, none of the Directors had a material interest, directly or indirectly, in any significant contract with the Group.

Insider trading and disclosure policy

It is the Group policy that Directors and employees considered to have privileged knowledge, from time to time, of material facts or changes in the affairs of the Group, which have not been disclosed to the public, including any information likely to affect the market price of the Bank's securities, cannot buy or sell ("trade") Group securities, except in accordance with the requirements of the Group policy.

CRDB Insiders are prohibited from trading Group securities either on their own behalf or on behalf of someone else when the trading window is closed. They are also required to keep any unpublished and non-public sensitive information received by them, whether in the ordinary course of their employment or office or otherwise, confidential and with sufficient protection from unauthorized disclosure or access.

The Bank regularly communicates through corporate communication with all staff to remind them of the restrictions on insider trading.

Whistle-blowing policy

The Group has strong whistle-blowing policies and procedures with the main objective of promoting a framework within the Bank where staff are encouraged and feel confident to reveal and report any fraudulent, immoral, unethical, or malicious activity or conduct of fellow employees, management, those charged with governance, clients, consultants, vendors, contractors, and/or any other parties with business relationship with the Bank which in their opinion may cause financial or reputational loss to the Bank.

The policy is crucial for fostering a compliance culture where employees follow internal policies and respect laws. The Bank is dedicated to upholding high ethical and legal standards. This policy allows concerns about fraud, corruption, or misconduct to be raised while protecting whistle-blowers from retaliation.

The whistle-blower and Witness Protection Act of 2015 makes it illegal for employers to retaliate against whistle-blowers.

Staff receive periodic training as part of their induction and ongoing development. This training encourages employees and other stakeholders to share information that supports good corporate governance practices. The bank's website features a whistle-blower section where customers and other stakeholders are encouraged to report misconduct through various channels, either internally or externally via an independent third party. Whistle-blowers have the option to disclose their identity or remain anonymous.

Anti-Corruption and fraud risk policy

Our commitment to good corporate governance is reflected in our stringent anti - corruption and fraud risk policy which has been developed to provide a coordinated approach towards managing fraud and corruption risk as one of the key elements in our overall business risk management practices. We maintain a zero-tolerance stance towards any form of bribery or corruption, ensuring that all business activities are conducted with the highest level of integrity and transparency. This policy applies to all employees, directors, and third-party associates, requiring them to adhere to ethical standards and legal requirements. Regular training and awareness programs are conducted to ensure that everyone within the Group understands their responsibilities and the importance of compliance.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

23 CORPORATE GOVERNANCE (Continued)

Board Policies (Continued)

To safeguard against corruption and fraud, we have implemented robust internal controls and reporting mechanisms. These measures include thorough due diligence processes, regular audits, and a secure whistleblowing system that allows employees to report any suspicious activities without fear of retaliation. By fostering a culture of accountability and ethical behaviour, we aim to protect the interests of our stakeholders and uphold our reputation as a responsible and trustworthy organization.

Anti-money laundering policy

The Board of Directors plays a vital role in ensuring effective corporate governance and compliance with anti-money laundering (AML) measures. Their responsibilities include establishing a clear governance framework, defining roles for AML compliance, and holding senior management accountable. The Group has implemented a strong governance process for AML measures to protect the bank's reputation and financial stability. Adhering to this policy is mandatory at the Group level, as it ensures compliance with AML, counter-financing of terrorism (CFT), and counter-proliferation financing (CPF) legislation in all the countries where we operate.

Group Communication/ Public Relations Policy

The policy aims to ensure that the information originating from the Bank is accurate and complete, reflects the official position of the Bank and is released to the media and targeted public in a consistent and timely manner. The ultimate objective is to build a mutually beneficial relationship between the Bank and the public. The Board has established effective communication with the Bank's stakeholders including the media and other channels found appropriate.

- The primary objective of this policy is to ensure the Public Relations process is conducted in a structured, systematic and consistent manner,
- Define the roles of the Board and senior management in the management of Public Relations process in the Bank.
- Ensure the Bank is presented with consistent messages and with one clear voice to the media and public.
- Provide guidance and direction to all Bank staff regarding public and media for the benefit of the Bank.
- To develop positive public perceptions, manage and maintain internal and external public and media relations for the Bank's benefit.
- Guide the Bank's activities related to management of risks arising from local, regional, national and international publicity.
- Safeguard and enhance the Bank's reputation across the wider community.
- To promote the Bank's mission, vision and values

Remuneration policy

The policy outlines the guidelines and criteria for the compensation of those charged with governance. It aims to ensure transparency and fairness in the compensation process while aligning with the Groups' goals and values

Group operational policies

Comprehensive operational policies serve as essential guidelines for the Management team, enabling them to effectively navigate and execute the various functions within the Group's operations. These policies ensure that every process is streamlined and aligned with the overall strategic vision, fostering efficiency and promoting a culture of accountability across all levels of the Group.

23 CORPORATE GOVERNANCE (Continued)

Induction program of the new members of the Board

Each new Board member is required to participate in an induction program that is tailored to effectively orient the member to the Bank's business and organization structure including subsidiaries, roles/ responsibilities of the Board and its various committees, strategy, objectives, policies, procedures, operations, senior management, and the business environment. The induction package also includes all the necessary information that is required by a member for effective performance in the Board including Board charters, recent financial reports and governing laws and regulations. They receive comprehensive guidance from the Company Secretary on the Group's corporate governance framework.

Training and development of the members of the Board

The Board members are also being introduced to their fiduciary duties and responsibilities and any other aspects unique to the business. Therefore, the main purpose of the training is to ensure Board members have a clear understanding of their role in corporate governance and can exercise sound and objective judgment about the bank's affairs.

The Board are required to ensure adequate training and development of the members through continuous training to keep them well informed on critical information pertinent to the business and corporate governance environment. It is the responsibility of the Board to conduct an annual review to identify training needs for each member on a regular basis and facilitate up-skilling as well as continuous development of each member.

Non-executive Directors also develop and refresh their skills and knowledge through periodic interactions and briefings with senior management of the Group's business functions, changes in laws and regulations, policies, and practices.

During the year, the Board completed the planned training and development sessions as per the table below;

S/N	Training Type and description of training	When	Trainer
1	**Committee Training 1** **Topics covered:** The role of Board on Credit oversight; Data Analytics and AI in transforming Company Direction; Board's role on Governing Strategic Performance.	June 3 – 7, 2024	Common Purpose Asia - Pacific Ltd
2	**Committee Training 2** **Topics covered:** Blockchain and Cryptocurrency Financial Products; Emerging AI Technology against Employee improved productivity and performance; Green Finance (Borrowing, Lending & Incentives), Opportunities – MACG/Sustainability Reporting and Compliance and Leading from the Future.	July 1 – 5, 2024	Alhuda Cibe FZ LLE and i2i Group Inc.
3	**Global IIA International Conference** **Topics covered:** Artificial Intelligence; Cyber Security; Sustainability; Global Internal Audit Standards; Governance, Leadership and Board Relations and Human Capital and Social.	July 13 – 18, 2024	Global Institute of Internal Auditors
4	**Board and Management Study Tour** **Topics covered:** Digital Financial Inclusion; Cyber Security Measures and Fraud Prevention; Regulatory Policies and Digital Innovation and Leadership and Governance in Digital Transition.	September 23 – 27, 2024	Common Purpose Asia - Pacific Ltd

Access to independent advice

The Board may, from time to time, require independent legal, financial, governance or other expert advice. To facilitate this, the Board shall ensure members obtain external advice, as may be required, at the bank's expense and shall invite senior management to provide technical advice as needed.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

23 CORPORATE GOVERNANCE (Continued)

Access to independent advice (Continued)

All non-executive Directors have access to independent professional advice or external specialists to support them in carrying out their responsibilities when the required expertise is lacking among the current Directors or staff within the Group.

Succession planning

The Group has in place a succession plan for those charged with governance of all critical skills, which is being reviewed regularly. The governing body bears ultimate responsibility for the succession plan. This is through the Board governance and Human resources committee. The committee plays a key role in devising criteria for governing body membership and governing body positions and possibly, with the assistance of external advisors, to identify specific individuals for nomination.

The succession discussion features on the Board governance and Human resources committee agenda as often as necessary for the committee to fulfil its duties. This allows the succession plan to take account of the changing dynamics of the business, making the Bank more agile and enhancing its ability to satisfactorily react to any sudden changes that may occur. The committee maintains a profile of desired skills, competencies, and skills gaps that need to be filled by potential candidates. In some cases, the committee may consult external resources (for example external search firms) to identify appropriate individuals to fill vacant positions.

The Group also rotates Board members between committees to ensure continuity of experience and knowledge and to introduce people to new ideas and expertise.

Access to information

Those charged with the governance have unrestricted access to information, and they are provided with timely information and comprehensive reports on material operational, risk management and financial matters of the Group to facilitate informed discussions during meetings. Those charged with governance have access to the advice of the Company Secretary, who provides support to the Board and is responsible for advising the Board on governance matters. Those charged with the governance also have access to independent professional advice at the Group's expense where they deem necessary to discharge their roles.

Board relationships/ engagement with shareholders/ stakeholders

The Group is committed to maintaining clear communication with our shareholders and other stakeholders by providing regular updates on our performance and addressing any relevant concerns. This commitment is evident through our quarterly financial performance summaries published in leading newspapers, the annual release of audited accounts, and our comprehensive annual integrated report, which complies with regulatory requirements. We also hold an Annual General Meeting to engage directly with our stakeholders.

Additionally, the Board maintains regular communication with analysts and investors, as we believe it is essential to keep them informed about the Bank's financial performance. The Bank strives to publish all relevant information to the market in a timely, effective, and non-discriminatory manner. Financial reports and stock exchange announcements are made available on the Bank's website as well as the Dar es Salaam Stock Exchange website.

The Board recognizes, respects, and protects shareholders' rights and ensures equitable treatment of all shareholders in the same class of issued shares, whether minority, institutional, or foreign. It also provides shareholders with information as required under applicable law and has established mechanisms to ensure effective communication with shareholders, including the media, if appropriate.

The Board have a stakeholder-inclusive approach and is responsible for giving due consideration to the legitimate interests and expectations of the bank's stakeholders in its deliberations, decisions, and actions. Shareholders are not a uniform group, and their interests may be diverse. Although the Board considers the shareholders' views, the Board's duty is to act in what it believes to be the long-term best interests of the bank and all its shareholders.

23 CORPORATE GOVERNANCE (Continued)

Board relationships/ engagement with shareholders/ stakeholders (Continued)

The views of certain shareholders are one important factor that the Board evaluates in making decisions.

However, the Board is required to exercise its own independent judgment. Once the Board reaches a decision, the Group consider how best to communicate the Board's decision to shareholders.

The Group engages with long-term shareholders in a manner consistent with the respective roles of the Board and maintains effective protocols for shareholder communications with Directors and for Directors to respond in a timely manner to issues and concerns that are of widespread interest to long term shareholders. The Board has delegated the responsibility of managing stakeholders' relationships to management.

Group culture, ethics, and organisational values

CRDB Bank places great importance on its organizational culture, ethics, and values as it shapes its relationships with various stakeholders, including customers, employees, shareholders, and the wider community. The Bank's culture of excellence and customer-centric approach is evident in everything we do. Furthermore, the Bank realizes that its success is closely linked to the well-being and prosperity of the communities it serves. The Bank is committed to transparency, integrity, and accountability, which ensures that it operates in a responsible and sustainable manner while promoting trust and confidence among its stakeholders.

Additionally, the Bank's emphasis on innovation, customer-centricity, and social responsibility enables it to create long-term value for all stakeholders while driving economic growth and development in Tanzania and beyond. CRDB Bank's culture, ethics, and values also significantly impact its decision-making processes and resource allocation.

The Group's code of conduct embodies its culture and values and reflects its commitment to operating responsibly and ethically with high standards of integrity. It provides a comprehensive description of the employees' responsibilities towards customers, other employees, businesses, and society. The code of conduct is designed to empower employees and enable effective decision making at all levels of our business according to defined ethical principles.

The Group have in place mechanisms for employees to seek guidance and to alert management and the Board about potential or actual misconduct without fear of retribution. As part of fostering a culture of compliance, the Group encourage employees to report compliance issues promptly and emphasize their policy of prohibiting retaliation against employees who report compliance issues in good faith.

Risk management and internal control

The Board ensures that the Bank has sound risk management and an internal control system that is appropriate to its activities. The risk management and internal control systems are based on the Bank's corporate values, ethics guidelines and principles for sustainability and corporate social responsibility ("CSR"). It is the responsibility of the Management to ensure that adequate internal control systems are developed and maintained on an ongoing basis to provide reasonable assurance regarding:

- Operational effectiveness and efficiency;
- Safeguarding of the Group's assets;
- Reliability of accounting records;
- Responsible behaviours towards all stakeholders
- Compliance with applicable laws and regulations; and
- Business continuity.

To ensure the internal controls remain adequate, the Bank has a fully-fledged Risk and Compliance function that coordinates and oversees the implementation of an enterprise-wide risk management framework within the Group. The audit committee, on behalf of the Board, assess issues related to financial review

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

23 CORPORATE GOVERNANCE (Continued)

Risk management and internal control (Continued)

and internal control and the external audit of the Group's accounts. The Board ensures that the Bank can produce reliable annual reports and that the external auditor's recommendations are given thorough consideration. During the year, internal control systems were assessed by the Board and were found to be at an acceptable level.

IT Governance

IT governance is part of the overall corporate governance of the Group, which is aimed at improving the overall management and implementation of IT structure to derive value from investment in information technology. The Group has in place an IT charter and policies which govern the structure and operations of ICT and is being reviewed annually. The charter enables the Group to manage IT risks effectively. It is the responsibility of the Board to ensure the activities associated with information and technology are aligned with the overall Group strategies/business objectives.

Financial reporting and auditing

The Bank publishes its quarterly financial statements within thirty days after the end of the quarter and publishes the annual audited financial statements within fifteen days after approval of the Board but not later than one hundred and five days after the end of the financial year as required by the "Banking and Financial Institutions (Disclosures) Regulations, 2014". Copies of the Bank's last audited financial statements are exhibited in the Bank's branches and website, and the annual report is made available to the public two weeks prior to the AGM.

Those charged with governance are responsible for preparing the Annual Report, including the Consolidated and Parent Company Financial Statements, in accordance with International Financial Reporting Standards (IFRS) to comply with the Companies Act 2002. In preparing these financial statements, the Directors are required to:

- Adopt the going concern basis unless it is inappropriate to do so;
- Select suitable accounting policies and then apply them consistently; and
- Make judgements and accounting estimates that are reasonable and prudent

The external auditor presented the audit results to the audit committee and the Board in the meeting dealing with the annual financial statements, including any material changes in the Bank's accounting principles and significant accounting estimates. The auditor also reported on whether the financial statements give a true and fair view of the Group's state of affairs.

Going Concern Assessment

Those charged with Governance have made annual assessment about whether there exists any material uncertainty which may cast significant doubt upon the Bank's ability to continue as going concern. This assessment involves making appropriate inquiries including review of budget and future outcome of inherent uncertainties in existence. The Directors are convinced from the following indications, which give reasonable assurance as to Bank's continuance as a going concern for the foreseeable future.

- **Financial Performance**

CRDB Bank remains the largest commercial Bank in Tanzania with a leading share of total deposits (27%) and total assets (25%) in the market. The Group closed the year with a strong Balance Sheet, total assets grew by 25.3% to TZS 16,698.8 Billion (2023: TZS 13,321.3 Billion). Customer deposits increased by 23.5% to TZS 10,934.1 Billion (2023: TZS 8,856.0 Billion). Net Loans and advances to customers increased by 22.7% from TZS 8,443.5 Billion in 2023 to TZS 10,360.8 Billion in 2024. After-tax profit of TZS 551.5 (2023: TZS 422.8) growth of 30.4%. Interest income increased from TZS 1,227.4 Billion, recorded in 2023, to TZS 1,562.1 Billion in 2024, an increase of 27.3%. Combined with commissions and fees, total non-interest income increased from TZS 503.5 Billion to TZS 560.1 Billion, an increase of 11.2%. Innovative and convenient products and services that were offered to the public contributed to such a positive trend.

23 CORPORATE GOVERNANCE (Continued)

Going Concern Assessment (Continued)

- **Ensuring Sufficient Capital Maintenance**

  The Group has demonstrated robust financial health, with the Core capital ratio standing at 16.3% and the Total capital ratio at 17.2%. These figures significantly exceed the minimum regulatory requirements of 12.5% for Tier I capital and 14.5% for Tier II capital, showcasing the Bank's strong capital position and commitment to maintaining financial stability. This solid foundation not only ensures compliance with regulatory standards but also enhances the Bank's ability to support growth and manage risks effectively.

- **Credibility in payment obligations**

  The Group has established a strong reputation for credibility in meeting its payment obligations. We have a consistent track record of timely and accurate payments, which reflects our commitment to financial integrity and reliability. This credibility is further reinforced by the Group's robust capital ratios, which exceed regulatory requirements, ensuring a solid foundation for fulfilling its obligations. By prioritizing transparency and accountability, the Group continues to build trust with its stakeholders, enhancing its reputation as a dependable financial institution.

- **Positive Operating Cashflow**

  Group cash flow represents its strengths in its ability to repay its obligations, ability to adapt in changing circumstances and generate sufficient cash and cash equivalents, which will lead the organization to sustainable future growth. Group Cash Flow from operating activities in 2024 was positive TZS 1,102 Billion.

- **Consistent payment of dividends**

  Over the past five years, the Bank has demonstrated strong financial performance and a clear commitment to shareholder value. Dividends per share have risen from TZS 22 per share in 2020 to TZS 65 per share in 2024. This consistent upward trend reflects resilient earnings, effective capital management, and confidence in our long-term strategy. The notable 30% increase in dividends in 2024 highlights our focus on sustainable value creation. We remain committed to delivering strong returns while ensuring sound governance and financial stability.

Year	2020	2021	2022	2023	2024
Dividend Per Share (TZS shilling)	22	36	45	50	65

- **Cross border/ Business/ expansion**

  The Bank has expanded its geographic outreach by opening two subsidiaries in Burundi and the Democratic Republic of Congo and branches in various locations, considering their economic significance. As of December 31, 2024, the Bank operated 259 branches across the region.

  The Bank places great importance on product diversification, which is a key strategy for achieving customer satisfaction by tailoring services to meet customer needs. As a result of our effective organizational structure, skilled and dedicated workforce, and strategic business initiatives, the Group's total assets increased by 25% year-on-year, reaching TZS 16,699 Billion in 2024. Additionally, total customer deposits rose by 23% year-on-year compared to 2023.

  The Bank's management is committed to sustaining this growth in the coming years, demonstrating the bank's intention for long-term success.

- **Satisfactory credit rating**

  The Bank upgraded to B1 from B2 and changed the outlook to stable from positive by Moody's in its report published on 26 March 2024. Moody's rating upgraded CRDB Bank Plc to B1 from B2 the long-term deposit ratings. Moody's also upgraded the ratings of the Bank on the baseline Credit assessment (BCA) to b1 from b2, the Adjusted BCA to B1 from B2, and long-term Counterparty Risk Ratings (CRRs) to Ba3 from B1 (cr).

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

23 CORPORATE GOVERNANCE (Continued)

Going Concern Assessment (Continued)

- **Workplace satisfaction**

A positive work environment and high employee satisfaction are vital for the Group's long-term success and sustainability. The Group promotes excellent communication among employees and strives to be honest while treating everyone fairly. Our team is the backbone of our operations, and their engagement, well-being, and productivity directly affect service quality, operational resilience, and strategic execution. Ongoing efforts in employee development and workplace satisfaction are essential for retaining top talent, fostering innovation, and enhancing our overall performance.

In 2024, the Bank conducted an employee satisfaction survey, achieving an overall satisfaction level of 94% with high scores for job satisfaction and internal customer service. Details of the survey results are in section 6: 'Entity operation', subsection: Employee engagement.

The satisfaction level of our employee is the testament of our Group continuance as a going concern for the foreseeable future.

From the assessment, Those charged with Governance concluded that the Bank and its subsidiaries has the ability to continue as a going concern and satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, those charged with governance are not aware of any material uncertainties that may cast significant doubt on the Bank and its subsidiary's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

In addition, there are NO events or conditions, which create uncertainty to the Group's ability to continue as a going concern in the next 12 months.

Executive and management Team

The Bank's executive office consists of the Managing Director, who is the Chief Executive Officer. He is assisted by the Chief Commercial Officer, Chief Operations Officer, and Chief Finance Officer, who report directly to him. They oversee various functions via Directors of departments within the Bank.

The Bank is organized in the following functions/ departments:

• Finance	• Procurement	• Corporate Affairs
• Credit	• ICT	• Corporate Banking
• Risk and Compliance	• Banking Operations	• Business Transformation
• Treasury and Capital Markets	• Retail Banking	• Internal Audit
• Human Resources	• Internal Audit	

The key management personnel who served during the year, were:

Name	Position	Qualification	Age
Mr. Abdul-Majid Nsekela	Managing Director & Chief Executive Officer	MBA-IBF, PGD-Business Administration,	53
Mr. Boma Raballa	Chief Commercial Officer	MBA, BA (Accounting)	41
Mr. Bruce Mwile	Chief Operations Officer	MBA (Finance), B.com (Finance)	54
Mr. Frederick Nshekanabo	Chief Financial Officer	MSc. Finance, CPA (T), Advanced Diploma in Accountancy	53
Mr. Alex Ngusaru	Director of Treasury and Capital Markets	MBA (Finance)	56
Mr. Pendason Philemon	Director of Procurement	MBA, CSP (T), CIPP	50
Mr. Godfrey Sigalla	Director of Internal Audit	CPA (T), PGD (Tax management), B, Com (Accounting) and MBA (Finance)	51
Mr. Bonaventure Paul	Director of Retail Banking	MSc. Accounting & Finance, ADA, CPA(T)	44

23 CORPORATE GOVERNANCE (Continued)

Executive and management Team (Continued)

Name	Position	Qualification	Age
Mr. Admin Mwansansu	Director of Banking Operations	Bachelor of Commerce in Accounting	41
Mr. Godfrey Rutasingwa	Director of Human Resources	Master's degree in public administration, bachelor's degree in education.	44
Mr. James Mabula	Director of Risk and Compliance	MSc. Finance, MBA, PG Dip. Financial Mgt. Advanced Diploma in Accounting.	50
Ms. Tully-Esther Mwambapa	Director of Corporate Affairs	MBA, BA Public Administration & International Relations.	57
Mr. Xavery Makwi	Director of Credit	CPA (T), PGD (Legal Practice), LST, LLB, MBA, B.com (Finance)	56
Mr. Deusdedit Massuka	Director of ICT	MSc. Computer Numerical Control (CNC) Systems	58
Mr. Mussa Kitambi	Director of Corporate Banking	Master's degree Banking and Finance	49
Mr. Leo Ndimbo	Director of Business Transformation	PGD- BA, Int'l Adv. Dip in Computer Engineering (IADCE)	40
Mr. John Rugambo	Company Secretary	MA International Business Administration	57
Mr. Fredrick Siwale	Managing Director – CRDB Bank Burundi (subsidiary)	MBA, PGD in Business Administration	48
Ms. Jessica Nyachiro	Managing Director – CRDB Bank Congo (subsidiary)	MBA International Business, B. Ed & Diploma in Accounting	46
Mr. Wilson Mnzava	Managing Director – CRDB Bank Insurance Company Ltd. (subsidiary)	MSc in Insurance & Actuarial Science, PGD in Cooperative.	49

Key roles and responsibilities of the Management team

The management team, spearheaded by the Group Managing Director and Chief Executive Officer, plays a crucial role in the daily operations of the Group, which oversees a diverse portfolio of financial services. This dynamic team, comprising experienced professionals from various sectors of the banking industry, is tasked with managing day-to-day activities and ensuring the effective execution of the comprehensive strategies and policies established by the Board of Directors.

Through regular performance monitoring using key performance indicators (KPIs) and data analytics, the Executive Team aligns departmental objectives with the organisation's overarching vision, driving efficiency and excellence. By fostering a culture of accountability and innovation, the management team encourages employees at all levels to contribute ideas and solutions, effectively nurturing talent and promoting professional growth within the Bank. This collaborative approach enhances service delivery and strengthens the Bank's competitive position in the market, ensuring sustainable growth and customer satisfaction

Management team is charged with the following duties:

- **Business operations –** The CEO and management run the Group's business under the Board's oversight, with a view toward building long-term value.
- **Strategic planning -** The CEO and senior management generally take the lead in articulating a vision for the Group's future and in developing strategic plans designed to create long-term value for the Group, with meaningful input from the Board. Management implements the plans following Board approval, regularly reviews progress against strategic plans with the Board, and recommends and carries out changes to the plans as necessary.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

23 CORPORATE GOVERNANCE (Continued)

Executive and management Team (Continued)

Key roles and responsibilities of the Management team (Continued)

- **Identifying, evaluating, and managing risks -** Management identifies, evaluates, and manages the risks that the Group undertakes in implementing its strategic plans and conducting its business. Management also evaluates whether these risks and related risk management efforts are consistent with the Group's risk appetite. Senior management keeps the Board and relevant committees informed about the Group's significant risks and its risk management processes.
- **Accurate and transparent financial reporting and disclosures -** Management is responsible for the integrity of the Group's financial reporting system and the accurate and timely preparation of the Group's financial statements and related disclosures. It is management's responsibility, under the direction of the CEO and the Group's Chief Financial Officer, to establish, maintain and periodically evaluate the Group's internal controls over financial reporting and the Group's disclosure controls and procedures, including the ability of such controls and procedures to detect and deter fraudulent activity.
- **Annual operating plans and budgets -** Senior management develops and presents the group's annual operating plans and budgets to the Board. The management team implements and monitors the operating plans and budgets, adjusting them to reflect changing conditions, assumptions, and expectations. The team also keeps the Board apprised of significant developments and changes.
- **Business resiliency -** Management develops, implements, and periodically reviews plans for business resiliency that provide the most critical protection considering the Group's operations. It is the responsibility of Management to identify the Group's major business and operational risks, including those relating to natural disasters, leadership gaps, physical security, cybersecurity, regulatory changes, and other matters. Management develops and implements crisis preparedness and response plans and works with the Board to identify situations (such as a crisis involving senior management) in which the Board may need to assume a more active response role.

  A key factor in the ongoing success of the Group is the quality of its management team. This team is composed of individuals with a strong mix of leadership skills and diverse experiences. To effectively leverage this extensive expertise, the Group Managing Director has established Management Committees. These committees consist of departmental Directors and other senior managers as needed.

  As of 2024, the Management Committees that support the Group's operations are structured as follows.

Executive Committee (EXCO)

Key Focus	Objectives
Strategy development & strategic updates	• Oversee strategy development and receive updates on strategic initiatives implementation, including corporate BSC.
Policy development & Governance oversight	• Institute policies and recommend to Board for approval • Provide overall Governance oversight.
Leadership & resource deployment	• Provide direction for the implementation of key strategic issues. • Provide oversight and direct on optimal resource allocation.
People and culture	• Discuss the implementation of culture transformation
Escalation points from other committees	• Resolve any escalations from various committees. • Challenge & re-organise underperforming committees of the Bank.
Decision making on key disruptions	• Based on various strategic issues (internal & external), decide how to address disruptions and delegate execution to other committees.
Expected Outcome	

- Enhanced collaboration between business functions,
- Improved productivity as senior management will be able to advise and take the lead on key business

23 CORPORATE GOVERNANCE (Continued)

Executive and management Team (Continued)

Management Committee (MCM)

Key Focus area	Key objective
Business Performance	Key Business strategies implementation updates from Business, including Treasury. Also, discuss the challenges and support needed
Operational Updates	Key Operational strategies implementation updates, challenges and support needed
Monitoring of deployed resources	Discuss how human, business, and operational resources have been optimized and give directives to correct deviations.
Escalation points from other committees	Resolve any escalations from various committees working under MCM.
Decision Making	Based on various deliberations, make decisions (within the Mandate) and give directives. Should escalate strategic issues to EXCO

Expected Outcome

- Focused discussions based on key business and operational results,
- Increased productivity
- Creates a culture of ownership where some decisions shall be made at a Business unit level instead of being brought to the Meetings

The Asset Liability Committee (ALCO)

Key Focus area	Key objective
Manage structure and composition of Assets and Liabilities	• Continuously review and decide on strategy and direction of all aspects of balance sheet management • Oversee financial risk management and ensure compliance with all regulatory requirements
Manage Market Risk and Funding Optimization	• Ensure the Bank achieve its strategic goal while balancing both risk & return.
Monitor Regulatory Requirements	• Review adherence to regulatory limits and requirements
Monitoring of deployed resources	• Discuss how business and operational resources have been • optimized and give directives to correct deviations.
Decision Making	• Based on various deliberations, make decisions (within Mandate) and give directives

Expected Outcome

- Focused discussions based on key ALCO targets, deviation, lags & exposure results,
- Increased productivity, and increased efficiency on resolving deviation from internal limit
- Creates a culture of ownership where some decisions shall be made at a Business unit level, instead of being brought to the Meetings.
- Enhance collaboration while decreasing silos among functional units

Management Audit and Risk Committee (MARC)

Key Focus area	Key objective
Risk Appetite	• Set the tone and discuss the risk appetite of the Bank, any exceptions and significant deviations reported to Board.
ERM Practices across the Group	• Oversight on Risk Management practices across CRDB Bank group
Regulatory Compliance	• Oversight on Regulatory Compliance across the Group.
State of Internal Audit	• Oversight on where audit matters are being properly managed by the management of both the parent and subsidiaries.
Decision Making	• Based on various deliberations, make decisions (within the Mandate) and give directives

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

23 CORPORATE GOVERNANCE (Continued)

Executive and management Team (Continued)

Key Focus area	Key objective
Expected Outcome	
• Focused discussions based on key RisksAudit & Controls exposure results, • Increased productivity, increase efficiency on resolving audit and risk deviations • Creates a culture of ownership where some decisions shall be made at a Business unit level, instead of being brought to the Meetings. • Enhance accountability and collaboration while decreasing control issues to functional unit.	

Productivity and Cost Committee (CPC)

Key Focus	Objectives
Oversight on the Bank's Performance	• Continuously review and discuss on strategy execution and all aspects of the Bank's productivity • Oversee cost management and ensure compliance with all regulatory requirements
Monitor Culture & Management Actions	• Monitor culture initiatives implementation progress, • Monitor implementation of management directives from various management meetings
Manage BSC Optimization	• Ensure Bank achieve its strategic goal while balancing both risk & return through adequate KPIs and targets on day-to-day operations.
Decision Making	• Based on various deliberations, make decisions (within Mandate) and give directives. Should escalate strategic issues to EXCO.
Expected Outcome	
• Focused discussions based on key targets, deviation, lags & exposure results, • Creates a culture of ownership where some decisions shall be made at a Business unit level, instead of being brought to the Meetings.	

Customer Experience Forum (CEF)

Key Focus	Key objective
Oversight on Customer Experience	• Oversight on the issues around customer experience and associated risks.
CX Strategy updates	• Key customer experience strategies implementation updates, challenges and support needed from the management.
Performance management	• Recommending the establishment of customer service standards and monitoring the performance of management to such standards
Escalation points	• Resolve any escalations from branches and customer experience team, act as a centre for guidance and support
Decision Making	• Based on various deliberations, make decisions (within Mandate) and give directives. Should escalate strategic issues to EXCO.
Expected Outcome	
• Focused discussions based on key business results, to drive experience to customers. • Increased productivity and ownership of deployed resources to create better customer • experience culture. • Creates a culture of ownership by business units to drive accountability around customer • experience. • Enhance accountability and collaboration while decreasing control issues around the • customer experience process.	

23 CORPORATE GOVERNANCE (Continued)

Executive and management Team (Continued)

Compensation of Key Management Personnel

The Board reviews and approves the compensation of key management personnel on an annual basis. The remuneration of key management personnel during the year was TZS 12,588 Million (2023: TZS 12,469 Million). Details are in note 64 of the financial statement.

Group Performance evaluation and reward

The Group's performance and reward approach ensures remuneration structures are balanced and are designed to drive sustainable performance by ensuring that reward programmes support our business strategy and are both supportive of and aligned with sound remuneration practices. Individual rewards and incentives are linked directly to the performance and behaviour of the employee, the performance of their respective business units and the interests of shareholders. Details on the remuneration of the key management personnel are disclosed in Note 64 to the financial statements

24 QUALITY MANAGEMENT

Information security management system

The Bank is certified with ISO 27001: 2013 (Information security management system) international standard by the British Standard International (BSI). The certificate indicates the secure management of financial products and services, information processing and store facilities, databases, clients' data, and the Bank's financial information in core banking operations in the Bank.

The Bank has been certified as compliant with the Payment Card Industry Data Security Standard (PCI-DSS), which applies to any company that accepts, stores, processes, or transmits cardholder data. The certification was presented to the Bank following an in-depth assessment by Qualified Security Assessor (QSA) - Advantio Limited and after the Bank was found to have met all the standards' requirements. This compliance helps the Bank protect its payment systems from breaches and theft of cardholder data.

Business Continuity

Being the leading Bank in Tanzania, we found it imperative to be at the forefront of improving our business resilience by benchmarking our practices against the best management system/standards in the market. In this regard, we have been certified by the British Standards Institute (BSI) as ISO22301:2019 BCMS certified. ISO 22301 is the international standard for Business Continuity Management (BCM), and it provides a practical framework for setting and managing a business continuity management system, aiming to prevent, prepare for, respond to, and recover from unexpected and disruptive incidents.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

25 SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

The Bank plays a vital role in sustainability initiatives aligning with sustainable development goals and the UN Agenda 2030 by investing in environmentally and socially responsible practices. One of our key strategic objectives in our new 5-year business strategy (2024–2027) is to build a resilient and accountable organisation by creating an environment that guarantees business sustainability, good governance, and a positive impact on the environment and community we serve.

To achieve this objective, the Bank has developed a set of policies, procedures, tools, and a dedicated unit equipped with knowledge for the implementation of the Environmental and Social Management Systems (ESMS) and experience in applying local and national environmental and social laws and regulations as well as international standards.

The unit is also in charge of innovating and formulating transformative ideas to implement green and sustainability projects based on the bank's credit policies, environmental and social policies and procedures, and adhering to international treaties and standards. We are proud of being a socially conscious enterprise founded on honest living. For us, sustainability of the environment, economy and society is an inevitable responsibility to ensure that the way we conduct ourselves today will not impose unfair costs on future generations.

Our Environmental, Social, and Climate risk management policy statement

"The Bank is committed to promoting environmentally sound and sustainable development in the full range of its credit products. We believe that environmental, social, and climate sustainability is fundamental to achieving outcomes consistent with our credit policy. We recognise that projects that foster environmental, social, and climate resilience rank among the highest priorities of our activities".

A brief note on materiality

The Bank recognizes that assessing materiality requires careful consideration of not only the applicable materiality standards but also our purpose in assessing and communicating materiality to our stakeholders. Our public disclosures, including our voluntary sustainability and climate-related reports, focus on various topics relevant to our business and of interest to investors and other stakeholders.

In our voluntary environmental, social, and governance (ESG) and climate-related disclosures, we have adapted our approach to materiality based on the topic and purpose. While we adhere to the definition of materiality established in the Internation Sustainability Standard Board (ISSB) standards, the Bank also considers other factors, including the materiality standards of certain external frameworks and reporting guidelines relevant to climate and sustainability. We consider the views of our key stakeholders and our ambition to lead in our industry. To support our multi-faceted approach to materiality, we sometimes adopt new frameworks and standards when we believe it will help us address sustainability issues more effectively.

When discussing climate risks and opportunities, the Bank employs a materiality approach consistent with both the ISSB standards and Task Force on Climate-related Financial Disclosures (TCFD) recommendations. We generally assess ESG matters in alignment with our method for evaluating materiality for required disclosures. In our voluntary disclosures, we often include information that we know investors and clients are interested in, in addition to what is provided in our mandatory reports.

The Bank also embraces a climate change "double materiality" perspective, which examines both the impact of climate on our business and the impact of our business on the climate. We use longer time frames to assess potential impacts than those typically used in our required disclosures. This approach captures important details regarding sustainability issues, including climate-related risks and opportunities.

25 SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) (Continued)

Our four-step approach for assessing material topics

In 2024, we undertook a comprehensive materiality assessment to determine the most significant issues to report from an ESG (Environmental, Social, and Governance) perspective. We aimed to identify the areas where we could make a real difference and provide a meaningful impact to our stakeholders

Our sustainability commitments and approach are aligned with the local and global frameworks and directives, including the following:

- UNFCCC
- UN Sustainability Development Goals (UN SDGs)
- IFC
- Environmental regulations in Tanzania
- Paris agreement

To reach the material topics, we utilised a "double materiality" approach in our assessment, which allowed us to understand the risks and opportunities to our Group and the potential impacts on external stakeholders. This approach enabled us to take a holistic view of our operations and understand how we contribute positively to society and the environment.

The material sustainability matters are based on the 4Ps: Planet, People, Prosperity, and Partnership. Focusing on these areas can make a meaningful impact and contribute to a more sustainable future. Below are the four-step approach during the assessment;

- Stakeholders' engagement
- Identifying the universe of relevant ESG
- Data collection analysis
- Calibration of results

Material topics

The material Sustainability topics we identified in this assessment guide our sustainability priorities based on our 4 Ps: Planet, People, Prosperity, and Partnership. We believe that focusing on these areas can make a meaningful impact and contribute to a more sustainable future for all.

Planet	People	Prosperity	Partnership
We are fully committed to promoting environmentally sound and sustainable business practices through: • Managing our environmental footprints. • Water and waste management • Energy efficiency • Sustainable Financing • Incorporation of ESG factors in credit analysis	We believe that our people are the heart of our business through. • Employee engagement • Employee wellbeing • Workforce Diversity • Training and education • Talent management and succession planning • Employee Performance management • Employee's benefit	We remain committed to the success and well-being of our community through. • Financial Inclusion and capacity building • Digital transformation • Enhancing Community Welfare • Customer relationship management • Data security • Business ethics	Enhancing the strategic partnership to increase our capacity to serve through; • Sustainable procurement • Our Strategic partners • Other partners

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

25 SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) (Continued)

Our sustainability approach

"Embedding 'sustainability' in all we do."

As responsible corporate citizens, we believe our business activities should positively impact the environment and society while delivering value to our shareholders. Our approach to sustainability is embedded deeply in our Group strategy and business operations. We have set ambitious targets for ourselves in environmental and social responsibility, and we are committed to achieving those targets through a combination of innovation, collaboration, and responsible business practices.

We recognise that our industry has a significant role in addressing the challenges of climate change, social inequality, and environmental matters. As such, we have taken proactive steps to reduce our carbon footprint and support sustainable development projects in the communities we serve.

The Group implemented robust governance and compliance frameworks to ensure that we operate ethically and transparently while upholding the highest standards of integrity and accountability. Our commitment to good governance is reflected in our adherence to local and international laws and regulations and our internal policies and procedures. We believe our ESG performance is critical to our long-term success as a business.

Our unwavering commitment to embedding sustainability in our business operations is driven by a strategic focus on four key pillars:

Planet pillar, climate change has been the focus of many; as a Bank, we strive to minimise our environmental impact by reducing our carbon footprint. We also aim to create sustainable practices and work closely with our stakeholders in this journey.

Environmental footprint

Considering the crucial impact of environmental conservation, the bank has developed a specific environmental and social policy. The policy articulates the Bank's commitments to sustainable development, elaborates how the Bank integrates environmental and social issues into our processes and activities and sets the roles and responsibilities, including the requirements to deliver these commitments. The policy defines how the Bank manages the environmental and social risks and impacts and supports the overall sustainability of our operations and investments in line with our obligations under national and international law and other relevant standards.

Through the policy, the bank commits to:

- Examine the environmental and social issues and concerns associated with potential business activities proposed for financing or being financed.
- Identify, evaluate, and manage the environmental and social risks and the associated financial implications of these issues and concerns.
- Where avoidance is impossible, mitigate adverse impacts to people and the environment.
- Give due consideration to vulnerable and marginalised populations, groups, individuals, local communities, indigenous peoples, and other marginalised groups affected or potentially affected by the Bank-financed activities.

The Group actively fosters a culture of responsible living, prioritizing practices that support environmental sustainability. Our goal is to create a work environment that not only minimizes adverse effects on the planet but ideally has no negative impact at all. This commitment involves implementing eco-friendly policies, such as reducing waste, utilizing renewable energy sources etc. By prioritizing these initiatives, we aim to cultivate a workplace that aligns with our values of stewardship and environmental integrity, ensuring a healthier planet for future generations.

25 SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) (Continued)

Our sustainability approach (Continued)

Planet pillar (Continued)

Below are some initiatives implemented to reduce environmental footprint during the year.

- The bank has a robust Environmental and Social management system (ESMS) in place with environmental and social policies, procedures, and tools for assessing the environmental and social impact of projects financed by the Bank.
- The bank has also established a unit designated for assessing and managing Environmental and Social Risks associated with financed projects and advises management accordingly.
- Sustainable finance: The Bank has established a Green, Social, and Sustainability Bond Framework to allow the issuing of Green, Social, and Sustainability Bonds.
- In 2024, we updated our Bank's credit risk policy and procedures to incorporate the Bank of Tanzania's requirement to consider climate-related risks in our lending process.
- Implementation of Paperless withdrawal at branches using Simbanking and continuing rolling out e-banking services to all customer correspondences.
- Use of automated internal memo and approval workflow system to track and control the number of printouts monthly.
- Continuing creating awareness of an online lending solution for salaried employees, pensioners and agents using the Simbanking mobile application, in which customers apply without visiting branches, and eliminating the paper trail throughout the processes.
- Adopting collaboration technologies within the Bank's communication systems, such as videoconference kits to cut the number of hours and material resources spent travelling by air or road for meetings and using electronic reports.

In addition to our efforts to minimize our environmental footprint, we actively support community initiatives aimed at reducing emissions. In 2024, the Bank sponsored several Clean Cooking campaigns organized by the National Economic Empowerment Council, Arusha Constituency, the Ministry of Energy, and Trident Media Organization. These initiatives focused on educating communities about the detrimental effects of using charcoal for cooking. As part of the program, some families were provided with gas cylinders, offering a cleaner and more sustainable cooking alternative.

The People pillar is focused on creating a safe and inclusive workplace for all our employees, promoting diversity and equal opportunities, and ensuring fair labour practices throughout our operations.

Our response

- Our staff has undergone several capacity-building programs to strengthen their skills. The training programs aim to enhance their understanding of sustainable finance products and relevant industry best practices. This will enable us to exploit sustainable finance opportunities and better manage climate risks. Our credit analysts and relationship managers (RMs) undergo mandatory training to ensure compliance and consistency in implementing our climate risk policies and procedures.
- Creating a great workplace - We value and champion diversity and drive our businesses to create conducive working environments that nurture employees and encourage them to grow and act with integrity. We believe nurturing an engaged, capable, and enthusiastic workforce is instrumental to our businesses' success.
- The Bank continues to invest in the wellbeing of all employees, enabling them to enjoy their work and prioritising health and safety for all employees.
- The Group values diversity, equity, and inclusion, creating a positive work environment that fosters creativity, equality, and results.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

25 SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) (Continued)

Our sustainability approach (Continued)

The Prosperity pillar is centred around creating long-term value for all our stakeholders, and communities we serve. Our unwavering commitment to the prosperity and welfare of our community is at the forefront of everything we do. We are dedicated to expanding our banking activities together with various digital solutions to facilitate a smooth transition towards a low-carbon economy, thereby minimising our environmental footprint while promoting financial inclusion and community well-being. We achieve this by implementing sustainable business practices that ensure profitability and growth while promoting sustainable economic development in our operating regions. We also strive to support our communities by investing in environment, education, health, and other social initiatives.

Enhancing Community Welfare

In 2024, the Bank continued its commitment to Corporate Social Investment by making investments that positively impacted social, economic, and environmental development in the communities we serve. Our Corporate Social Investment (CSI) initiatives focus on key sectors that contribute to sustainable growth and enhance the well-being of the community.

Through targeted initiatives aimed to address community needs aligning to the Bank's Business Strategy and the mission to transform lives, the Bank invested TZS 2.3 Billion to the Education, Health, Environment, Youth and Women Empowerment, and other community and economic development initiatives across the country.

Social Investment Footprint

Health

The Bank is committed to supporting health initiatives that enhance the well-being of Tanzanians. In 2024, our investment focused on improving access to medical services, promoting health education, and addressing key health challenges in the country.

During the year, the Bank partnered with the Afya Check Outreach Program to conduct preventive health outreach camps in Dar es Salaam, Dodoma, Lindi, Tanga, Mwanza, Arusha, and Mbeya. Through these camps, about 15,000 people were reached, providing them with essential health screenings, information, and guidance on preventive care. The impact of this initiative did not only help to raise awareness about common health risks but also empowered people to take proactive steps in managing their health. Ultimately, this program helped to enhance the quality of life for people and contributing to healthier, more informed communities.

The Bank supported the Rare Disease Research Fund fundraising event organised by the Ali Kimara Rare Disease Foundation in collaboration with the Muhimbili University of Health and Allied Sciences. The aim of this research is to stimulate and promote scientific studies on rare diseases and provide critical data on the prevalence and types of rare diseases in the country, as well as identify the clinical needs and interventions required for better care and treatment. The research will explore public perceptions and understanding of rare diseases, helping to raise awareness and address knowledge gaps. Through this collaboration, the Bank is contributing to the advancement of healthcare research, which will then help improve the quality of life for people affected by rare diseases.

The Bank also supported events organised by other partner organisations that aims at improving health care services to the community.

The bank extended TZS 156 Million for this cause.

25 SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) (Continued)

Our sustainability approach (Continued)

Education

Education remains a cornerstone of CRDB Bank's Corporate Social Investment. In 2024, we continued our flagship program, "Keti Jifunze," in collaboration with local District Councils across all eight of our zones. This initiative supports the government's efforts to improve the education sector by creating better learning environments. We constructed classrooms and toilets in various districts, including Babati, Kondoa, Nyamagana, and Muheza. Through the campaign, we supplied desks and computers to various schools to ensure that students have the necessary tools to facilitate their studies.

This year, the Bank also expanded its efforts to promote inclusivity and accessibility in education, particularly for children with special needs. We built accessible classrooms, provided suitable desks and tables, and delivered other essential learning materials and mattresses to schools in Rukwa, Mbulu, and Songwe regions. These initiatives help make education accessible to all children, regardless of their physical or learning challenges.

Through our Taifa Cup Scholarship program, we have been supporting girls pursuing vocational and technical training at various colleges across the country. By covering their school fees, we are helping these young women gain valuable skills that will open doors to better job opportunities and career growth. Some of these girls completed their degree during the year equipped with the practical knowledge and expertise needed to thrive in various industries, such as healthcare, engineering, hospitality, and technology.

One Billion was invested in education during the year.

Youth and Women Empowerment

Youth and women are key priorities in both the Bank's business strategy and the government's agenda. To support these groups, the Bank has been creating various programs and products tailored to the needs of youth and women, helping them grow their businesses and transform their lives.

During the year, the Bank, through its Corporate Social Investment (CSI) initiatives, supported several projects aimed at empowering youth and women. These included sponsoring sports activities like the Ndondo Cup, Tanzania Military Academy, the Kuambiana Tournament and others, both provide youth with the opportunity to showcase and develop their talents.

We also supported the Malkia wa Nguvu campaign, organized by Clouds Media Group, which celebrates and empowers women enterpreneurs across different sectors in the country. Additionally, the Bank was involved in the Africa Businesswomen and Youth Trade Fair and Summit and supported the Tanzania Women Miners Association in their efforts to uplift women in the mining industry. These initiatives help create opportunities for youth and women to thrive, providing them with the tools, networks, and platforms to grow their businesses. The Bank invested TZS 432 Million for this cause.

Other social initiative

Other CSI initiatives supported during the year included supporting the National Planning Commission in their zonal symposiums for the National Development Vision 2050. This campaign aimed to involve citizens in the preparation of the vision, ensuring that the plans reflect the needs and aspirations of the people. The Bank also contributed to the construction of the Kizimkazi market, helping improve local infrastructure and support economic growth.

The Bank also sponsored several community engagements programs, such as the Tulia traditional dances and the Kizimkazi Festival, which featured Ngalawa races, tug of war, swimming competitions, and other traditional performances. These events provided not only entertainment but also brought economic benefits to the community. They promoted teamwork, physical fitness, and celebrated the area's cultural heritage. Winners of the competitions were awarded various prizes, including cash rewards and a grand prize of a modern, environmentally friendly fishing boat.

The Bank uses TZS 438 Million for this cause.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

25 SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) (Continued)

Our sustainability approach (Continued)

Additionally, the Bank supported the Ministry of State, President's Office – Regional Administration and Local Government (PORALG) by purchasing 7,142 kilograms of maize seeds, worth TZS 50 Million, which were distributed to victims of floods in Rufiji District. This substantial contribution played a critical role in aiding the recovery efforts of flood-affected communities and helped farmers quickly restart their agricultural activities. The provision of maize seeds not only helped to restore food security for many families but also contributed to rebuilding the local economy.

Customer relationship management

We listen to our customers carefully and gather feedback from multiple channels to cater to their needs. Maintaining the trust of our customers is of utmost importance to us. Therefore, we take great care to ensure their safety and protection from any risk. To prevent misuse of customers' personal and sensitive information, we continuously enhance the integrity and robustness of our cyber security infrastructure.

Our Bank has a strong complaint-handling system for both employees and customers. This system is defined according to policies approved by the Board and is overseen and reported on by the Board. We provide several channels for customers to file complaints, including at the branch, through our call centre, and via digital platforms. We prioritize transparency and consistency in tracking, recording, and resolving complaints. All complaints are documented in a register and monitored to ensure complete resolution.

Finally, the Partnership pillar is focused on building strong partnerships with our stakeholders, including customers, suppliers, governments, NGOs, strategic partners, and other organisations. We collaborate with these partners to create innovative solutions that address social and environmental challenges and promote sustainable development. We are fully committed to working closely with our business partners and other strategic investors to promote social and economic progress while maintaining trust and the value chain.

Managing our partners

Sustainable procurement

We are committed to ensuring that our procurement practices are sustainable and equitable. As we expand our regional presence, we purchase various goods and services, including office equipment, software, corporate services, and stationery. We prioritise environmental and social considerations, ethical business practices, and financial factors to ensure our sustainable procurement process.

"Instilling Transparency, Accountability, and Ethics in Procurement"

We firmly believe conducting business ethically, fairly, and transparently is paramount. Therefore, we strive to establish and maintain good relationships with our suppliers while fostering a competitive environment that aligns with our procurement policy.

We continuously monitor their activities to ensure that our suppliers and other business partners comply with our ethical and business standards. We take any incidence of breach of our business conduct seriously, including harassment, human rights abuse, and corruption/bribery. If any such incident occurs, we reserve the right to take immediate action, which may involve terminating the contract.

Our procurement systems and processes ensure value for money is derived in all procurement of goods and services. All suppliers, contractors, and consultants are treated fairly and given equal opportunities to obtain contracts with the bank. Procurement is done most efficiently, upholding the principles of value for money, transparency, and fairness. All staff involved in the procurement process shall follow an appropriate Code of Ethics.

25 SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) (Continued)

Our sustainability approach (Continued)

Partnership pillar (Continued)

Managing our partners (Continued)

Our Strategic Partners

The Bank emphasises building collaborative relationships with strategic partners with the expertise and resources to augment our existing capabilities, allowing us to achieve our strategic goals more efficiently and effectively. The Bank is firmly committed to aligning with the United Nations' Sustainable Development Goals (SDGs) and recognises partnerships' significant role in achieving this shared objective.

To drive positive change and make a meaningful impact on the global community, the bank has established partnerships with a range of organisations, including GCF, AFDB, EIB, PROPARCO, INVESTEC, FMO, DFC, IBRD GCPF, CITI, ResponsAbility Investments AG, TIB, NBC, TMRC, and more. These partnerships aim to achieve the bank's objectives by leveraging each partner's strengths and expertise. By working together towards sustainable development, the bank aims to make a positive difference and create prosperity for all.

Other partners

The Group and its subsidiaries work closely with key regulatory bodies such as the Central Banks, Revenue Authorities, Dar es Salaam Stock Exchange (DSE), Capital Markets, and Security Authority (CMSA). This collaboration ensures the Bank fully complies with all relevant laws and regulations governing its operations. By working together, the Bank and these regulatory bodies create a sustainable working environment that promotes growth, stability, and transparency in the financial sector.

The Core Content of Group Sustainability

The Bank follows the framework set by the Task Force on Climate-related Financial Disclosures (TCFD), focusing on four key areas: governance, strategy, risk management, and metrics and targets. By concentrating on these crucial elements, the Bank provides comprehensive and transparent climate-related financial disclosures. This approach not only helps stakeholders make informed decisions but also showcases the Bank's commitment to sustainable development.

Our Sustainability Governance

Those charged with governance oversee sustainability-related risks and opportunities, as outlined in the Environmental, social, and climate risk management policy. However, the implementation of the sustainability initiatives has been delegated to the management through a dedicated unit, the 'Sustainability Unit '. This unit plays a crucial role in advancing the Bank's sustainability agenda, ensuring that environmental and social considerations are integrated into all aspects of Bank operations.

The Sustainability unit is composed of experts who comprehensively manage environmental, social, and climate-related financial risks. To fulfill this role, the unit develops guidelines and controls for the routine evaluation, assessment, and monitoring of environmental and social risks and for managing climate-related financial risks within the credit portfolio. The governance body possesses knowledge and skills gained from various sustainability training programs, equipping it with the knowledge to oversee the strategies that address these risks and opportunities.

Those charged with governance oversee the execution of sustainability initiatives by reviewing detailed quarterly reports submitted by management. These reports not only present the progress made towards the established sustainability targets but also analyze the challenges encountered and strategies adopted to overcome them. Sustainability continues to be a vital focus in all quarterly board meetings, where it is consistently highlighted as a core component towards creating a sustainable future. The Board actively engages in discussions about ongoing initiatives, evaluates performance metrics, and sets new objectives to enhance our environmental and social impact, demonstrating our unwavering commitment to fostering a sustainable future.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

25 SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) (Continued)

Our Sustainability Governance (Continued)

Responsibilities of Those charged with governance

- Approve the Environmental, Social, and Climate Risk Management Policy as management recommends and ensure that management always complies with its requirements.
- Ensure relevant sustainability and ESG matters are incorporated into purpose, governance, strategy, decision-making, risk management, and accountability reporting.
- Defined targets and metrics are identified and monitored.
- Approve the implementation of green and climate finance-related projects.
- Provide oversight to ensure compliance with all applicable legal and regulatory environmental, social, and climate risk management requirements.
- Approve and periodically review the strategies, policies, procedures, and risk management frameworks for environmental, social, and climate-related financial risks.
- Ensure relevant capacity-building and training programs on environmental, social, and climate-related financial risks and consider incorporating them into the bank's strategy and risk management framework.

Responsibilities of the management

- Implementation of the environmental, social, and climate risk management strategies, policies, and procedures.
- Ensure that the risk and compliance functions and internal and external audit functions review the extent of adherence to this policy and the adequacy of its controls.
- Ensure the environmental, social, and climate-related budget is approved to implement policy objectives effectively.
- Develop and implement environmental, social, and climate-related financial risk management strategies, policies, and frameworks. Regularly review the effectiveness of the strategies, policies, frameworks, tools, and controls.
- Provide periodic reports to the Board on environmental, social, and climate-related financial risk issues.
- Ensure that staff have sufficient awareness and understanding of the sustainability business practice and can identify potential environmental, social, and climate-related financial risks through periodic training and capacity development and
- Ensure that material environmental, social, and climate-related financial risk issues are addressed promptly.

Trade-offs to comply with sustainability initiatives

The Bank is committed to integrating sustainability into its operations, but this commitment involves navigating several trade-offs. One significant trade-off is the allocation of financial resources. Investing in sustainable technologies and practices often requires substantial upfront costs, which can impact short-term profitability. However, these investments are essential for long-term environmental benefits and regulatory compliance.

Additionally, the bank must balance the need to meet immediate financial targets with the imperative to support social and community initiatives that may not yield immediate returns but are crucial for long-term social impact. Another trade-off involves operational adjustments, such as adopting energy-efficient systems or reducing waste, which may initially disrupt established processes but ultimately lead to greater efficiency and sustainability. By carefully managing these trade-offs, Bank aims to achieve a sustainable balance that supports both its financial goals and its commitment to environmental and social responsibility.

25 SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) (Continued)

Our Sustainability Governance (Continued)

Remuneration on sustainability initiatives

There is no direct link between executive compensation and the achievement of sustainability initiatives. While we recognise the importance of sustainability in our overall business strategy, our remuneration policies have traditionally focused on financial performance metrics such as revenue growth, profitability, and shareholders return.

However, we understand that integrating sustainability into our remuneration structure is crucial for aligning our long-term business goals with environmental and social responsibilities. As we move forward, we are committed to exploring ways to incorporate sustainability metrics into our executive compensation plans. This will ensure our leadership is motivated to achieve both financial success and significant advancements in our sustainability efforts.

By linking compensation to sustainability performance, we believe it will foster a culture of accountability and commitment to sustainable practices. This approach will motivate our team to achieve financial targets and contribute positively to the environment and society.

Management controls and procedures to support the oversight of sustainability-related risk and opportunities

The Bank has robust Environmental and Social Management Systems (ESMS) and has developed a set of policies, procedures, tools, and a dedicated unit equipped with knowledge for the implementation of the ESMS and experience of applying local and national environmental and social laws and regulations as well as international standards.

The unit is also in charge of innovating and formulating transformative ideas that will lead to the implementation of green and sustainability projects based on the bank's credit policies, environmental and social policies and procedures, as well as adhering to international treaties and standards. Our environmental and social policies and procedures are guided by the Tanzania Environmental Management Act (2004) and its specific regulations and guidelines, as amended and issued from time to time, and the best international practices, including the Performance Standards issued by the International Finance Corporation (IFC).

The bank's Environmental and Social Impact Assessment (ESIA) and monitoring process for the projects being financed by the bank forms part of the Bank's Environmental and Social Management (ESM) procedure while also adhering to the Environmental and Social (E&S) policy, the Credit Operating Manual, and the Credit Policy. The bank has an internally developed Environmental and Social Due Diligence (ESDD) template and tool that is used in the assessment of environmental and social risks of projects.

More details on Governance including Those charged with governance are in section 23.

Our sustainability strategy

The Group's sustainability strategy is designed to align our business priorities with core ethical principles, driving tangible progress toward our vision of achieving sustainable performance. This approach not only aims to create positive impacts for our stakeholders ranging from employees and customers to investors and communities but also fosters a healthier environment for future generations.

Our commitment to sustainability is deeply embedded in our overarching Group strategy, which serves as a comprehensive framework that guides our initiatives. By integrating key performance indicators and adhering to industry best practices, we ensure that our sustainability efforts are both impactful and measurable, reinforcing our dedication to responsible business practices and long-term value creation. This strategic alignment is essential for navigating the complexities of today's global landscape and delivering meaningful contributions to society and the planet.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

25 SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) (Continued)

Our sustainability strategy (Continued)

The Bank places particular emphasis on inclusive economic development, social well-being, and responsible stewardship of environmental resources, recognizing that robust sustainability efforts not only mitigate risks but also unlock opportunities for innovation, resilience, and growth.

We aspire to be a purpose-driven institution that leaves a positive footprint wherever it operates. This sustainability approach is guided by the Bank's corporate philosophy and a broader commitment to global frameworks such as the United Nations Sustainable Development Goals (SDGs) and Tanzania's Nationally Determined Contributions (NDCs). The Bank seeks to foster a just transition to a low-carbon economy while catalyzing equitable socio-economic progress by embedding sustainability priorities throughout its governance, operations, product development, and stakeholder engagements.

Pillars on our sustainability strategy

Our sustainability ambition	To leave a positive footprint in every aspect of life		
	Lead a positive social impact	Drive transition to a sustainable economy	Foster collaborations for greater impact
Sustainability pillars	Contribute towards an inclusive and financially healthier society	Deliver financial solutions and advisory to individuals and companies in vulnerable sectors	Work with others to create more impact and achieve long-term value
Areas of focus	• Service Accessibility • Financial inclusion and resilience • Financial literacy • Entrepreneurship • Socially responsible investments	• Sustainable solutions • Client advisory • Contribute to the transition to a low-carbon economy	• Partnership for the Goals • Funding opportunities • Diversified Investments • Regional Expansion

Group initiatives to reduce our emissions

Waste Management

Our Group maintains effective waste management systems to ensure responsible waste collection, recycling, and disposal. We have implemented a waste disposal mechanism in alignment with local and national regulations. As part of our waste management initiatives, the following were carried out:

- All cardboard and white paper are sent to a local manufacturer, who turns them into toilet paper rolls and brown envelopes.
- Plastic bottles were shredded into flakes used to make fibre in some industries in Tanzania and for exporting overseas to make new plastic bottles, plastic chairs, berry containers, shirts and jackets.
- Cans were provided to a local manufacturer to produce metal products such as steel frames and bars.
- Glass waste was delivered to a local manufacturer to make new plastic bottles.

Quantity of wastes recycled during the year

Waste categories	Paper	Card board	Plastic	Glass	Food waste	Others (Nylon, Cans, Tins)	Total waste
Wastes recycled in (Kgs)	16,850	7,977	3,416	1,911	47,296	258	77,708

25 SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) (Continued)

Our sustainability strategy (Continued)

Group initiatives to reduce our emissions (Continued)

During the year 81% out of total waste was recycled to produce various items like bottles, toilet papers roll, brown envelope, new plastic bottles etc

Operating in paperless mode

To implement this, the Group has started improving communication and providing service to our customers via our online platforms instead of paper, such as emails, SMS, phone calls, Simbanking, Internet banking and e-statements to our retail banking customers.

The bank also encourages customers to use its digital banking platforms to reduce emissions associated with travel and running large branches. The bank has also selectively initiated the e-KYC process, replacing the earlier physical KYC, resulting in significant savings in paper.

Online transactions	2024	2023	%
Internet and mobile banking	159,395,450	104,152,021	53%

Additionally, the Bank Implemented paperless solutions “OPTIMA” and “SAVY”, which allow the voucher Initiator to upload the intended financial transaction with supporting documents on a user-friendly digital screen. The transaction, including the attached documents, will pass through the required authorisations to the posting Unit without involving the printing of papers and manual voucher delivery

Energy efficiency

Our greenhouse gas emissions are mainly caused by the consumption of purchased electricity, diesel, and petrol used in our standby generators. We are reducing our energy consumption across all our operations. This includes using energy-efficient LED lights, inverters, and motion sensor lighting. We believe these initiatives will complement our efforts to reduce energy consumption and help to reduce our carbon footprint.

Our headquarters building has been designed to meet sustainability requirements and standards. Much of it has been constructed using glass, which helps reflect light and reduces carbon emissions from energy use. This, in turn, reduces the need for power and utilities during the day, making energy use more efficient.

Water management

We aim to reduce our water use by 20% by 2030. To achieve this, we have deployed several water efficiency measures throughout our head office, and the plan is to roll them out in our branches. These measures include the installation of low-flow fixtures and water sensors. We remain committed to reducing our water usage and increasing our sustainability efforts as we work towards a more environmentally friendly future.

Our total water consumption in litres in 2024 decreased by 4.2% to 248 from 259 litres in 2023.

Roll-out filtration and purification solutions

Our bank has implemented water filtration and purification solutions at its headquarters, accommodating more than 1,300 people. This initiative is part of our sustainability and green campaign to eliminate the use of harmful plastic bottles. The project’s first phase was completed in 2024, and we plan to roll out this initiative to other bank outlets by 2030.

Sustainable Finance

“Channelling funds where it matters”.

We are committed to fostering innovative solutions that help facilitate the transition towards a low-carbon economy. To achieve this, we have adopted a strategic approach that involves channeling resources towards initiatives prioritising sustainability, environmental preservation, and eco-friendly practices. Our initiatives are carefully designed to manage and minimize environmental and social impacts of financial

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

25 SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) (Continued)

Our sustainability strategy (Continued)

Group initiatives to reduce our emissions (Continued)

activities. Our primary objective is to promote a net positive societal effect by encouraging responsible financial practices

The issuance of our Green Bond

Recognizing the urgent need to address the impact of climate change, in 2023, we issued the Green Bond branded as "Kijani Bond." This financial instrument aims to finance sustainable and green projects that align with the Bank's mission to support environmentally friendly initiatives. We are proud to be at the forefront of this transition towards a more sustainable future, and we will continue to explore new ways to impact society and the environment positively.

This Medium-Term Note Programme (MTN) worth TZS 780 Billion, equivalent to US$300 Million, becomes the first bond with green, social and sustainability components to be issued in Tanzania and the largest in Sub-Saharan Africa by a corporation listed on a stock exchange. The objective of the MTN is to raise funds that will be used to finance eligible Green, Social and Sustainability projects under the bank's sustainability bond framework and in line with the principles and recommendations of the International Capital Markets Association (ICMA).

The MTN will be issued in tranches. The first tranche was issued in 2023, and TZS171.8bn was raised and oversubscribed by 429.6%, which evidenced investors' confidence in the Bank's ability to promote a sustainable economy. Kijani Bond is listed at DSE.

Proceeds from the issuance of the Kijani bond will be used in the following projects/activities:

- Sustainable Agriculture
- Renewable energy
- Energy Efficiency
- Green building
- Sustainable Water and waste management
- Clean Transportation
- Sustainable forestry and fisheries

As a responsible bank, we ensure that our banking practices promote positive outcomes and do not harm the planet. We assess credit risks by incorporating environmental, social, and governance (ESG) factors into our ESMS. By adopting sustainable practices, we can better manage risks and capitalize on opportunities in the changing economic environment.

Environmental and social sustainability are crucial for achieving our desired outcomes and align with our long-term growth strategy. The Group is fully dedicated to minimising scope 3 emissions through sustainable lending. To accomplish this goal, we prioritize financing projects and businesses with a clear plan for responsibly managing social and environmental resources.

We follow international best practices, including the IFC Performance Standards, to ensure our investments support sustainability initiatives. We aspire to become a leader in sustainability in the region and make a lasting commitment to climate action. In addition, the Group will decarbonise our existing portfolio to achieve a green asset ratio of 15% by 2030 and 30% by 2050, up from the baseline of 7% in 2023. The portfolio review to identify green assets was done by the Climate Bonds Initiative (CBI) using MDB principles, ICMA principles and EU and CBI Taxonomy.

The portfolio's decarbonization will be implemented by communicating the Group's sustainability initiatives and engaging our stakeholders in the transition pathways towards reducing their carbon emissions.

25 SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) (Continued)

Our sustainability strategy (Continued)

Group initiatives to reduce our emissions (Continued)

Green building certification

Our head office building underwent independent verification in 2023 using IFC's EDGE certification framework. In 2024, our Bank was awarded a "Green Building Certification" after achieving the required minimum efficiencies of 20% in three key EDGE indicators: energy savings of 21%, water savings of 21%, and a reduction of 27% in embodied carbon in materials. This certification signifies that the building has demonstrated at least 20% in operational savings.

These certifications are granted by third-party organizations, which establish benchmarks for measuring a building's sustainability. Achieving EDGE certification goes beyond simply implementing sustainable practices; it reflects a commitment to enhancing our environment and inspiring others to improve their sustainability efforts. Our building has been recognized as one that is designed, constructed, and operated in an environmentally friendly and responsible manner.

Risk Management

The Group recognizes that conducting business entails both risks and opportunities. Effective risk management is imperative to address potential risks and pursue possible opportunities, to deliver our objectives and sustainable growth. The risk management framework aims to provide consistent guidance for managing the risks of the Group per good corporate governance principles.

The Group acknowledges that engaging in business activities inherently involves navigating both risks and opportunities. To successfully manage these uncertainties and capitalize on potential advantages, effective risk management is essential. This process not only safeguards our assets but also enables us to pursue avenues for sustainable growth and innovation.

The risk management framework is designed to establish a comprehensive and consistent approach for identifying, assessing, and mitigating risks across all levels of the Group. In alignment with best practices of corporate governance, this risk framework emphasizes proactive strategies that equip our leaders and teams with the tools necessary to make informed decisions. By fostering a culture of risk awareness and accountability, we aim to enhance our resilience in a dynamic business environment while ensuring the achievement of our strategic objectives.

More details on risk management are under section 10.

Metrics and Targets

Metrics and targets are crucial for assessing and managing Group climate-related risks and opportunities. These metrics help in monitoring and evaluating the Group's environmental impact and its progress towards sustainability goals.

The Group is currently engaged in a comprehensive effort to identify specific metrics and targets that will allow us to effectively monitor our progress toward achieving our sustainability goals. This process includes a thorough evaluation of climate-related risks and opportunities identified through our assessments. By establishing these precise metrics, we aim to implement effective strategies for managing and mitigating our environmental impact. The outcomes of this initiative, along with our developed targets, will be disclosed in our forthcoming sustainability report, providing stakeholders with a clear understanding of our commitments and progress in this critical area.

The Group's Contributions to SDGs

The United Nations (UN) has established 17 Sustainable Development Goals (SDGs) and corresponding targets to address barriers to economic, social, and environmental progress by 2030. These goals were adopted by all UN member states and provided a framework for transforming the world. As the leading banking institution in Tanzania, with a growing presence in other East African markets, we acknowledge our impact on the communities in which we operate. Therefore, we strive to support our communities comprehensively while safeguarding the environment and improving our business performance.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

25 SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) (Continued)

We recognise that our business plays a vital role in accomplishing the United Nations Sustainable Development Goals, which outline broad societal objectives for the world's most pressing social, environmental, and economic challenges. In line with this, we have identified SDG targets to which we can make the most significant contribution as per the below:

Priority Goal - SDG	Related SDGs	Our response
Goal No 13 Climate action	**15** - Life on land **14** - Life below water **7** - Affordable and clean energy **11** - Sustainable cities and communities **12** - Responsible consumption and production	We support green and climate finance initiatives, deploying environmental best practices that we incorporate into our investment and credit processes through a comprehensive Environmental and Social Management System (ESMS). We collaborate with different climate practitioners to mobilise financial resources and develop climate change mitigation and adaptation projects with the aim of meeting climate ambition targets.
Goal No 3 Good health and wellbeing	**2** - Zero hunger **6** - Clean water and sanitation	The bank contributes to ensuring sustainability in the community's access to quality healthcare and well-being for all ages by supporting health investments to promote balanced lives and investing in communities to promote long-term mental and physical health and well-being through our social investment corporate initiative.
Goal No 4 Quality Education	**16** - Peace, justice and strong institutions	We are committed to providing quality education infrastructure and opportunities for lifelong learning. During the year, we invested TZS 1 Billion to support the education sector. The investment was focused on upgrading infrastructure to improve students' learning environments.
Goal No 10 Reduced inequalities	**5** – Gender equality	We are committed to promoting gender equality and empowering women inside and outside our Bank. We have established the "She Initiative Program" to enhance women's leadership skills and offer the Malkia Account that enables women to save money and access loans at a special concessional rate. By providing women with these resources, we can help them achieve their financial goals and contribute to the growth of our economy.
Goal No 17 Partnership for the goals	None	The Bank has partnered with various strategic partners, such as the Green Climate Fund, to finance green projects in Tanzania. This is part of our efforts to meet SDG targets. The total funding value is US$200 Million (GCF US$100 Million and CRDB Bank US$100 Million). Using these concessional resources, CRDB Bank will launch three new financial products to support local agribusiness: a dedicated credit line for climate adaptation technologies and practices, a credit guarantee facility to expand access to new borrowers, and a weather-indexed insurance product to help protect against losses from climate-related events.

25 SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) (Continued)

Climate-Related Risk and Opportunities

The Bank is fully committed to upholding a high level of transparency regarding its environmental, social, and governance (ESG) practices. In alignment with the International Financial Reporting Standards (IFRS) S2, we meticulously provide comprehensive disclosures that highlight the various climate-related risks and opportunities that may influence our operations, strategic initiatives, and overall financial performance.

These disclosures aim to provide stakeholders with comprehensive insights into how the Bank identifies, assesses, and manages climate-related risks, including both physical and transition risks, as well as the opportunities arising from the transition to a lower-carbon economy. This commitment enables us to proactively address potential challenges while also capitalising on emerging opportunities related to climate change, demonstrating our dedication to sustainable business practices and responsible bank.

By adhering to IFRS S2, The Bank ensures that its stakeholders are well-informed about the bank's climate governance, strategy, risk management, metrics and targets, and performance, enabling them to make decisions regarding their engagement with the Bank.

Climate-related risks to which the bank is exposed

Physical Risks

These risks arise from the physical effects of climate change, including acute risks such as extreme weather events (e.g., floods and droughts) and chronic risks like rising sea levels and changes in temperature. Such events can disrupt our operations, impair asset values, and affect the financial health of our clients.

Transition Risks

Transitioning to a lower-carbon economy presents a range of risks, including regulatory changes, market shifts, technological advancements, and reputational impacts. Regulatory changes may require compliance with new laws and regulations, while market shifts could affect the demand for our products and services. Technological advancements could render our existing systems obsolete, and reputational impacts could arise from stakeholders' expectations of our environmental performance.

Climate change poses financial and physical risks stemming from the transition, which may affect our business's financial performance as climate risks materialise into financial risks. We evaluate climate-related risks as part of our comprehensive risk management strategy. We identify potential risks in the current risk structure and take proactive measures to mitigate or manage these risks through our ESMS.

The below table show the assessment of Climate risk, which may materialise in the different financial risk categories as a reaction to physical and transition risks.

Climate risk	Credit Risk	Market Risk	Operational Risk	Liquidity and funding Risks	Our response
Physical risks	• Impairment of collateral, which may increase credit risk	• Fluctuation of foreign exchange • Increase in interest rate	• increase in impairment losses resulting in decreased profitability • unavailability of banking Services.	Decreased bank liquidity due to reduced cash flow makes it more challenging to meet our short-term obligations and funding growth.	We have a robust risk management framework to identify, quantify, manage, and monitor risks effectively.
Transition risks	• Stranded assets • Increase in default from the sectors impacted by the transition to a low-carbon economy	• Price fluctuations due to policy changes	• Fines and penalties due to noncompliance with the new policies • Increase in cost	Decrease in cashflow	

25 SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) (Continued)

Climate-Related Risk and Opportunities (Continued)

Climate-related risks to which the bank is exposed (Continued)

Climate-Related Risks and Potential Financial Impacts

Risk	Climate-Related Risks	Potential Financial Impacts	Our responses/ mitigation
	Policy and Legal		
Transition Risks	• Enhanced emissions-reporting obligations • Changes in regulation of existing services • Exposure to litigation for non-compliance	• Increased operating and investment costs • Write-offs of stranded assets • asset impairment due to policy changes	• We are actively engaging with policymakers to ensure we comply with regulations.
	Technology		
	• Substitution of existing products and services with lower emissions options • Costs to transition to lower emissions technology	• Write-offs of systems due to emerging eco-technologies. • Research and development (R&D) expenditures in new and alternative technologies • Capital investments in the new technology. • Costs increase due to changes in processes.	• Our digital banking products are designed to have a low carbon footprint i.e. • Simbanking, Internet banking, e-statement
	Market		
	Changing customer behaviour Uncertainty in market signals	• Reduced demand for goods and services due to shift in consumer preferences • Unexpected and sudden changes in energy prices.	• The bank issued a green bond to fund sustainable projects, reflecting customer demand for eco-friendly products. • Engage and encourage stakeholders to join us in our sustainability journey.
	Reputation		
	Increased stakeholder concern or negative stakeholder feedback	• Reduced revenue from decreased demand • Reduction in fund availability from our • Investors/strategic partners	• We continue to manage our carbon footprint and transition to low carbon economy
Physical risks	**Acute**	• Reduction in revenue • Write-offs of damage to property • Increased capital costs (e.g., for replacing damaged facilities) • Disruption of the supply chain • Interrupted or suspended transportation for customers and employees to reach offices.	• We have developed an incidence and crisis management guideline to ensure we have the necessary resilience and crisis management • Continues to ensure health and safety measures are in place.
	Increased severity of extreme weather events such as floods		
	Chronic		
	• Changes in precipitation patterns and extreme variability in weather patterns • Rising mean temperatures • Rising sea levels		

25 SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) (Continued)

Climate-Related Risk and Opportunities (Continued)

Climate-related risks to which the bank is exposed (Continued)

Climate-Related Opportunities and Potential Financial Impacts (Continued)

	Climate-Related Opportunities	Potential Financial Impacts	Our responses
Resource efficiency	• Reduced water usage and consumption. • Waste management • Energy efficiency, e.g., Use of LED lighting technology	• Reduced operating costs • Reduce our carbon footprint • reducing paper usage	• We continue to invest in energy-efficient equipment such as LED lights and inverters. • We have waste management dust bins • We have motion sensor lighting in some of our buildings to manage the usage of electricity • Our HQ building has a sensor water tap to manage water usage
Energy Source	• Use of lower-emission sources of energy, for example, the use of solar energy	• Reduced operational costs using alternative sources of energy, e.g. use of Solar energy	• Continue to finance investments in renewable energy
Products and services	• Investment in digital solutions to increase transaction volumes	• Increased revenue	• Continue to invest in digital platforms to reduce carbon emissions
Markets	• Access to sustainable financing • Access to funds from strategic partners who are keen on sustainable projects	• Increased revenues through access to new and emerging markets • Increased funding	• In 2023, the Bank issued a green bond to fund sustainable projects,
Build Resilience	• Improving efficiency towards creating a sustainable future	• Increased revenue through the introduction of new sustainable products and services (Low emissions)	• Continue with the adaptation and mitigation of climate-related risk and development of sustainable products and services

Climate-Related Opportunities available to the Bank

The Bank adopts a proactive and comprehensive approach to managing climate-related risks while also seizing opportunities that arise from the changing environment. This commitment highlights our dedication to sustainable development and responsible banking practices. Through regular assessments of the potential impacts of climate change on our operations and services, we strive to not only mitigate risks but also capitalize on new opportunities that can drive growth. Our goal is to generate enduring value for all our stakeholders, while also making a meaningful contribution to environmental sustainability and societal well-being.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

25 SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) (Continued)

Climate-Related Risk and Opportunities (Continued)

Climate-Related Opportunities available to the Bank (Continued)

Sustainable Agriculture	Including Agriculture Resilience and Adaptation (ARA) lending operations and supporting a guaranteed credit-enhancement facility and insurance products and services to ease financing for smallholder farmers pursuing adaptation investments.

Eligible technologies and practices may include:

- Greening farming Infrastructures: Shading house, Storage facilities for crop protection (including port-harvest to reduce waste) and Water storage facilities.
- Crop Productivity and soil/water management: Crop shifting, nature-based methods of harvesting, protected cultivation solutions, rainwater harvesting, solar pumps, etc
- Post-harvest waste solutions: Transformation of agricultural products using energy-efficient and renewable solutions.
- Reduced energy use in traction (e.g., efficient tillage), irrigation, and other agriculture processes.
- Rehabilitation of degraded lands (including reforestation/afforestation, agroforestry).

Environmental/social benefits

- GHG emissions reduction (CO_2 tons equivalent)
- Number of most vulnerable people and communities positively impacted through improved health and well-being and food and water security.
- Increased lending to the agricultural sector; Investments in adaptation and resilience measures to address climate risks in the agriculture sector (cropping sector) in the face of climate variability.

Renewable Energy	Renewable energy generation and efficiency projects.

Eligible assets for the acquisition, conception, construction, operation, development, and installation of renewable energy generation sources and facilities with associated transmission and grid infrastructure, including:

- Wind projects, including onshore and offshore wind energy projects.
- Solar photovoltaic and Concentrated Solar Power
- Hydropower facilities/hydroelectric projects
- Environmental/Social benefits
- GHG emissions reduction (tons CO_2 equivalent)

Green Building	Financing the construction, acquisition or retrofitting of Green buildings

Eligible assets for the construction, acquisition or retrofitting of Green buildings which meet the regional/ national /internationally recognized standards or certification as per below:

- Green buildings with certification from EDGE certified, EDGE Advanced, EDGE Zero carbon, LEED Gold

Environmental/Social benefits

- GHG emissions reduction (tons C02 equivalent)
- Energy saved - materials.
- Water saved

Energy efficiency	Financing clean and efficient manufacturing and other industrial processes.

Eligible Assets to support customers involved in the development, manufacture, repair, maintenance or installation of energy efficiency technologies, products, and systems including:

- Bio-based products that are certified by the Roundtable on Sustainable Biomaterials (RSB)
- Industrial energy-efficiency improvements through the installation of more efficient equipment.
- More efficient replacement of older facilities, including sensors, automatic switches, and energy-star-certified lights and utilities. Improvement in utility-scale energy efficiency through efficient energy use, and loss reduction
- Waste-to-energy projects/facilities that follow the waste hierarchy to ensure that as much of the waste as possible is reused and recycled before being converted to energy.

Environmental/Social benefits

- GHG emissions reduction (tons C02 equivalent)
- Reduced waste to landfill (tonnes/year)

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

25 SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) (Continued)

Climate-Related Risk and Opportunities (Continued)

Climate-Related Opportunities available to the Bank (Continued)

Sustainable water and waste management.	Financing sustainable infrastructure for clean and drinking water, wastewater treatment, sustainable urban drainage systems and other forms of flooding mitigation.
Eligible Assets to support the construction, extension, renewal, upgrade or operation of sustainable water and wastewater facilities, including: • sustainable infrastructure for clean and drinking water, wastewater treatment, sustainable urban drainage systems and other forms of flooding mitigation. • Eligibility excludes wastewater treatment from fossil fuel operations.	
Environmental/Social benefits • Water saved (m^3) • Waste and water treated (m^3) • Access to clean water and sanitation	
Clean Transportation	Financing Clean transportation to support the transition to low-carbon transportation.
Eligible Assets supporting the transition low carbon transportation of people and materials, including for the development, sale, operation, and upgrade of infrastructure projects, including for: • Sustainable transportation solutions, i.e., Electric power trains and vehicles Green transport modes rely on renewable energy sources such as wind and solar energy, hydroelectricity, and biomass.	
Environmental/Social benefits • GHG emissions reduction (tons CO_2 equivalent)	
Sustainable forestry and fisheries	Comprised of operation, construction, maintenance and development of land-based fish farming, facilities with wastewater treatment, including wastewater from land-based aquaculture activities, except the treatment of wastewater from fossil fuel operations.
• Sustainably Managed Forestry that increases carbon stocks • Biosphere conservation projects targeting reducing emissions from the deforestation or degradation of ecosystems. • Sustainable aquaculture comprises the operation, construction, maintenance, and development of land-based fish farming.	
Environmental/Social benefits • Protected or restored habitats • Forest / native vegetation restoration • GHG emissions reduction (tons CO_2 equivalent)	

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

25 SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) (Continued)

Group's Initiatives Towards Low Carbon Economy

The Group has been actively involved in promoting a low-carbon economy through several key initiatives. These initiatives encompass investments in sustainable projects, partnership with environmentally conscious organizations and the development of green financial products aimed at reducing carbon footprints that aligns with the Bank's mission to support environmentally friendly initiatives. Through these strategic actions, the Bank is not only contributing to environmental sustainability but also encouraging its clients and the wider community to adopt greener practices.

Below are some initiatives:

Green, Social, and Sustainability Bond Framework

In March 2023, the Bank introduced an innovative Green, Social, and Sustainability Bond Framework, highlighting its strong commitment to promoting environmental and social sustainability. This comprehensive framework is designed to support and prioritize a range of impactful projects aimed at enhancing ecological and social well-being. Key initiatives under this program include those focused on renewable energy sources, improvements in energy efficiency, and projects that strengthen climate resilience. Through this strategic approach, the Bank aims to foster a sustainable future for both communities and the environment.

Green Bond Issuance

Recognizing the urgent need to address the impact of climate change, in 2023 the Bank issued the first Green Bond branded as "Kijani Bond" to finance climate-friendly projects. The proceeds from this bond are used to support sustainable development initiatives such as climate-smart agriculture, renewable energy, water management, forestry, and green building projects.

Green Climate Fund (GCF) Accreditation

The Bank has earned esteemed accreditation from the United Nations Green Climate Fund (GCF), positioning itself as a pivotal financial intermediary in the advancement of green financing initiatives across Tanzania. This accreditation is not merely a badge of honor; it signifies the bank's capability to access and mobilize substantial financial resources for a diverse range of large-scale projects.

These projects are designed to deliver a profound impact on both social and economic development, addressing critical issues such as climate change mitigation, renewable energy adoption, and sustainable resource management.

By leveraging this opportunity, The Bank is actively involved in fostering transformative change throughout the country, ensuring that projects align with sustainable development goals while improving community resilience and promoting environmental stewardship. Through strategic partnerships and innovative financing solutions, the bank is committed to driving progress that benefits both people and the planet.

Sustainable Finance Unit (SFU)

The Bank has a dedicated Sustainable Finance Unit (SFU) that oversees the implementation of climate action projects based on our social and environmental policies and procedures. The SFU ensures that our projects adhere to international best practices and environmental and social management systems (ESMS). This unit is guided by our comprehensive social and environmental policies and procedures, ensuring that all initiatives align with our commitment to sustainability. The SFU not only monitors compliance with these internal policies but also ensures that our projects adhere to international best practices. In doing so, it rigorously applies environmental and social management systems (ESMS) to assess and mitigate potential impacts, fostering responsible and effective project execution that supports our broader environmental goals.

25 SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) (Continued)

Group's Initiatives Towards Low Carbon Economy (Continued)

Sustainable Finance Unit (SFU) (Continued)

The bank has established a governance framework designed to ensure that both the Board of Directors and senior management play an active role in overseeing sustainability and climate-related risks and opportunities. This framework facilitates an integrated approach to governance, where climate risks and opportunities considerations are not only recognized but also prioritized within the organization's overall strategy.

The Board receives quarterly updates on sustainability initiatives, allowing for informed discussions and decision-making. These updates encompass various aspects, including progress on current sustainability projects, challenges faced, and potential opportunities for enhancement. By incorporating sustainability into the strategic decision-making process, the bank aligns its business objectives with the broader goals of the environment, where the Climate is the central focus and social responsibility, ensuring that sustainability is a fundamental element of its long-term strategy. This proactive approach helps the bank effectively manage climate risks and opportunities while positioning it as a leader in sustainable banking practices.

Sustainability Disclosure Topics

Sustainability disclosure topics encompass a broad range of areas that reflect the Group's impact on the environment, society, and governance. The sustainability disclosure topics include;

- Data security
- Incorporation of ESG matters in credit analysis
- Business Ethics and code of conduct
- Financial inclusion and capacity building
- Financed emissions
- Systematic Risk management

These topics represent the Group's comprehensive approach to sustainability, ensuring that our operations align with broader societal goals and positively impact the communities we serve. By addressing these areas, the Group provides a clear view of its sustainability efforts, enabling stakeholders to understand our commitment to responsible and sustainable practices. This holistic approach not only enhances the Group's reputation but also fosters trust and promotes positive change.

Data security initiatives at our Group

The Group is deeply committed to ensuring the security of its operations, customers, and stakeholders. As part of our comprehensive sustainability agenda, we have implemented a range of robust security measures designed to safeguard our assets, sensitive data, and overall operational integrity. This commitment significantly contributes to a safer, more resilient banking environment.

Our dedication to security is not just a regulatory requirement; it is an integral component of our sustainability strategy. We continually assess and enhance our security protocols, ensuring that they adapt to emerging threats and technological advancements. This dynamic approach enables us to create a safe and trustworthy banking atmosphere for our customers and stakeholders alike.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

25 SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) (Continued)

Sustainability Disclosure Topics (Continued)

Data security initiatives at our Group (Continued)

Specifically, our initiatives encompass multiple facets of security, including;

Cybersecurity Enhancements	• Advanced Threat Detection: CRDB Bank has invested in state-of-the-art cybersecurity technologies to detect and mitigate potential threats. This includes real-time monitoring systems and AI-driven threat analysis. • Employee Training: Regular training sessions are conducted to educate employees on cybersecurity best practices, ensuring they are equipped to handle potential security breaches.
Physical Security	• Secure Facilities: Our branches and data centers are equipped with advanced security systems, including surveillance cameras, access control mechanisms, and alarm systems to prevent unauthorized access. • Emergency Response Plans: We have established comprehensive emergency response plans to address any physical security incidents promptly and effectively.
Data Protection	• Encryption Protocols: CRDB Bank employs robust encryption protocols to protect sensitive customer data during transmission and storage. • Compliance with Regulations: We adhere to national and international data protection regulations, ensuring that our data-handling practices meet the highest standards of security and privacy.

Our cybersecurity team employs cutting-edge technologies and monitors systems 24/7 to detect and mitigate potential threats swiftly. We are continuously improving our security measures and aim to create a safe and trustworthy banking environment for our customers and stakeholders, reflecting our commitment to sustainable and responsible banking practices.

Incorporation of environmental, social, and governance factors in credit analysis

As a responsible banking institution, we are committed to implementing banking practices that drive positive environmental and social outcomes while safeguarding the planet. We rigorously evaluate credit risks by incorporating comprehensive environmental, social, and governance (ESG) factors into our robust Environmental and Social Management System (ESMS). Our Bank has developed a detailed credit appraisal checklist designed to assess and prioritize ESG considerations before approving any financial projects or investments. The assessment cuts across all segments, including commercial lending and project finance.

By proactively adopting sustainable practices, we manage risks effectively and capitalize on emerging opportunities within the dynamic economic landscape. We recognize that environmental and social sustainability are crucial for achieving our strategic objectives and long-term growth trajectory. Our credit policy is intentionally designed to prioritize projects that enhance environmental stewardship and social equity, ensuring that we contribute positively to the communities we serve.

Furthermore, we adhere to international best practices, including the International Finance Corporation (IFC) Performance Standards, which guide us in evaluating the sustainability and impact of our projects. With a focus on fostering innovation in sustainable finance, we aspire to set a benchmark for sustainability leadership within our region. Our unwavering commitment to climate action underpins all our initiatives, driving us to promote a greener, more sustainable future for all stakeholders involved.

25 SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) (Continued)

Sustainability Disclosure Topics (Continued)

The Bank's environmental, social and climate risk management policy

The Bank is committed to promoting environmentally sound and sustainable development in the full range of its credit products. The Bank believes that environmental, social, and climate sustainability is a fundamental aspect of achieving outcomes consistent with its credit policy and recognises that projects that foster environmental, social, and climate resilience rank among the highest priorities of its activities.

The policy's objectives are to Provide a mechanism to enable the Bank to optimize opportunities, manage climate risks and impacts, and improve the outcomes of the financed activities by incorporating climate-related financial risks into our governance and risk management practices in portfolio management and across the bank's operations.

Oversight and accountability to the incorporation of ESG factors

Responsibilities of the Board

- Approve the Environmental, Social, and Climate Risk Management Policy as recommended by senior management and ensure that the management complies at all times with the requirements of this policy.
- Approve the implementation of green and climate finance-related projects or programs under international funds.
- Provide an oversight role to ensure compliance with all applicable legal and regulatory requirements of environmental, social, and climate risk management.

Responsibilities of the credit department

- Ensure that all projects/business activities loan packs have dully filled environmental and social Risk Assessment (ESRA) checklist and incorporate the climate-related financial risk issues and field visit reports are in place.
- Ensure the ESRA checklist has been completed by the responsible lending officer (RO/RM) during customer recruitment and/or during regular customer meetings with key personnel, monitoring, or when customers request project expansion or additional financing enhancement.
- Ensure the availability of the Environmental and Social Risk Assessment (ESRA) section to all credit appraisal templates in order for the credit analyst to input his or her environmental and social as well as climate-related analysis observations.
- Involve the Sustainable Finance Unit (SFU) in the review of various credit documents, including appraisal templates, policies, procedures, training guidelines, curriculums, and manuals, to ensure the inclusion of ESRA and climate risk assessment in the credit flow from end to end.
- Ensure that climate-related financial risks are assessed, for instance, during client onboarding, credit application, and credit review processes.
- The credit management team and other authorities in the loan appraisal, approval, and disbursement processes should be aware and consider that E&S risks are as critical as other risks during the credit appraisal process. The commitment of management will motivate other technical staff to consider ESRA during day-to-day project financing.
- The Department of Credit should include the topics of environmental, social, and climate issues and involve the Sustainable Finance Unit (SFU) in all credit-related training for all levels, including entry-level, periodic, and internal training curriculum, in order to build internal capacity and awareness for sustainability, environmental, and social management systems (ESMS) and climate-related financial risk exposures and mitigation tools of the bank.
- Ensuring that Environmental, Social and Climate-related risk covenants in loan agreements executed between the bank and borrowers are adhered to. Ensuring that Environmental and Social covenants in loan agreements executed between the bank and borrowers are adhered.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

25 SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) (Continued)

Sustainability Disclosure Topics (Continued)

Business ethics and code of conduct

The Group is dedicated to protecting its reputation and that of our stakeholders as we fulfill our responsibilities. This oversight lies entirely with the bank's management and employees. We believe that maintaining an ethical culture in the financial sector is crucial for customers, employees, regulators, and the banking sector's integrity. A secure, reliable, and efficient financial system is one of the pillars of economic stability in any country. Therefore, nurturing an ethical culture is essential for our Bank.

Based on this commitment, we have developed a Code of conduct with a comprehensive set of minimum behaviors, conduct standards, and acceptable practices that all employees must demonstrate and adhere to while performing their duties within the Bank. This commitment ensures everyone upholds the Bank's values and maintains a professional environment.

Objectives of our code of conduct

The Bank recognizes the importance of maintaining the highest standards of professionalism, integrity, honesty, and fairness among all its staff. Therefore, it is committed to taking all necessary measures to uphold these principles. The objectives of this Code of Conduct are to ensure strict adherence to the best banking practices in accordance with the Tanzania Bankers Association's (TBA) guidelines and to promote a continuous commitment to ethical conduct and professional standards among all staff and stakeholders. This commitment aims to strengthen the core values of both the Bank and TBA.

Below are the specific objectives of our code of conduct:

- Guide every Staff member to meet their professional obligations to customers and other stakeholders by maintaining and enforcing the highest level of professionalism, integrity, and ethical conduct.
- Ensure that staff conduct themselves in a manner that always befits the good name and image of the Bank and the banking industry.
- Ensure that every staff member complies with applicable laws and regulations guiding the banking industry by upholding and adhering to the spirit and principles provided for in this code of conduct.
- Reaffirm and restate the commitment of the Bank and its staff to adhering to specific obligations provided in this code of conduct and TBA. Put in place mechanisms for enforcing this code of conduct to achieve its intended purpose.

Purposes of the code

The main purpose of this code of conduct is to set and maintain a standard for acceptable behavior for all bank employees. It acts as a reminder to the employees of what is expected of them. It further highlights that their actions should always align with the ethos of the business to protect the reputation of "the Bank" and its Employees.

The purpose is to identify specific behaviors that are either essential to success or those that could negatively impact objectives or the wider reputation of the Bank. The Bank foresees compliance mechanisms, disciplinary procedures, and grievance actions that are appropriate if employees fail to comply with the Code. Any employee who breaches or fails to report an actual or suspected breach will be subjected to corrective and disciplinary action. Corrective or disciplinary action can range from reprimands to termination of the working relationship, depending on the severity of the breach.

Core principles for the Group code of conduct

Our core ethical values, outlined in the table below, establish a corporate code of ethics that requires understanding and active participation from everyone in the Group. This Code specifies the expected standards of behavior and the operating principles that must be followed. Every staff member is required to ensure that the bank always maintains high ethical standards and that adequate internal control measures are in place to guard against unethical practices.

25 SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) (Continued)

Sustainability Disclosure Topics (Continued)

Business ethics and code of conduct (Continued)

Core principles for the Group code of conduct (Continued)

Service excellence	• Provide excellent service to clients, partners, and colleagues. • Value strong and long-term relationships with clients, partners, and colleagues • Strive to understand the need of clients, partners, and colleagues
Professional behaviour	• Comply with professional standards and applicable laws and regulations • Avoid any action that may discredit the Bank.
Integrity	• Earn trust by straightforward and honest behaviour in professional and business relationships. • Be truthful about the services provided, the knowledge possessed, and the experience gained.
Fair business practices	• Be committed to fair business practices and "arm's length" transactions. • Respect competitors and do not compete unfairly.
Accountability	• Understand one's responsibilities and decisions and assume them without trying to avoid them. • Report any relevant misconduct using the proper escalation and clearance protocol.
Objectivity	• Be objective in providing services and advice to our customers. • Address differences of opinion and handle them constructively and professionally.
Confidentiality	• Respect the confidentiality of information. • Do not misuse information of the Bank, clients or colleagues for personal advantage or for the benefit of third parties.
Respect & Diversity	• Treat all colleagues with respect, courtesy, and fairness. • Encourage and value the diverse mix of people, opinions, and experiences. • Promote equal opportunity for all.

Compliance with the Group code of conduct

Compliance with our code of conduct is embedded in our employment contracts, recruitment and performance management activities. All employees must comply with our code of conduct and report conduct that may breach the law, the code or policy.

Any employee, contractor, or consultant can confidentially report concerns about conduct, practices, or issues to our Risk and compliance department and the HR department. To help our employees apply the principles of our code of conduct, we have developed a training course for newly appointed employees as part of the induction course. Annually, all employees are reminded of the code of conduct when declaring assets and liabilities. Additionally, employees must undertake mandatory training on anti-money laundering and counter-terrorist activity, personal data protection and privacy, and cyber security.

Metrics

As a financial institution, we operate under stringent legal regulations designed to combat tax evasion, fraud, insider trading, antitrust behaviour, money laundering, corrupt practices, price fixing and market manipulation. To uphold our commitment to ethical banking and integrity, we have implemented a comprehensive zero-tolerance framework. This framework aims to rigorously enforce compliance with all applicable laws and regulations. We prioritize transparency and accountability in our operations, ensuring all employees are trained to recognise and report suspicious activities. By maintaining these high standards, we strive to protect our customers, shareholders, and the broader financial system from illicit activities.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

25 SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) (Continued)

Sustainability Disclosure Topics (Continued)

During the year, the Bank had no significant monetary losses resulted from legal proceedings associated with fraud, insider trading, antitrust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations.

Reporting compliance

Reporting misconduct is crucial to ensure ethical practices and maintain trust within the Group. Employees and stakeholders are encouraged to report any unethical behaviour, fraud, or violations of Group policies through established channels such as the internal whistleblowing system, dedicated hotlines, or directly to the Risk and compliance department and Human resource department. The Bank guarantees confidentiality and protection against retaliation for those who come forward with genuine concerns. By fostering a culture of transparency and accountability, the Bank aims to uphold its integrity and commitment to ethical standards.

Group whistle-blower policies and procedures

The Group has strong whistle-blowing policies and procedures with the primary objective of promoting a framework within the Bank where staff are encouraged and feel confident to reveal and report any fraudulent, immoral, unethical, or malicious activity or conduct of fellow employees, management, those charged with governance, clients, consultants, vendors, contractors, and any other parties with a business relationship with the Bank which in their opinion may cause financial or reputational loss to the Bank. The policy is essential for maintaining a positive compliance culture in which employees adhere to all internal bank policies and respect the country's applicable laws and regulations.

The Bank is committed to maintaining the highest possible standards of ethical and legal conduct within all its projects, programs, and businesses. In line with this commitment and to enhance good governance and transparency, this policy provides an avenue for raising concerns related to fraud, corruption, or any other misconduct and assuring that persons who disclose information about these misconducts will be protected from retaliation. The policy sets out the mechanism for employees and non-employees to report any concerns or suspicions regarding possible violations of laws, rules or regulations or suspected wrongdoing of internal Bank policies, standards, or procedures.

The whistle-blower and Witness Protection Act of 2015 makes it illegal for employers to retaliate against whistle-blowers. Staff are periodically trained as part of induction and ongoing development, encouraging staff and other stakeholders to bring out information helpful in enforcing good corporate governance practices. The whistle-blower section is also found on the bank's website, where customers and other stakeholders are advised to raise concerns on misconduct through either internal or external - Independent third-party channels. The whistle-blowers have options of whether to reveal their identity or remain anonymous.

Issues that may be reported through the Bank whistleblowing channels include:

- Breaches of group policies and procedures „
- Abuse of power or authority
- Fraud, theft, bribery or corruption
- Incidence of noncompliance with laws and regulations „
- Human rights abuses
- Sexual misconduct
- Discrimination and harassment
- Danger to the health and safety of others

All received whistle-blowing cases were kept confidential and anonymous, and they were all addressed.

25 SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) (Continued)

Sustainability Disclosure Topics (Continued)

Financial inclusion & capacity building

We are dedicated to fostering financial inclusion by ensuring our community can access affordable and convenient financial products and services, regardless of location, background, or financial status. Our brand propositions and offerings have been designed to cater to our customer's diverse and evolving needs. We have invested significantly in the latest technologies and innovative delivery channels to ensure our services are accessible to everyone. We are committed to providing a level playing field for our customers, especially those in underserved and remote areas, to help them achieve their financial goals and aspirations.

The Bank has seen a significant increase in its customer base, which has grown to 6.4 Million from 4.0 Million in 2023. This growth has been attributed to the expansion of our agency banking services, which have played a crucial role in providing access to financial services. We have grown our agency network to 36,566 from 34,627 in 2023, highlighting our commitment to delivering services to the unserved population. Furthermore, the bank has seen an increase in online transactions by 53% through our various digital channels.

Creating an enabling banking environment for everyone

Promoting financial inclusion involves increasing accessibility of our financial products by the low-income earners group. Through our various digital solutions, we have managed to increase the accessibility of our banking products by the underbanked community. We believe that digital transformation to reduce the cost of access is crucial towards greater financial inclusion. We have carried out several initiatives to provide communities with affordable products and services to elevate their financial well-being.

The Bank has entered into several agreements with international agencies to secure funds to facilitate the provision of affordable loans to women and youth. Through such funding arrangements, the Bank has provided affordable loans to women and youth borrowers, particularly in the education & health sectors, MSMEs, and the informal sectors in Tanzania.

The below table shows the amount of loans outstanding that qualify for programmes designed to promote small business and community development.

Outstanding Loan balances in TZS' Million	2024	2023
Loan to SMEs	1,270,496	967,739
Loan to women	1,619,125	1,596,883
Loan to small farmers	74,214	49,493
Loan to Government workers	1,984,279	2,450,807
Total	**4,948,114**	**5,064,922**

Promoting financial literacy

We strongly believe that financial literacy can empower our stakeholders to make better and more informed financial decisions, which help them to gain control of their future. To this end, we have implemented a diverse range of initiatives that are designed to enhance financial knowledge and awareness. For instance, every year, we organise various seminars, including "Uwekezaji Day" and the AGM, which incorporate topics on financial literacy for our shareholders and other stakeholders. These seminars are facilitated by experts from both within and outside the Bank.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

25 SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) (Continued)

Sustainability Disclosure Topics (Continued)

Financial inclusion & capacity building (Continued)

Promoting financial literacy (Continued)

Our CRDB bank foundation continues to empower individuals with valuable financial literacy training and capacity-building sessions through our dedicated program. These initiatives aim to enhance their business and financial management skills, transforming their lives and bolstering local economies to their fullest potential. In 2024, we reached 196,650 (2023:109,722) women and youth across Tanzania, further solidifying our commitment to fostering economic empowerment and sustainability within the communities we serve.

Furthermore, during holidays, we conduct free training sessions on financial literacy for students of all levels. Through these initiatives, we aim to educate and empower students to become more financially savvy and confident in making financial decisions.

Promoting Financial Inclusion

Our approach to financial inclusion centres on the CRDB Bank Foundation through the Imbeju programs and our Al Barakah banking. Through our Imbeju program, we are committed to promoting financial inclusion by offering various services/products including savings accounts that have been specifically designed to remove barriers for the unbanked and underbanked populations. These accounts come with no monthly maintenance fees, allowing customers to save their money without incurring unnecessary charges. Customers only incur transaction fees, making the account both accessible and cost-effective.

This initiative aims to empower individuals who may have previously felt excluded from traditional banking services. As a testament to our efforts, during the year, 144,810 accounts were opened (68,043:2023). From our records, no account was closed during the year (Nil:2023).

Our Al Barakah banking offers Islamic banking services designed specifically to cater to the community's needs that adhere to Shariah laws. Unlike conventional banking options, our Islamic window provides tailored financial solutions that align with religious principles, ensuring that our clients can manage their finances in a manner that respects their beliefs and values. Our commitment is to serve those seeking banking alternatives that are ethical and in harmony with their faith. In 2024, our third year of operation, we continued to experience significant growth, expanding our customer base from 112,621 in 2023 to 296,000 by the end of 2024, a growth of 162% year-on-year.

Short and long-term strategy to increase small business and community development

The initiative is a key component of our overall group strategy, which aims to optimize our portfolio mix by placing a stronger emphasis on retail loans in comparison to corporate loans and advances. Specifically, our focus is on increasing the volume of retail loans, which encompasses small and medium enterprises (SMEs), micro, small, and medium enterprises (MSMEs), as well as personal loans. This strategic shift is designed to not only diversify our lending activities but also to cater to the growing demand in the retail lending sector and support economic development at various levels. By enhancing our offerings in these areas, we aim to strengthen our market position and better serve our customers' financial needs.

Managing financed emissions

These emissions refer to the greenhouse gases that the Bank indirectly finances through our lending and investment activities. As part of our comprehensive commitment to sustainability and the global transition to net-zero emissions, the Group is actively assessing financed and associated greenhouse gas emissions across our portfolio. This assessment includes a detailed analysis of various sectors and projects we support, with the aim of identifying and understanding the carbon footprint linked to our financial activities. By doing so, we strive to enhance our accountability and align our strategies with international climate goals, ultimately supporting a more sustainable future.

25 SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) (Continued)

Sustainability Disclosure Topics (Continued)

Managing financed emissions (Continued)

This involves several key steps:

- Assessment of carbon footprint: We are conducting comprehensive assessments of the carbon footprint associated with our loan portfolios, beginning with the corporate and mortgage segments. This process involves identifying high-emission sectors and projects and quantifying the emissions they generate.
- Setting reduction targets: Based on our ongoing assessment, we will establish ambitious yet achievable targets to reduce financed emissions. These targets will align with our Group strategy and adhere to international standards and frameworks, such as the Paris agreement and the science-based targets Initiative (site).
- Implementing reduction strategies: we will implement various strategies to meet our reduction targets. These include promoting green financing, supporting renewable energy projects, and encouraging our clients to adopt sustainable practices.
- Monitoring and reporting: Continuous monitoring and transparent reporting are essential to our approach. We will regularly track our progress toward emission reduction targets and report to stakeholders, ensuring accountability and transparency.

Green financing initiatives

CRDB Bank has taken significant steps towards green financing, demonstrating our commitment to environmental sustainability. In 2023, the Bank launched the Medium-Term Note Programme (MTN) worth TZS 780 Billion, equivalent to US$300 Million. This became the first bond with green, social, and sustainability components to be issued in Tanzania and the largest in Sub-Saharan Africa by a company listed on a stock exchange. The objective of the MTN is to raise funds that will be used to finance eligible Green, Social, and Sustainability projects under the bank's sustainability bond framework. This aligns with the International Capital Markets Association (ICMA) principles and recommendations. The MTN will be issued in tranches.

Green climate fund (GCF) accreditation

In 2021, CRDB Bank became the first commercial Bank in Africa approved by GCF, with a total funding value of US$200 Million [GCF US$IOO Million ((70mn Senior Loans + 10mn Guarantees + 20mnGrants) and Co-financing US$IOO Million]. Using these concessional resources, the Bank will launch three new financial products to support local agribusiness:

- A dedicated credit line for climate adaptation technologies and practices.
- A credit guarantee facility to expand access to new borrowers.
- A weather-indexed insurance product to help protect against losses from climate-related events.

This program aims to reach more than 6.1 Million direct and indirect beneficiaries by transforming the country's climate financing processes to address affordable climate adaptation technologies in the agriculture sector. This will ultimately boost food security and enhance the resilience of the agricultural sector, including smallholder farmers, thereby improving our citizens' livelihoods and quality of life.

The loan is disbursed in tranches within a program implementation period of 5 years. In 2023, the Bank received the first tranche of USD 35 Million out of USD 70 Million as an adaptation credit facility for executing a lending program titled Tanzania Agriculture Climate Adaptation Technology Deployment Programme (TACATDP). The program is expected to support farmers in Tanzania in accessing loans that will enable them to acquire climate adaptation technologies to increase resilience in farming activities and combat the effects of climate change in agriculture.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

25 SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) (Continued)

Sustainability Disclosure Topics (Continued)

Systemic Risk Management

Effective risk management is crucial to safeguard our financial health and prevent systemic instability. Our robust risk management framework helps in identifying, assessing, and mitigating potential losses from credit defaults, market fluctuations, liquidity issues, interest rate changes, and operational failures and reports the risks inherent to our business operations to the appropriate levels of management so that risk mitigation actions can be implemented.

Through the effective use of processes, information, and technology, we have developed a multi-layered risk management framework that identifies, assesses, monitors, and manages risks (credit risk, market risk, liquidity risk, interest rate risk, and operational risk). Our framework incorporates a Board-approved Stress Testing Policy & System, a vital component of our Internal Capital Adequacy Assessment Process (ICAAP). Stress testing plays a vital role in this assessment by simulating a variety of stressful, yet realistic scenarios to assess our vulnerability to extreme conditions.

Furthermore, we recognise the growing importance of environmental, social, and governance (ESG) factors. Our ESG & Climate Change Assessment framework helps us identify and mitigate potential ESG risks and climate change threats associated with our borrowers and their business operations.

Our independent risk and compliance department ensures objectivity and oversight. A robust risk assessment helps us evaluate the likelihood and potential impact of each risk. We then implement a combination of mitigation techniques, such as setting credit limits, diversifying loan portfolios, managing interest rate exposure, and implementing robust internal controls, to proactively manage these risks.

26 RESULTS AND DIVIDENDS

The Board recommends a dividend of TZS 65 per share from the year 2024 profit after Tax (2023: TZS 50 per share). The total amount of dividend recommended is TZS 169,770 Billion (2023: TZS 130,592 Million), which is 32.2% of the net profit (2023: 30.9%).

27 CRITICAL ACCOUNTING POLICIES AND JUDGEMENTS

The results of the Group are sensitive to the accounting policies, assumptions and estimates that underlie the preparation of the financial statements. When preparing the financial statements, it is the Directors' responsibility under the Tanzania Companies Act 2002 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 5 and 8 to the Financial Statements.

28 SOLVENCY

The state of affairs of the Group and the Bank as at 31 December 2024 is set out on page 334 of the financial statements. The Directors consider the Group and Bank to be solvent within the meaning ascribed by the Tanzania Companies Act No.12 of 2002. The Board of Directors confirms that, the applicable accounting standards have been followed. The financial statements have been prepared on a going concern basis, and it reasonably expects the Bank to have adequate resources to continue in operational existence for the foreseeable future.

29 ACQUISITIONS AND DISPOSALS

During the year there were neither acquisitions nor disposals of subsidiaries.

30 INVESTMENTS

The Group held the following investments:

Investments as at 31 December 2024:	Number of shares	Value of shares (TZS' Million)
Tanzania Mortgage Refinance Company (TMRC)	4,500,000	7,299
Dar es Salaam Stock Exchange (DSE)	327,632	786
Tandahimba Community Bank (TACOBA)*	-	-
Burundi National switch	-	-
Kilimanjaro Cooperative Bank (KCBL)	-	-
Watumishi housing	10,000,000	1,230
Cooperatives Bank of Tanzania	11,048,500	5,524

Investments as at 31 December 2023:	Number of shares	Value of shares (TZS' Million)
Tanzania Mortgage Refinance Company (TMRC)	3,000,000	4,866
Dar es Salaam Stock Exchange (DSE)	327,632	590
Tandahimba Community Bank (TACOBA)*	3,300,000	2,283
Burundi National switch	10,000	88
Kilimanjaro Cooperative Bank (KCBL)	1,400,000	6,108
Watumishi housing	10,000,000	1,000

*The Group holds 3.2 Million preference shares and 100,000 ordinary shares of TACOBA

31 INVESTMENTS IN SUBSIDIARIES

The Bank has established three wholly owned subsidiaries, namely CRDB Bank Burundi S.A., incorporated in the Republic of Burundi in 2012, CRDB Insurance Company Limited incorporated in the United Republic of Tanzania under TIRA in 2024 and CRDB Bank Foundation registered by the Registrar of NGOs in 2023. The Bank also own another subsidiary in Congo, "CRDB Bank Congo ", incorporated in the Democratic Republic of Congo in 2023, with 55% ownership.

The countries of incorporation are also their principal place of business.

All subsidiaries are unlisted and have the same year-end as the Bank. The investment in the subsidiaries includes the cost of shares and other initial payments made for the subsidiaries.

32 EMPLOYEES WELFARE

CRDB Bank is committed to achieving its business objectives through its people. We believe that our employees are our most valuable assets, and we make an effort to develop their abilities and productivity. We encourage a work culture, foster relationships with them at every level in the Group and encourage them to express their views and share their ideas to bring about improvements towards the achievement of our vision.

This is based on the conviction that a pleasant and safe working climate, with an emphasis on the enduring availability of a satisfactorily trained, active, and motivated workforce evidenced by very low employee turnover, is a critical success factor for the Bank and its subsidiaries. The Bank strives to create an environment responsive to different cultures and groups in all our interactions with employees, customers, visitors, suppliers, contractors, shareholders, investors and in the communities in which we operate.

There are a lot of talks these days about the importance of good nutrition, physical fitness, and stress reduction. Our Bank firmly believes that quality health plays an important role in the success of the organization and in promoting health and well-being among our staff. The Bank launched well-being services in 2021 with a focus on empowering colleagues and eligible dependents to address individuals' challenges which require support in physical and social well-being.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

32 EMPLOYEES WELFARE (Continued)

The Services includes;

- Professional telephone counselling in swahili and english: Counselling for psychosocial problems, substance abuse, and addiction, relationship problems, financial management, health, personal, or work-related problems, and all mental disorders.
- Professional face-to-face counselling: For any psychological, relationship, medical stress, financial problems, marital and prenatal counselling, trauma-focused counselling, teenage counselling, family therapy, individual and corporate coaching, fitness, nutrition, and lifestyle management.
- Managerial consultation for stress management, crisis management, assistance in managing risk cases, cultural diversity, or employee performance management.
- Psychiatric care arrangement: outpatient assessment and care through an accredited Psychiatrist.
- Emergency response critical incident stress debriefing (CISD): Worksite counselling and stress management support such as armed robbery, death, or disaster at a worksite.
- Education support and awareness: Conduct an awareness program across the network periodically to equip employees with key psychological threats/signs.

Management and Employee Relationship

The Group's management focuses on building the right culture as a strategic human resource priority by ensuring that the Bank's culture is embedded across all levels and the same is driven across the entire workforce. Having the right culture is an essential element for the Group's future development as we transform towards creating the digital era of banking. Amongst the key components in this development is ensuring that our leaders are charged with the major roles of fostering strong leadership capabilities, talent management, and enhancing employee relationships and development.

Our leaders believe in and always strive to create an enabling environment where all employees will be able to utilize their fullest potential while allowing them to connect to each other with dignity and respect. Through this approach, the management maintains a harmonious working environment with both the employees and the Trade Union.

Resultant to these initiatives, the Group has been able to retain its key staff and maintain the turnover rate below 2%, which is far below the industry rate. Additionally, CRDB Bank continued to maintain a strong organization health index compared to the global benchmarks as rated by McKenzie, which indicates a strong capacity to continuously improve its performance in the future.

Employees Performance Management

The Bank uses a Performance Management System to evaluate employees' performance against set and agreed-upon objectives. The system forms the basis for providing employees with performance feedback, recognition, development, and a corrective action plan to promote effective performance.

The Performance Management System is an integrated process with the full participation of managers and staff in both setting and reviewing performance objectives. The Bank uses the Balanced Scorecard and Competencies Framework as a tool for assessing the performance of its employees. The Balanced Score Card Performance review is conducted semi-annually where the Line Manager and the subordinate meet to review the performance of that ending period and as a session for giving feedback. The Performance assessment results form a valuable component of one's reward.

Training and Development

The role of training is to improve job performance, develop skills, and prepare individuals for other roles and responsibilities. As with promotion and career development, decisions regarding who is trained and how that training will be facilitated will be based on individual development needs and not on age, disability, gender, socio-economic status, ethnicity, or religion.

32 EMPLOYEES WELFARE (Continued)

Training and Development (Continued)

The Bank regards its employees as the most valuable asset and is committed to the learning, development, and growth of its employees. The Bank realizes that in discharging its objectives it needs to have trained and skilled personnel to maintain a well-balanced organization and a management team capable of performing the duties of the bank properly. To meet its present and future human capital demands, the Bank trains and develops its employees through various development programs. The Bank encourages its employees to train and develop themselves to acquire skills, knowledge and competencies which are necessary for their productivity, efficiency, and career development plan. The Bank has adopted a 70-20-10 model which reveals that individuals tend to learn 70% of their knowledge from challenging experiences and assignments (On the job), 20% from developmental relationships, and 10% from coursework and training.

The Group continued to take advantage of the modern facilities at the Training Centre for the development of its workforce. The Group used different learning methodologies to offer these trainings which included: blended learning through different facilities like Video Conferencing which allowed facilitators from one point to interact with different business units; web-based learning (eLearning) whereby one could learn at their own pace; Distance Learning Programs for Professional Banking Qualification; and face to face training sessions which were conducted within and outside the Group. All employees of the Group, have access to more than one learning option and are encouraged to use the opportunity to re-tool and up-skill themselves in their specialised area of working and personal development to enable them to discharge their duties effectively.

Youth Programs

During the year, the Bank launched the Graduate Program, which focuses on preparing college graduates to become experts in banking and building them into future leaders. The program is a rich career and professional development opportunity for committed graduates who aim to make a positive impact in the Banking Sector.

The program came at the right time when the government and development partners in the country are investing heavily in ensuring that university graduates in the country find employment and create a self-employed environment. The program provides more than a job. It creates a fast-paced journey to grow the skills of young graduates, develop their careers, and unlock their potential. A total of 32 young graduates were enrolled both from Tanzania and Burundi. In the course, the trainees receive field training through branches, departments, and units within the bank to build their resilience. As a local Bank, We are proud to be part of the youth employment solution.

Employee Wellbeing Initiatives

The Bank have an employee wellness program which is a professional service that offers confidential counselling, sensitization training, capacity building and support with regards to health-related issues. The program aims at sensitizing staff to change and live healthier lifestyles. It emphasizes the balancing of work/life within dimensions like emotional control, behaviour change, mind and body health, physical fitness, etc. Employees have access to a range of health and wellbeing resources, including medical cover, occupational health services and an employee assistance program.

The Bank continued to offer unique employee wellness programs that went far beyond the normal offerings to employees and their family members. These programs included programs for teenagers, housemaids, and counselling sessions for all staff and their dependents.

Occupational health and safety policy

The Bank has an occupational health and safety policy that aims to ensure Occupational Health and Safety (OHS) for CRDB Bank staff, its customers, and its premises. The policy specifies the control requirements and guidelines with respect to OHS and provides obligations and responsibilities to staff, the Board of Directors, and Management to ensure they act in a manner consistent with regulatory requirements and this Policy.

The primary objective of the policy is to ensure premises and OHS key risks are understood across the Bank, assessed, and mitigated appropriately and adequately managed. The policy set out the minimum control requirements to address the Premises & OHS framework by explaining ‘what’ Business Units and Functions need to do; and ensure compliance with relevant legal and regulatory requirements, including any required authorizations, permissions, and licenses.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

32 EMPLOYEES WELFARE (Continued)

Occupational health and safety policy (Continued)

Furthermore, employees are encouraged to participate in various sports activities and work in partnership with external leading health specialists to ensure that health and fitness are a top priority. In addition, the Bank provides medical benefits through a medical insurance scheme to all employees' spouses and to a maximum of four dependents on a non-contributory basis.

Annual leave

Every employee is entitled to 30 calendar days of annual paid leave once in each calendar year. For every full month worked an employee earns 2.5 leave days. Out of the 30 leave calendar days, an employee is required to take at least 14 days of consecutive leave in a calendar year.

Employee grievance and complaints management mechanism

The Bank recognize the value and importance of having a harmonious environment at the workplace and makes an effort to ensure any reported complaints and grievances are expeditiously handled.

Financial Assistance to staff / Staff loan scheme

The Bank offers staff loans to enable its employees to acquire capital goods and property, to effect improvements to their properties, to meet educational expenses for themselves or dependents and to meet unforeseen financial commitments. Staff loans are guided by the Bank's Credit Policy and Credit Manual. Loans are available to all confirmed employees depending on the assessment of the need and circumstances if it is in line with the Human Resources and Credit Policies.

Staffing

The Group has a clear hiring policy, which is built on the provision of equal employment opportunities to all genders. It ensures to provide equal access to employment free from discrimination of any kind and without regard to factors like race, colour religion, sex, nationality, national origin, tribe, age or disability, social origin, political opinion, gender, pregnancy, marital status, HIV/AIDS, station of life which does not impair someone's abilities to carry out his duties.

Decisions regarding promotions and career development focus on skills and talents rather than assumptions based on age, disability, gender, socioeconomic status, ethnicity, and religion.

The hiring policy is reviewed annually through process views, and recommendations from key stakeholders, such as the "Trade Union," are considered.

Persons with Disabilities

It is the Group's policy to employ disabled persons wherever practicable. The Group has always considered this policy whenever it recruits. As of 31 December 2024, the Bank has seven (7) persons with disabilities. We practise a non-discrimination policy against qualified individuals with disabilities in job application procedures, hiring, firing, promotion, compensation, job training, and other areas of employment.

In the event of any employee becoming physically challenged (disabled) in the course of employment, where possible, the bank can arrange training to ensure the continuous employment of such a person without subjecting him/her to any disadvantage in his/her career development.

If an employee has a disability, the Group make reasonable adjustments, to accommodate individual requirements. Where possible a range of training options will be used, such as e-learning and regional seminars, to ensure that everyone has equal access to training irrespective of disability, location, or hours of work. Training materials will aim to reflect, in the language and images, the diversity of our employees and customers.

Non-discrimination/ harassment

To provide equal employment and advancement opportunities to all individuals, the Bank's employment decisions are based on merit, qualifications, and abilities. There is no discrimination in employment opportunities or practices because of race, colour, religion, sex, nationality, tribe, age disability, social origin, political opinion, gender, pregnancy, marital status, HIV/AIDS, and status of life.

32 EMPLOYEES WELFARE (Continued)

Non-discrimination/ harassment (Continued)

The Bank is committed to providing a work environment that is free of discrimination and harassment including sexual harassment. Actions, words, jokes, or comments based on an individual's sex, race, ethnicity, age, religion, or any other legally protected characteristic are not tolerated.

Employees with questions or concerns about discrimination and/or harassment in the workplace are encouraged to inform or report to their direct reports. If the Supervisor is the one accused, the staff is advised to report such an incident to the next Manager or Director in the chain of command. Staff found to be engaging in unlawful discrimination is subject to disciplinary action, including termination of employment. Employees are encouraged to raise concerns and report all discriminatory and harassment incidents without fear of reprisal.

Employee Benefit Plan

CRDB Bank Plc is a registered member of the Public Service Social Security Fund, in which the employee and the employer make monthly contributions according to the law. The Bank and employees both contribute 15% and 5% respectively of the employees' basic salaries to PSSSF. The Group's contributions are charged to profit or loss when incurred. The Group's obligations under the schemes are limited to specific contributions legislated from time to time.

The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

33 TALENT MANAGEMENT AND SUCCESSION PLANNING

Succession planning

The Bank endeavours to minimize the risk of key man dependence by creating a succession pool. Successor's development plans are established in preparation for their readiness. The succession pool creates a provision for talent sourcing in the event of attrition in a critical position. The Succession planning process in the Bank is mainly built to address the following main objectives: Identify high-potential employees capable of rapid advancement to positions of higher responsibility than those they presently occupy, ensure the systematic and long-term development of individuals to replace critical job incumbents as the need arises, provide a continuous flow of talented people to meet the bank's management needs. Succession planning reduces the risk or time it takes to fill a critical role if someone leaves.

Talent management

The Bank undertakes to identify, develop, and retain talented employees. The Bank has its talent management framework, which provides a guideline on how talent will be identified in the bank, linking performance to potential. To enable the Bank to remain competitive and successfully carry out its activities and ensure the long-term supply of required skills and expertise for its business development and sustainability, it is in the bank's best interests to develop staff to be prepared to assume different leadership levels rather than position. Talent Management and development is a model developed to ensure a knowledgeable labour supply exists within the Bank to replace personnel leaving the organization regardless of the reason.

34 RELATED PARTY DISCLOSURES

Parties are related if one party can control the other party or exercise significant influence over the other party in making financial or operational decisions. In the normal course of business, several banking relationships are entered into with related parties' i.e., key management staff, Directors, their associates, and companies associated with Directors. Such relationships are guided by policies approved by the Board to ensure the same is done at arm's length. Loans and advances to companies associated with Directors amounted to TZS 3,828 Million (2023: TZS 1,637 Million), while loans and advances to Directors and other key management personnel amounted to TZS 16,587 Million (2023: TZS 13,593 Million). The volumes of related party transactions for the year and the outstanding amounts at the year-end are provided under Note 64 of the financial statements.

The transactions with related parties are carried at arm's length basis.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

35 POLITICAL AND CHARITABLE CONTRIBUTIONS

The Group did not make any political contributions during the year 2024 (2023: Nil).

36 SERIOUS PREJUDICIAL ISSUES/ MATTERS

No serious legal matters could affect the Group or Bank during the year 2024 (2023: None).

37 EVENTS AFTER THE REPORTING PERIOD

There were no other events after the reporting period which required adjustment or disclosure in the financial statements.

38 STATEMENT OF COMPLIANCE

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). This standard replaces TFRS 1 on the Directors' report that was issued by NBAA on 1 January 2010. The standard becomes operative for financial statements covering accounting periods beginning on or after 1 January 2023.

39 APPOINTMENT OF AUDITORS

PricewaterhouseCoopers (PwC)
Certified Public Accountant
Pemba house, 369 Touré drive
Oysterbay
P.O. Box 45
Dar es Salaam, Tanzania
Registration number - 117633
TIN number - 110-212-285
VRN number: 10009908I

Our External auditor (PwC) has been appointed as per the 'Banking and Financial Institutions (External Auditors) Regulation, 2014, section 5 (1) 'A bank or financial institution shall appoint annually an external auditor who has no conflict of interest and notify the Bank within seven days of such appointment'. PwC was approved at the Annual General Meeting held on 18 May 2024.

PricewaterhouseCoopers- PF Number: ACPA 047

40 RESPONSIBILITY OF THE AUDITORS

The auditor is responsible for providing assurance of the correctness and consistency of each piece of information contained in the report by those charged with governance with those provided in the financial statements.

41 STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

It is the responsibility of those charged with governance to prepare financial statements of the Group which show a true and fair view in accordance with applicable standards, rules, regulations, and legal provisions. This responsibility covers the period from the beginning of the financial year to the date those charged with governance approve the audited financial statements, and it covers all those charged with governance who acted in this capacity during any part of the period covered by financial statements.

BY ORDER OF THOSE CHARGED WITH GOVERNANCE
SIGNED ON ITS BEHALF BY:

Dr. Ally H. Laay
Chairman

26 March 2025
Date

Gerald P. Kasaato
Non-executive Director

26 March 2025
Date

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2024

The Companies Act No.12 of 2002 requires Directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Group and Bank as at the end of the financial year and of its profit or loss for the year. It also requires Directors to ensure that the Group and Bank keep proper accounting records that disclose, with reasonable accuracy, the financial position of the Group and Bank. They are also responsible for safeguarding the assets of the Group and Bank and hence taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

The Directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with IFRS accounting standards and the requirements of the Companies Act No.12 of 2002. 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 Group and Bank and of its profit in accordance with IFRS accounting standards. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Nothing has come to the attention of the Directors to indicate that the Bank and its subsidiaries will not remain a going concern for at least twelve months from the date of this statement.

Signed on behalf of the Board of Directors by:

Dr. Ally H. Laay
Chairman

26 March 2025
Date

DECLARATION OF THE CHIEF FINANCIAL OFFICER

FOR THE YEAR ENDED 31 DECEMBER 2024

The National Board of Accountants and Auditors (NBAA), according to the power conferred under the Auditors and Accountants (Registration) Act No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied by a declaration issued by the Chief Financial Officer responsible for preparing the financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors in discharging the responsibility of preparing financial statements of an entity showing a true and fair view of the entity's position and performance in accordance with IFRS accounting standards and statutory financial reporting requirements.

The full legal responsibility for preparing financial statements rests with the Board of those charged with governance, as declared under the Statement of Directors' Responsibility on page 326.

I Frederick Bayona Nshekanabo, being the Chief Financial Officer of CRDB Bank Plc, hereby acknowledge my responsibility of ensuring that consolidated and separate financial statements of CRDB Bank Plc (the ''Bank'') and its subsidiaries for the year ended 31 December 2024 have been prepared in compliance with IFRS accounting standards and the requirements of Companies Act No.12 of 2002 and Banking and Financial Institutions Act (BFIA), 2006 and its regulations.

I, thus, confirm that the consolidated and separate financial statements give a true and fair view position of CRDB Bank Plc and its subsidiaries as of that date and that it has been prepared based on properly maintained financial records.

Signed By:

Frederick B. Nshekanabo
Chairman
ACPA 1388

26 March 2025
Date

pwc

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CRDB BANK PLC

REPORT ON THE AUDIT OF THE GROUP AND BANK FINANCIAL STATEMENTS

Our opinion

In our opinion, the Group and Bank financial statements give a true and fair view of the Group and Bank financial position of CRDB Bank Plc (the Bank) and its subsidiaries (together the Group) as at 31 December 2024, and of its Group and Bank financial performance and its Group and Bank cash flows for the year then ended in accordance with IFRS accounting standards and the requirements of the Companies Act, No. 12 of 2002.

What we have audited

CRDB Bank Plc's Group and Bank financial statements as set out on pages 332 to 615 comprise:

- the Group and Bank statements of financial position as at 31 December 2024;
- the Group and Bank statements of profit or loss and other comprehensive income for the year then ended;
- the Group and Bank statements of changes in equity for the year then ended;
- the Group and Bank statements of cash flows for the year then ended; and
- the notes to the financial statements, which include material accounting policies and other explanatory information.

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 Auditor's responsibilities for the audit of the Group and Bank financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Bank in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the National Board of Accountants and Auditors (NBAA) that are relevant to our audit of the financial statements in Tanzania. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the NBAA.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group and Bank financial statements of the current period. These matters were addressed in the context of our audit of the Group and Bank financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT (Continued)
TO THE MEMBERS OF CRDB BANK PLC

REPORT ON THE AUDIT OF THE GROUP AND BANK FINANCIAL STATEMENTS (Continued)

Key audit matters (Continued)

Key audit matter	How our audit addressed the key audit matter
Expected credit losses on loans and advances Loans and advances to customers comprise a significant portion of the Group's and bank's total assets. The estimation of expected credit losses (ECL) on loans and advances requires significant management judgment using subjective assumptions over both when and how much to record as loan impairment provision. Details of the loans and advances to customer and ECL balances, and the policies for estimating ECL are disclosed in notes 7.15, 10, 33 and 35 of the financial statements. The key areas where management has exercised significant judgement include: • Quantitative and qualitative criteria for classification of loans and advances based on assessment of factors contributing to significant increase in credit risk and default; • Determination of the probability of default (PD), including the determination and forecast of forward-looking information used in the ECL models; • Determination of the loss given default (LGD) which include estimation of the expected cash flows, recovery period and recovery rates. • Determination of exposure at default (EAD); Due to the value of the loans and advances to customers, the significant impact of management judgments applied in calculating the ECL, we designated this as a key audit matter in our audit.	We obtained understanding and audited the Group's methodology for determining ECL and evaluated it against the requirements of IFRS 9. Our audit included, amongst others, the following audit procedures performed in collaboration with our internal IFRS 9 model specialists and actuarial team: • We tested the quantitative and qualitative criteria used in the classification of loans and advances. We tested and challenged the judgments applied in the staging of some selected loans and advances to customers. We applied data analytics tools assess performance trend of customers over a period under review and challenged this performance against management's classification. • As the quantitative basis of classification of loans and advances is reliant on information systems, we understood and tested key information technology general and application controls including the calculation of the number of days past due. • Tested the critical data used in the ECL calculation by reconciling to source systems. • We tested the portfolio segmentation which is used to determine PD and LGD. • We tested the reliability, accuracy and reasonableness of information and assumptions used for estimating the exposure at default, probability of default and loss given default. • We challenged management's basis for establishing the correlation between forward looking parameters and the Bank's non-performing loan trends. • We tested the loss given default for the secured and unsecured loan portfolio. • We tested the expected cash flows and challenged management's assumptions of recovery estimates for unsecured facilities. • We tested recovery costs and recovery periods used to estimate the recoverable amount of collateral for secured facilities. • For forward-looking assumptions used in the ECL calculations, we corroborated the data and assumptions using publicly available information. We tested the forward- looking scenarios and parameters used by management in estimating projected probabilities of default. • We reviewed and assessed whether the disclosures in the financial statements were adequate, accurate and appropriate in line with IFRS and relevant Bank of Tanzania regulations.

INDEPENDENT AUDITOR'S REPORT (Continued)
TO THE MEMBERS OF CRDB BANK PLC

REPORT ON THE AUDIT OF THE GROUP AND BANK FINANCIAL STATEMENTS (Continued)

Other information

The directors are responsible for the other information. The other information comprises Corporate information, The Report by those charged with governance, Statement of Directors' responsibilities and Declaration of the Chief Financial Officer (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the Annual Report, which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the directors for the Group and Bank

The directors are responsible for the preparation of the Group and Bank financial statements that give a true and fair view in accordance with IFRS accounting standards and the requirements of the Companies Act, No. 12 of 2002, and for such internal control as the directors determine is necessary to enable the preparation of Group and Bank financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Group and Bank financial statements, the directors are responsible for assessing the Group's and 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 the directors either intend to liquidate the Group and/or the Bank or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the Group and Bank financial statements

Our objectives are to obtain reasonable assurance about whether the Group and Bank financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 Group and Bank financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Group and Bank 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 Group's and the Bank's internal control.

INDEPENDENT AUDITOR'S REPORT (Continued)
TO THE MEMBERS OF CRDB BANK PLC

REPORT ON THE AUDIT OF THE GROUP AND BANK FINANCIAL STATEMENTS (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Group and Bank financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Group and Bank financial statements, including the disclosures, and whether the Group and Bank financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the group financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors 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, action taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the Group and Bank 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 THE 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 Companies Act, No. 12 of 2002 and for no other purposes.

As required by the Companies Act, No. 12 of 2002, we are also required to report to you if, in our opinion, the Report of those charged with governance is not consistent with the financial statements, if the Bank has not kept proper accounting records, if the financial statements are not in agreement with the accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Bank is not disclosed. In respect of the foregoing requirements, we have no matter to report.

Cletus Kiyuga- ACPA PP1981

For and on behalf of PricewaterhouseCoopers
Certified Public Accountants
Dar es Salaam

Date: 27 March 2025

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2024

In TZS' Million	Note	GROUP		BANK	
		2024	2023	2024	2023
Interest income calculated using the effective interest Method	12	1,562,110	1,227,052	1,443,750	1,158,360
Other interest and similar income	12	-	379	-	379
Interest expense calculated using the Effective interest method	13	(417,894)	(346,426)	(375,147)	(323,385)
Other interest and similar expenses	13	(4,755)	(3,707)	(3,413)	(3,410)
Net interest income		**1,139,461**	**877,298**	**1,065,190**	**831,944**
Fees and commission income	14	517,641	428,839	507,942	420,405
Fees and commission expense	15	(86,013)	(86,415)	(83,539)	(84,892)
Net fees and Commission Income		**431,628**	**342,424**	**424,403**	**335,513**
Insurance service revenue	20	14,351	180	-	-
Insurance service expense	20	(4,867)	(63)	-	-
Net expense from reinsurance contracts held	20	(4,942)	(83)	-	-
Insurance service result		**4,542**	**34**	**-**	**-**
Net foreign exchange income	16	31,534	65,949	15,732	56,895
Credit Loss expense on financial assets	34	(95,187)	(39,658)	(91,879)	(36,782)
Net gains/ (losses) on financial assets at fair value through profit or loss	17	1,429	349	82	(282)
Net losses on equity investment at fair value through profit or loss	17	(2,018)	-	(2,018)	-
Net gains on derecognition of financial assets measured at fair value through other comprehensive income	18	5,510	7,038	5,510	7,038
Other operating income	19	1,465	2,115	12,441	12,606
Net Operating Income		**1,518,364**	**1,255,549**	**1,429,461**	**1,206,932**
Operating expenses	21	(272,787)	(219,468)	(241,442)	(202,324)
Depreciation of Property and equipment and Motor vehicles	22A	(58,947)	(55,725)	(55,466)	(53,896)
Amortization of right of use assets, prepaid leases and intangible assets	22B	(25,317)	(28,975)	(23,572)	(28,373)
Employees benefit expenses	23	(380,448)	(338,243)	(354,310)	(322,641)
Impairment other Assets	36	(2,069)	(3,729)	(1,819)	(3,726)
Impairment non-current held for sale	37	-	(10,758)	-	(10,758)
Total Operating Expenses		**(739,568)**	**(656,898)**	**(676,609)**	**(621,718)**
Profit before income tax		778,796	598,651	752,852	585,214
Income tax expense	24A	(227,309)	(175,859)	(225,087)	(176,599)
Profit for the year		**551,487**	**422,792**	**527,765**	**408,615**
Profit attributable to:					
Equity holders of the parent		554,442	424,690	527,765	408,615
Non-Controlling interests*	56	(2,955)	(1,898)	-	-
		551,487	**422,792**	**527,765**	**408,615**
Basic and diluted earnings per share attributable to equity holders of the parent entity (TZS)	25	211.15	161.88	202.07	156.45

*The Group's subsidiaries ownership detailed under note 38 "Investment in subsidiaries"

STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

In TZS' Million	Note	GROUP		BANK	
		2024	2023	2024	2023
Profit for the year		551,487	422,792	527,765	408,615
Other comprehensive income:					
Items that may be subsequently reclassified to profit or loss:					
(Losses)/Gains on Debt instruments at FVOCI		1,662	(41,862)	1,662	(41,862)
Gains on Debt instrument at FVOCI reclassified to Profit or loss		(5,510)	(7,038)	(5,510)	(7,038)
Exchange differences on translation of foreign operations		(13,846)	(8,803)	-	-
Income tax relating to these items**	44	1,154	14,670	1,154	14,670
Total items that will be reclassified to the statement of profit or loss		**(16,540)**	**(43,033)**	**(2,694)**	**(34,230)**
Items that may not be subsequently reclassified to profit or loss:					
Gains/(losses) on equity instrument at FVOCI		(5,669)	34	(5,669)	34
Income tax relating to these items**	44	1,701	(10)	1,701	(10)
Total items that will not be reclassified to the statement of profit or loss		**(3,968)**	**24**	**(3,968)**	**24**
Other comprehensive income for the year, net of tax		(20,508)	(43,009)	(6,662)	(34,206)
Total comprehensive income		**530,979**	**379,783**	**521,103**	**374,409**
Total comprehensive income attributable to:					
Owners of the parent entity		533,934	381,681	521,103	374,409
Non-controlling interests*		(2,955)	(1,898)	-	-
		530,979	**379,783**	**521,103**	**374,409**

*The Group's subsidiaries ownership detailed under note 38 "Investment in subsidiaries"

**Taxes relate to Gains/(losses) on equity instrument at FVOCI.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

In TZS' Million	Note	GROUP		BANK	
ASSETS		2024	2023	2024	2023
Cash and balances with the central bank	27	2,371,330	1,011,638	2,163,724	943,499
Due from banks	28	924,538	762,332	918,759	754,036
Financial Assets at fair value through profit or loss	29	15,428	6,983	5,812	1,102
Debt Instruments at fair value through other comprehensive income	30	135,291	226,178	135,291	226,178
Equity investment at fair value through profit or loss	31A	-	2,283	-	2,283
Equity investment at fair value through other comprehensive income	31B	13,609	11,652	13,609	11,564
Credit cards	32	2,002	2,309	2,002	2,309
Loans and advances to customers	33	10,360,824	8,443,491	9,995,475	8,035,550
Debt Instrument at amortised cost	30	1,948,028	1,960,715	1,507,906	1,738,669
Current income Tax recoverable	24B	-	1,828	-	3,234
Other assets	36	259,978	275,029	239,108	254,405
Investment in subsidiaries	38	-	-	107,604	86,477
Motor vehicles	39	23,817	21,528	20,235	19,794
Property and equipment	40	374,007	372,699	340,388	344,009
Right-of-use assets	41	57,418	46,055	42,068	41,984
Prepaid leases	42	8,737	9,007	8,737	9,007
Deferred income tax asset	44	98,416	93,917	95,749	91,346
Intangible assets	43	105,328	73,645	102,486	72,999
TOTAL ASSETS		**16,698,751**	**13,321,289**	**15,698,953**	**12,638,445**
LIABILITIES					
Balances due to other banks	45	1,108,682	995,561	994,029	983,017
Deposits from Customer	46	10,934,131	8,855,978	10,214,699	8,315,233
Other liabilities	47	420,633	374,862	377,813	347,182
Current income Tax payable	24B	6,827	-	6,619	-
Lease Liability	48	63,064	49,817	47,123	45,628
Insurance Contract Liabilities	49	8,163	1,341	-	-
Reinsurance Contract Liabilities	49	1,173	184	-	-
Green Bond	50	175,204	175,204	175,204	175,204
Borrowings	51	1,659,620	933,109	1,659,620	933,109
Subordinated Debts	52	126,882	130,986	126,882	130,986
Grant	53	18,470	21,536	18,470	21,536
Provisions	61	2,656	1,223	2,656	1,223
TOTAL LIABILITIES		**14,525,505**	**11,539,801**	**13,623,115**	**10,953,118**
EQUITY					
Share capital	55	65,296	65,296	65,296	65,296
Share premium	57	158,314	158,314	158,314	158,314
Retained earnings	57	1,869,055	1,491,183	1,825,984	1,448,851
Reserve	57	39,924	23,083	26,244	12,866
Total Equity attributable to Parent		**2,132,589**	**1,737,876**	**2,075,838**	**1,685,327**
Total Equity attributable to non-controlling Interest	56	40,657	43,612	-	-
TOTAL EQUITY		**2,173,246**	**1,781,488**	**2,075,838**	**1,685,327**
TOTAL LIABILITIES AND EQUITY		**16,698,751**	**13,321,289**	**15,698,953**	**12,638,445**

The financial statements on pages 332 to 615 were approved and authorized for issue by those charged with governance on 14 March 2025 and signed on its behalf.

Dr. Ally H. Laay
Chairman

Abdulmajid M. Nsekela
Managing Director

Gerald P. Kasaato
Non-executive Director

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

GROUP In TZS' Million Year ended 31 December 2024	Note	Share capital	Share premium	Retained earnings	Non-distributable reserve	Legal provision reserve	Revaluation reserve	Exchange differences on translation of foreign operations	Total Shareholders' funds attributable to Parent	Total Shareholders' funds attributable to NCI	Total Shareholders' funds
At 1 January 2024		65,296	158,314	1,491,183	5,419	14,935	11,190	(8,461)	1,737,876	43,612	1,781,488
Profit for the year		-	-	554,442	-	-		-	554,442	(2,955)	551,487
Comprehensive income		-	-	-	-	-		-	-	-	-
Gains on Debt instruments at FVOCI		-	-	-	-	-	1,662	-	1,662	-	1,662
Gains on Debt instrument at FVOCI reclassified to P&L	57	-	-	-	-	-	(5,510)	-	(5,510)	-	(5,510)
Revaluation gains/ (losses) on equity instrument at FVOCI		-	-	-	-	-	(5,669)	-	(5,669)	-	(5,669)
Exchange differences on translation of foreign operations		-	-	-	-	-		(13,846)	(13,846)	-	(13,846)
Deferred Tax on OCI	44	-	-		-	-	2,855	-	2,855	-	2,855
Total comprehensive income		**-**	**-**	**554,442**	**-**	**-**	**(6,662)**	**(13,846)**	**(20,508)**	**(2,955)**	
Derecognition of Equity investment at FVOCI				(7,000)	-	-	7,000	-		-	
Transfer of excess depreciation net of deferred tax	57	-	-	763	-	-	(763)	-		-	
Transfer to non-distributable reserve	57	-	-	(18,812)	10,183	-	-	-	(8,629)	-	(8,629)
Legal Provision	57	-	-	(20,929)	-	20,929	-	-	-	-	-
Transactions with shareholders		-	-		-	-	-	-		-	-
Share capital issue	55	-	-	-	-	-	-	-		-	-
Dividends declared	26	-	-	(130,592)	-	-	-	-	(130,592)	-	(130,592)
At 31 December 2024		**65,296**	**158,314**	**1,869,055**	**15,602**	**35,864**	**10,765**	**(22,307)**	**2,132,589**	**40,657**	**2,173,246**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

GROUP In TZS' Million Year ended 31 December 2023	Note	Share capital	Share premium	Retained earnings	Non-distributable reserve	Legal provision reserve	Revaluation reserve	Exchange differences on translation of foreign operations	Total Shareholders' funds attributable to Parent	Total Shareholders' funds attributable to NCI	Total Shareholders' funds
At 1 January 2023		65,296	158,314	1,196,472	1,576	11,065	46,011	342	1,479,076	-	1,479,076
Profit for the year		-	-	424,690	-	-	-	-	424,690	(1,898)	422,792
Comprehensive income											
Loss on Debt instruments at FVOCI	57	-	-	-	-	-	(41,862)	-	(41,862)	-	(41,862)
Gains on Debt instrument at FVOCI reclassified to P&L		-	-	-	-	-	(7,038)	-	(7,038)	-	(7,038)
Revaluation gains/ (losses) on equity instrument at FVOCI	44	-	-	-	-	-	34	-	34	-	34
Tax on OCI		-	-	-	-	-	(10)	-	(10)	-	(10)
Exchange differences on translation of foreign operations		-	-	-	-	-	-	(8,803)	(8,803)	-	(8,803)
Deferred Tax		-	-	-	-	-	14,670	-	14,670	-	14,670
Total comprehensive income	57	**-**	**-**	**424,690**	**-**	**-**	**(34,206)**	**(8,803)**	**381,681**	**(1,898)**	**379,783**
Transfer of excess depreciation net of deferred tax		-	-	615	-	-	(615)	-	-	-	-
Transfer to non-distributable reserve	57	-	-	(1,676)	3,843	-	-	-	2,167	-	2,167
Legal Provision	57	-	-	(11,385)	-	3,870	-	-	(7,515)	-	(7,515)
Transactions with shareholders											
Share capital issue	55s	-	-	-	-	-	-	-	-	45,510	45,510
Dividends declared	26	-	-	(117,533)	-	-	-	-	(117,533)	-	(117,533)
At 31 December 2023		**65,296**	**158,314**	**1,491,183**	**5,419**	**14,935**	**11,190**	**(8,461)**	**1,737,876**	**43,612**	**1,781,488**

SSTATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

BANK In TZS' Million Year ended 31 December 2024	Note	Share capital	Share premium	Retained earnings	Non-distributable reserve	Revaluation reserve	Total
At 1 January 2024		65,296	158,314	1,448,851	1,676	11,190	1,685,327
Profit for the year		-	-	527,765	-		527,765
		-	-	-	-		
Comprehensive income		-	-	-	-		
Gains/ (Losses) on debt instruments at fair value through OCI		-	-	-	-	1,662	1,662
Reclassified to profit or loss	57	-	-	-	-	(5,510)	(5,510)
Revaluation gains/ (losses) on equity instrument at FVOCI		-	-	-	-	(5,669)	(5,669)
Deferred Tax on OCI	44	-	-	-	-	2,855	2,855
Total comprehensive income		**-**	**-**	**527,765**	**-**	**(6,662)**	**(6,662)**
Derecognition of Equity investment at FVOCI				(7,000)	-	7,000	-
Transfer of excess depreciation net of deferred tax	57	-	-	763	-	(763)	-
Transfer to non-distributable reserve	57	-	-	(13,803)	13,803	-	-
Transactions with shareholders							
Dividend Declared	26	-	-	(130,592)	-	-	(130,592)
At 31 December 2024		**65,296**	**158,314**	**1,825,984**	**15,479**	**10,765**	**2,075,838**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

BANK In TZS' Million Year ended 31 December 2023	Note	Share capital	Share premium	Retained earnings	Non-distributable reserve	Revaluation reserve	Total
At 1 January 2023		65,296	158,314	1,158,830	-	46,011	1,428,451
Profit for the year		-	-	408,615	-	-	408,615
Comprehensive income							
Loss on debt instruments at fair value through OCI		-	-	-	-	(41,862)	(41,862)
Reclassified to profit or loss	57	-	-	-	-	(7,038)	(7,038)
Revaluation gains/ (losses) on equity instrument at FVOCI		-	-	-	-	34	34
Tax on OCI	44	-	-	-	-	(10)	(10)
Deferred Tax		-	-	-	-	14,670	14,670
Total comprehensive income				**408,615**	**-**	**(34,206)**	**374,409**
Transfer of excess depreciation net of deferred tax	57	-	-	615		(615)	-
Transfer to non-distributable reserve	57	-	-	(1,676)	1,676	-	-
Transactions with shareholders							
Dividend Declared	26	-	-	(117,533)	-	-	(117,533)
At 31 December 2023		**65,296**	**158,314**	**1,448,851**	**1,676**	**11,190**	**1,685,327**

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

In TZS' Million	Note	GROUP		BANK	
		2024	2023	2024	2023
Cash flow from operating activities					
Net cash generated from / used in operating activities	59(B)	1,102,188	(318,986)	913,201	(157,694)
Cash flows from investing activities					
Purchase of property and equipment	40	(60,922)	(73,955)	(47,821)	(53,922)
Purchase of motor vehicle	39	(7,336)	(6,922)	(5,150)	(6,191)
Purchase of intangible assets	43	(43,135)	(31,379)	(40,400)	(31,314)
Investment in Subsidiaries	38	-	-	-	(64,794)
Dividend received	19	156	820	11,132	11,311
Proceeds from disposal of property and equipment and motor vehicle		891	542	471	542
Net cash used in investing activities		**(110,346)**	**(110,894)**	**(81,768)**	**(144,368)**
Cash flows from financing activities					
Dividends paid	47	(127,407)	(115,354)	(127,407)	(115,354)
Equity investment FVOCI	31B	(7,857)	-	(7,857)	-
Additional investment in subsidiaries	38	-	-	(21,127)	-
Proceeds from issuance of shares to non-controlling interest	56	-	45,510	-	-
Grant received	53	-	19,900	-	19,900
Borrowings received	51	978,057	578,741	978,057	578,741
Green Bond received	50	-	171,826	-	171,826
Interest paid on Green Bond	50	(17,612)	-	(17,612)	-
Repayment of borrowings	51	(246,588)	(161,513)	(246,588)	(161,513)
Interest paid on borrowings	51	(82,020)	(55,121)	(82,020)	(55,121)
Receipts from Subordinated debt	52	-	-	-	-
Interest paid on subordinate debt	52	(13,325)	(10,973)	(13,325)	(10,973)
Interest paid on lease liabilities	48	(4,755)	(3,707)	(3,413)	(3,410)
Principal payment on lease liabilities	48	(12,537)	(14,267)	(11,449)	(13,868)
Net cash generated from financing activities		**465,956**	**455,042**	**447,259**	**410,228**
Cash and cash equivalents at 1 January		1,337,549	1,288,450	1,307,671	1,174,696
Net cash used in operating activities		1,102,188	(318,986)	913,201	(157,694)
Net cash used in investing activities		(110,346)	(110,894)	(81,768)	(144,368)
Net cash generated from financing activities		465,956	455,042	447,259	410,228
Foreign currency exchange difference		31,551	23,937	27,150	24,809
Cash and cash equivalents at 31 December	**59(B)**	**2,826,898**	**1,337,549**	**2,613,513**	**1,307,671**

CRDB BANK
The bank that listens

Scan the QR code above to view notes to the consolidated financial statements

CRDB BANK

The bank that listens