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Victoria
FINANCE

VICTORIA FINANCE PLC

ANNUAL REPORT AND GROUP CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2025

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VICTORIA FINANCE PLC

ANNUAL REPORT AND GROUP CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2025

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ANNUAL REPORT AND GROUP CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2025

CORPORATE INFORMATION

BOARD OF DIRECTORS

CHAIRPERSON
Mr. Leonard Kitoka

VICE CHAIRPERSON
Ms. Rose Funja

DIRECTORS
Mr. Abel Kaseko
Mr. Deusdedit Rutazaa
Dr. Ibrahim Mwangalaba
Ms. Farida Kangesa
Mr. Sylvester Orao

COMPANY SECRETARY
Mr. Patrick Malewo

CHIEF EXECUTIVE OFFICER
Mr. Julius Mcharo

REGISTERED OFFICE
5th Floor Mwanga Tower Building,
New Bagamoyo road, Kijitonyama,
P.O BOX 12102
Dar es Salaam

LEGAL ADVISORS:
APEX ATTORNEYS
Tancot House,
Sokoine/Pamba Road,
P.O BOX 34674,
Dar es Salaam

AUDITORS
AUDITAX INTERNATIONAL
Auditax House, 3rd Floor,
Coca-Cola Road, Mikocheni,
P.O. Box 77949, Dar es Salaam
Tanzania.

BANKERS:
NCBA BANK TANZANIA LIMITED
Samora Branch, Dar es Salaam

NMB BANK PLC
Kariakoo Branch, Dar es Salaam

TCB BANK LIMITED
Mlimani Branch, Dar es Salaam

MWANGA HAKIKA BANK LIMITED
Mwanga Tower, Dar es Salaam

CRDB BANK PLC
Vijana Branch, Dar es Salaam

COOPERATIVE BANK
Moshi Branch, Kilimanjaro

MAENDELEO BANK
Luther House, Dar es Salaam

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VICTORIA FINANCE PLC

ANNUAL REPORT AND GROUP CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2025

REPORT BY THOSE CHARGED WITH GOVERNANCE

1. INTRODUCTION

The Directors present this report and the audited financial statements for the financial year ended 31st December 2025, which disclose the state of affairs of the Group.

2. INCORPORATION

Victoria Finance Plc was incorporated on 2nd October 2009 under the Tanzania Companies Act, 2002, as Victoria Microfinance Company Limited and later, on 20th April 2010, changed the name to Victoria Finance Limited, and in 2014, it was incorporated as Victoria Finance Public Limited Company.

3. VISION, MISSION, CORE VALUES

VISION

"To become a leading innovative financial services provider, recognized for excellence and transformative impact in Africa."

MISSION

"To deliver tailored, high-impact financial solutions that empower individuals and enterprises to achieve economic independence and long-term success."

CORE VALUES:

(i) Customer Centricity
The Company prioritizes its customers' needs, fostering trust by delivering solutions that resonate with their aspirations

(ii) Integrity
Upholding the highest ethical standards in all interactions, fostering long-term partnerships built on transparency and trust

(iii) Innovation
Continuously seeking new ways to enhance financial solutions, ensuring customers benefit from cutting-edge practices.

(iv) Excellence
Striving for superior quality in every aspect of service delivery, ensuring stakeholders' expectations are consistently surpassed.

4. PRINCIPAL ACTIVITIES

The principal focus of Victoria Finance Group is the provision of financial services, mainly microfinance. The Group is also carrying out insurance brokerage services through its subsidiary, Victoria Insurance Brokers Limited.

VICTORIA FINANCE PLC

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5. OBJECTIVES AND STRATEGIES

The main objectives and strategies of Victoria Finance Group are:

1. Improve Financial Growth and Market Expansion

   - Drive growth through geographical expansion and product diversification, focusing on digital financial solutions and innovative lending products tailored to emerging customer needs.
   - Expand into new markets and enhance product offerings, including digital agriculture products and financial solutions for Micro & Small Enterprises and underserved communities.

2. Digital Transformation and Operational Efficiency:

   - Leverage technology to optimize operational processes, enhance productivity, and improve customer experience.
   - Invest in advanced digital infrastructure, automation, and data analytics to increase operational efficiency and scalability.

3. Enhance Customer Experience:

   - Enhance customer engagement and satisfaction through personalized financial solutions and exceptional service delivery.
   - Implement data-driven insights to understand customer needs and behaviors, ensuring tailored financial products and seamless digital experiences.

4. Improve Risk Mitigation and Sustainability:

   - Strengthen risk management frameworks and promote sustainable financial practices to ensure long-term stability and growth.
   - Align strategies with environmental, social, and governance (ESG) principles to support sustainable development goals.

5. Improve Talent Management:

   - Develop a high-performance culture by attracting, retaining, and nurturing top talent.
   - Implement human capital development programs to enhance skills, leadership, and productivity.

6. DIRECTORS

The Board held five meetings out of five during the year. There were no incoming and outgoing Directors during the year. The Chief Executive Officer and Internal Auditor also attended the meetings as invited.

The Members of the Board of Directors who served during the period and to the date of this report are indicated below:

NAME	POSITION	APPOINTED	AGE	PROFESSION	NATIONALITY	NO. OF SHARES
Ms. Farida Kangesa	Member	1-July-23	51	Marketing Specialist	Tanzanian	2,005,290
Mr. Leonard C. Kitoka	Chairperson	30-Dec-24	57	Mgt Consultant	Tanzanian	2,302,500
Sylvester Orao	Member	01-Dec-24	55	Certified Auditor	Tanzanian	63,173
Deusdedit Rutazaa	Member	1-July-24	58	Certified Accountant	Tanzanian	62,760
Ms. Rose Funja	Vice Chairperson	01-July-23	44	IT Specialist	Tanzanian	-
Mr. Abel Kaseko	Member	1-July-24	43	Banker	Tanzanian	-
Dr Ibrahim Mwangalaba	Member	1-July-24	58	Banker	Tanzanian	-
COMPANY SECRETARY						
Patrick Malewo	Secretary	1-July-22	57	Lawyer	Tanzanian	-

7. CORPORATE GOVERNANCE

VFP Board consists of seven (7) both Non-Executive and Independent Directors. Apart from the Chief Executive Officer, no other Director holds executive positions in the Company. The Board takes overall responsibility for the Company, including responsibility for identifying key risk areas, considering and monitoring significant investment decisions, considering significant financial matters, and reviewing the performance of management, business plans, and budgets. The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative and for compliance with sound corporate governance principles.

The Board is required to meet at least four times a year. The Board delegates the day-to-day management of business to the Chief Executive Officer, assisted by senior management.

The VFP Board has three Board committees, namely the Board Audit & Risk Committee, the Board Credit Committee, and the Board Finance, Human Resources & Administration Committee.

BOARD AUDIT & RISK COMMITTEE MEMBERS

The Committee held three out of four meetings planned during the year. The External Auditors were invited and attended one meeting to present audit findings and audited financial statements. The Chief Executive Officer, Chief Finance Officer, and Internal Auditor also attended the meetings as invited.

Members of the Committee that served during the year and current Members were as follows:

NAME	POSITION	PROFESSION	NATIONALITY
Mr. Deusdedit Rutazaa	Chairman	Accountant	Tanzanian
Dr. Ibrahim Mwangalaba	Committee Member	Banker	Tanzanian
Mr. Sylvester Orao	Committee Member	Auditor	Tanzanian
Mr. Patrick Malewo	Secretary	Lawyer	Tanzanian

The Board Audit and Risk Committee reviews significant accounting policies and financial reporting systems to ensure that they are adequate and are always complied with. It reviews the adequacy of internal control systems and monitors the implementation of actions to address issues raised by internal auditors, external auditors, and regulators.

The Board Audit and Risk Committee assists the Board in evaluating the performance, independence, objectivity and effectiveness of the External Auditors. Following its assessment, the Committee recommended the reappointment of Auditax International as the Group's External Auditors for the ensuing year, subject to shareholders' approval at the Annual General Meeting. Auditax International has expressed its willingness to continue in office, and a resolution for its reappointment will be proposed at the Annual General Meeting. The Committee may also recommend the termination or replacement of the External Auditors where their performance, independence or professional conduct is not considered satisfactory.

BOARD CREDIT COMMITTEE

The Board Credit Committee held three meetings during the year out of the four planned meetings. The Chief Executive Officer and Chief Operations Officer participated in the meetings as invitees. Members of the Board Credit Committee that served during the year and current Members were as follows: -

NAME	POSITION	PROFESSION	NATIONALITY
Mr. Abel Kaseko	Chairman	Banker	Tanzanian
Dr. Ibrahim Mwangalaba	Committee Member	Banker	Tanzanian
Ms. Farida Kangesa	Committee Member	Marketing Specialist	Tanzanian
Mr. Patrick Malewo	Secretary	Lawyer	Tanzanian

The main function of the Board Credit Committee is to monitor the performance and quality of the credit portfolio, appraise and approve loans within its credit approval limit, and recommend to the Board for approval facilities beyond its limit. The Committee reviews the Credit Policy at least once a year and ensures that it contains sound fundamental principles that facilitate the identification, measurement, monitoring, and control of credit risk, as well as having appropriate plans and strategies for credit risk management.

BOARD FINANCE, HUMAN RESOURCES, AND ADMINISTRATION COMMITTEE

The Committee held three out of four meetings planned during the year. The Chief Executive Officer and Chief Finance Officer also attended the meetings as invitees. Members of the Committee that served during the year and current Members were as follows:

NAME	POSITION	PROFESSION	NATIONALITY
Ms. Rose Funja	Chairperson	IT Specialist	Tanzanian
Ms. Farida Kangesa	Committee Member	Marketing Specialist	Tanzanian
Mr. Sylvester Orao	Committee Member	Auditor	Tanzanian
Mr. Patrick Malewo	Secretary	Lawyer	Tanzanian

The main function of this Committee is to develop, review, and monitor the financial strategic plan and management practices. The Committee ensures that there is a succession plan for executives and other key positions. It is also responsible for reviewing and recommending reward strategies and annual compensation for the Board, senior management, and other employees.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors is mandated to oversee the Management to efficiently discharge specific functions of the Group. The members of the Board are always aware of their obligation

to have good corporate governance and the need to work for the best interests of the Group. All Board members are non-executive Directors and meet at least every three months to discuss the affairs of the Group. The Board of Directors consists of 7 members and the Secretary to the Board. The Board takes overall responsibility for the Group, including responsibility for identifying key risk areas, considering and monitoring investment decisions, considering significant financial matters, and reviewing the performance of management, business plans, and budgets.

The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operational and in compliance with sound corporate governance principles. The Board delegates the day-to-day management of the business to the Chief Executive Officer, who is assisted by the management team. The management team is invited to attend Board meetings and facilitate the effective control of the Group's operational activities.

The Group is committed to the principles of effective corporate governance. The Directors also recognize the importance of integrity, transparency, and accountability. During the year, the Board held five meetings, while the Board Audit and Risk Committee held three meetings during the year. The Board Credit Committee met three times while Board Finance, Human Resources & Administration met three times during the year.

Attendance at the meetings is detailed in the tables below:

S. NO	MEETING NO.	DATE	BOARD ATTENDANCE
1	88	08th February, 2025	6 out of 7
2	89	12th April,2025	6 out of 7
3	90	17th May, 2025	7 out of 7
4	91	31st July, 2025	6 out of 7
5	92	07th November, 2025	7 out of 7

BOARD MEETINGS

BOARD MEMBERS' ATTENDANCE IS SUMMARIZED BELOW:

NAME OF DIRECTOR	DIRECTORS	BARC	BCC	BFHA
Mr. Leonard Kitoka	5 out of 5	NA	NA	NA
Ms. Farida Kangesa	5 out of 5	NA	2 out of 3	3 out of 3
Ms. Rose Funja	5 out of 5	NA	NA	3 out of 3
Mr. Abel Kaseko	3 out of 5	NA	2 out of 3	NA
Dr. Ibrahim Mwangalaba	3 out of 5	3 out of 3	3 out of 3	NA
Mr. Deusdedit Rutazaa	5 out of 5	3 out of 3	NA	NA
Mr. Sylvester Orao	5 out of 5	3 out of 3	NA	3 out of 3

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The Board accepts final responsibility for the risk management and internal control systems of the Group. It is the task of the Directors to ensure that adequate internal financial and operational control systems are developed and maintained on an ongoing basis to provide reasonable assurance regarding:

a) The effectiveness and efficiency of operations;
b) The safeguarding of the Group's assets;
c) Compliance with applicable laws and regulations;
d) The reliability of accounting records;
e) Business sustainability under normal as well as adverse conditions; and,
f) Responsible behavior towards all stakeholders.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatements or losses, the Group's system is designed to provide the Board with reasonable assurance that the procedures in place are operating effectively.

The Board assessed the internal control systems throughout the financial year ended 31 December 2025 and is convinced that they met accepted criteria. The Board carries out risk and internal control assessments through the Board Audit and Risk Committee.

INTERNAL AUDIT FUNCTION

The Group has an established internal audit function headed by an in-house Internal Auditor, who reports to the Board of Directors through the Board Audit and Risk Committee.

The Internal Audit function provides an independent and objective assurance that is guided by a philosophy of adding value to improve the operations of the Group. It assists in accomplishing objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the Group's governance, risk management, and internal control. Both the internal audit activity and responsibilities are established and defined by the Board of Directors as part of their oversight role.

The scope of internal auditing encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the Group's governance, risk management, and internal controls as well as the quality of performance in carrying out assigned responsibilities to achieve the stated goals and objectives of the Group. This includes:

- Evaluating risk exposure relating to the achievement of the organization's strategic objectives.
- Evaluating the reliability and integrity of information and the means used to identify measure, classify, and report such information.
- Evaluating the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations that could have a significant impact on the organization.
- Evaluating the means of safeguarding assets and, as appropriate, verifying the existence of such assets.
- Evaluating the effectiveness and efficiency with which resources are employed.
- Evaluating operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.
- Monitoring and evaluating governance processes.
- Monitoring and evaluating the effectiveness of the organization's risk management processes.
- Evaluating the quality of performance of external auditors and the degree of coordination with internal audit.

- Performing consulting and advisory services related to governance, risk management, and control as appropriate for the organization.
- Reporting periodically on the internal audit activity's purpose, authority, responsibility, and performance relative to its plan.
- Reporting significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by the Board.
- Evaluating specific operations at the request of the Board or management, as appropriate.

EXECUTIVE MANAGEMENT

The existing Group's management structure has the Chief Executive Officer (CEO), who is the overall in charge of the Group. He is assisted by the Chief Business Development Officer (CBDO), the Chief Credit Officer (CCO), the Chief Finance Officer (CFO), Legal & Compliance Manager (HLM), the Information Technology Manager (ITM), and Internal Auditor (IA).

The current management team is composed of the following members:

CHIEF EXECUTIVE OFFICER

Julius Mcharo is a professional banker with over thirty years' experience in banking, microfinance, and financial markets, where he ascended the leadership ladder to become the Chief Executive Officer of a regional Bank-Commercial Bank of Africa (Tanzania) Limited, a position he held until December 2015. He worked for both international banks and local banks including Standard Chartered Bank, Citibank, TIB Bank, and Commercial Bank of Africa in Treasury, Institutional banking, and Corporate & Investment Banking.

He has served on several Boards, including IODT, Victoria Insurance Brokers, Mawinyi Investment Limited, and Albatross Company. He holds a B.com (Finance), MBA, CPA (T), Certificate of Directorship and Mastery in Directorship.

CHIEF FINANCE OFFICER

Esther Ruge is the Chief Finance Officer of Victoria Finance responsible for financial management, Operational Efficiency, Funding mobilization, and Strategy execution. She has extensive experience in financial audit and advisory environments for more than nine years at Deloitte & Touché. Esther started her career as an Audit Associate, rising to the position of Audit Senior. Her major areas of focus have been in Financial Institutions, Manufacturing, Oil & Gas, Consumer Business, Government institutions, Donor Funded Projects, and NGOs. Previously, she worked with the Deloitte Kizazi Hodari Southern Zone Project as a Financial Accountant before joining Victoria Finance. She is a qualified Accountant (ACPA-PP) and holds a Bachelor of Commerce in Finance with extensive knowledge of international Financial Reporting Standards (IFRSs), government accounting, tax and value-for-money audit.

CHIEF BUSINESS DEVELOPMENT OFFICER

Eliamlisi Joseph Mlay is a distinguished financial services executive with over 20 years of progressive leadership across microfinance, banking, and financial inclusion in Tanzania. Rising from credit officer to CEO-level roles, he combines technical depth, strategic vision, and institution-building capability. He currently serves as Chief Business Development Officer at Victoria Finance PLC, having previously led organizations as Founding CEO, Executive Director, and Regional Manager, while also shaping national policy and mentoring the next generation of financial sector leaders.

ACTING CHIEF CREDIT OFFICER

Melkizedeck Akyoo is the Chief Operations Officer (COO) of Victoria Finance Plc. He is responsible for formulating strategies, planning, and quality management of the loan portfolio. He oversees the operations department, which vests the portfolio management functions. He holds a Bachelor of Business Administration with Minors in Accounting and Information Technology from Carthage College, Kenosha, Wisconsin, WI (U.S.A), (2003) and Certificates in various courses in Banking and Leadership. He has extensive experience in Banking and other financial entities for more than 15 years. His experience includes serving in several roles in Retail Banking, Acting Branch Manager and Business Development Manager, Relationship Manager in Corporate Banking, Personal Banking, and Special Assets Management. In addition, he has been involved in Trade and Treasury Operations as Senior Officer at NCBA Bank Tanzania Limited. He also worked at Standard Chartered Bank in retail banking.

PROGRAMME MANAGER

Johari Mgombawanu is an experienced microfinance professional with more than 19 years dedicated to strengthening financial inclusion and empowering underserved communities in Tanzania. She currently serves as Programme Manager at Victoria Finance Plc (VFP), where she leads key initiatives focused on expanding access to responsible and sustainable financial services. Her career includes senior leadership roles such as Chief Operations Officer, Head of Operations, Regional Manager, and Branch Manager, contributing significantly to institutional improvement, operational efficiency, and credit portfolio growth. She is strongly committed to supporting women, youth, and special groups through income-generating initiatives and tailored financial solutions. One of her notable achievements is championing the development of a Water and Sanitation financing product in partnership with TAMFI and Water.org, enhancing access to essential services for low- and middle-income households. Her impact was recognized at the 2024 TAMFI Women in Finance Event, where she received a Trophy of Appreciation. She has qualifications in Community Development and Environmental Planning and Management.

INFORMATION TECHNOLOGY MANAGER

Noel Sumbe is an ICT Engineer and an experienced Systems Analyst for over five years. He specializes in network and systems administration and is quite knowledgeable in a variety of applications and operating systems. He previously worked both at Aga Khan Foundation and NPK Technologies as an IT Officer and System Analyst, respectively, before joining Vision Max Company as a System Analyst. He joined Victoria Finance Plc in October 2020 as an ICT Officer in charge of all the Company's ICT operations. Noel holds a Bachelor of Science in Computer Engineering and IT from the University of Dar es Salaam.

LEGAL AND COMPLIANCE MANAGER

Robi Simon Magaigwa is an Advocate of the High Court of Tanzania and the current Legal and Compliance Officer. She has more than ten years of professional legal practice. She worked as a Senior Advocate with both RMS Attorneys and FCB Consultancy Limited before joining Victoria Finance. She holds a Bachelor of Laws from Mzumbe University and a Post Graduate Diploma in Legal Training and Practice from the Law School of Tanzania.

DIRECTORS REMUNERATION

Remuneration of all Directors is subject to annual review by members of the Group to ensure that levels of emoluments and compensation are appropriate. The non-executive Directors are

not eligible for pension scheme membership and are not part of the VFP remuneration scheme.

Information on aggregate amounts of the emoluments and fees paid during the year is disclosed below:

S/N	DIRECTORS	AMOUNT (TZS)
1	Mr. Leonard C. Kitoka	2,941,176
2	MS. Farida Kangesa	2,352,941
3	Ms. Rose Funja	2,352,941
4	Mr. Abel Kaseko	2,352,941
5	Dr. Ibrahim Mwangalaba	2,352,941
6	Mr. Deusdedit Rutazaa	2,352,941
7	Mr. Sylvester Orao	**17,058,824**
	Total	

7. SHARE CAPITAL STRUCTURE

Victoria Finance PLC has 20 million authorized shares of TZS 250 each. Currently, the Group has 60 shareholders out of whom four (4) shareholders each hold at least 5.0% of the total issued and paid-up shares of the Company. The total number of shares issued and paid up as of 31st December 2025 was **8,739,304** (2024: 7,308,054). Additional shares of 1,431,255 paid were a result of the Right Issue in 2025, whereas existing shareholders were offered a right issue of one share for each of two shares held in the Company.

The shares of the company as of 31st December 2025 and 2024 are held as follows:

NAME	NO. OF SHARES	% OF HOLDINGS	NO. OF SHARES	% OF HOLDINGS
	2025	**2025**	**2024**	**2024**
Leonard Kitoka	2,302,500	26.35%	1,535,001	21.0%
Farida Kangesa	2,005,290	22.95%	1,614,932	22.1%
Blandina Mususa	757,078	8.66%	757,078	10.4%
VG Holding Company Ltd	439,818	5.03%	439,818	6.0%
Other Shareholders (56)	3,234,618	37.01%	2,961,225	40.5%
Total Share Capital	**8,739,304**	**100.00%**	**7,308,054**	**100.00%**

8. STOCK EXCHANGE INFORMATION

The Group is listed at Dar es Salaam Stock Exchange under the Acceleration window, which is a non-trading category of emerging enterprises nurtured and profiled for consideration in both the Enterprise Growth Market and the Main Market listing.

9. BUSINESS PERFORMANCE

The Group performance for the year is summarized below:

DESCRIPTION	GROUP 2025 TZS 000	GROUP 2024 TZS 000	COMPANY 2025 TZS 000	COMPANY 2024 TZS 000
Profit/(loss) before taxation	499,379	234,823	524,255	331,476
Tax (charge)/credit	(121,508)	(36,284)	(113,195)	(47,648)
Net (loss)/profit	377,871	198,538	411,060	283,829
Earnings per share (EPS)	50	27	55	39
Return on Equity (ROE)	54%	6%	55%	8%

10. KEY PERFORMANCE INDICATORS (KPIs)

During the year, the performance of VFP improved slightly compared to the previous year, with much-improved key performance indicators. This was mainly attributed to improved efficiency, cost containment, and improved revenues due to increased disbursement. Also, loanable funds increased compared to the previous year, which made the company increase its loan portfolio.

Below is the summary of Key Performance Indicators:

KEY INDICATORS	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Portfolio at Risk 30 days	7.8%	9.00%	7.8%	9.00%
Operational Self Sufficiency	125%	118%	128%	127%
Operating Expense/Loan Portfolio	18%	14%	17%	12%
Personnel /Loan Portfolio	10%	9%	9%	7%
Debt to Equity Ratio	11.72 times	1.75 times	11.48 times	1.79 times
Loan Portfolio to Total Assets	70%	72%	71%	73%
Capital to Total Assets	4%	27%	5%	26%

11. DIVIDEND

The Board of Directors does not recommend the payment of a dividend for the year ended 31 December 2025 (2024: TZS 15 per share, amounting to TZS 109,620,810). This decision reflects the Board's prudent approach to preserving capital and strengthening the Group's financial position, while supporting the continued mobilization of both equity and debt finance for portfolio growth, new product development and strategic technology initiatives.

Victoria Insurance Brokers Limited, the Group's subsidiary, also did not declare a dividend for the year ended 31 December 2025 (2024: TZS Nil).

12. CURRENT AND FUTURE DEVELOPMENT PLANS

Victoria Finance is embarking on an ambitious journey with its Strategic Plan for 2025-2029, designed to propel the institution into a new era of growth, innovation, and impact. This strategic blueprint sets the stage for achieving sustainable financial success while delivering high-impact financial solutions to empower individuals and enterprises. Building on a legacy of excellence and transformative impact, the plan outlines a clear vision, mission, strategic objectives, and resource allocation to drive growth and operational efficiency.

The Strategic Plan 2025-2029 is driven by the strategic theme to "Empower Communities through Financial Inclusion." This vision reflects Victoria Finance's commitment to creating value for customers, shareholders, and communities by delivering impactful financial solutions

that drive socio-economic development. The strategic plan ensures agility, scalability, and sustainability in an increasingly competitive and dynamic economic landscape.

13. ESG DISCLOSURE

13.1. GOVERNANCE

13.1.2. Board Oversight

The Board of Directors retains ultimate responsibility for oversight of sustainability-related risks and opportunities, including climate-related financial risks. In line with regulatory expectations, the Board has embedded sustainability oversight within its governance structure through the Board Audit and Risk Committee, which is mandated to:

- Oversee climate-related and broader sustainability risks and opportunities
- Review and approve sustainability policies and related risk management frameworks
- Monitor the integration of sustainability considerations into credit, operational and strategic decision-making
- Review performance against ESG targets and key performance indicators.

During the year, the Board approved:

- The Sustainability Policy;
- The 5-Year ESG SMART Goals Roadmap (2026–2030), with 2025 as the baseline year;
- The integration of climate-related financial risks into the Enterprise Risk Management (ERM) framework.

13.1.3. Skills and Competencies

The Board has ensured that adequate skills and competencies are available to oversee sustainability-related risks and opportunities. During 2025, targeted capacity-building sessions were conducted covering:

- Climate-related financial risks
- Regulatory developments under BOT 2025 Guidelines
- IFRS Sustainability Disclosure Standards (IFRS S1 and IFRS S2).

13.1.4 Senior Management Responsibilities

Senior Management is responsible for implementing sustainability strategy and ensuring operational integration. Specific roles include:

- Risk Management: Identification, assessment and monitoring of sustainability and climate-related financial risks;
- Credit Function: Integration of ESG and climate screening into credit origination and review processes;
- Compliance: Monitoring adherence to regulatory requirements;
- Finance: Collection and reporting of sustainability metrics;

- Internal Audit: Independent review of the adequacy and effectiveness of sustainability risk management processes.

Oversight is implemented through periodic management reporting to the Board and its committees.

13.2. STRATEGY

13.2.1. Identification of Sustainability-Related Risks and Opportunities

Following completion of the ESG materiality assessment in 2025, VFP identified the following material sustainability topics: Financial inclusion, Gender/youth empowerment, Education, Agri and clean energy, Disability inclusion, financial literacy, Savings culture, Transparency/responsible lending and Digital lending

These topics were assessed based on their potential to affect VFP's cash flows, access to finance, cost of capital, reputation and regulatory compliance over short, medium and long-term horizons.

13.2.2. Time Horizons

VFP considers sustainability-related risks and opportunities across:

- Short term: 1–3 years
- Medium term: 3–5 years

13.2.3. Impact on Business Model and Financial Position

VFP recognizes that climate-related transition risks, regulatory changes, technological shifts and evolving stakeholder expectations may affect sectoral exposures within the loan portfolio. Sectoral screening has commenced to identify exposure concentrations in climate-sensitive industries. VFP has identified opportunities in: Microenterprises development, Agriculture and clean energy and MSME and women-led enterprise financing

Digital transformations are expected to improve cost efficiency over time. VFP continues to assess potential impacts on capital adequacy, liquidity, and credit quality, particularly under adverse climate-related scenarios.

13.2.4 Strategic Resilience

VFP has initiated the incorporation of climate considerations into its strategic planning and risk appetite framework. Scenario analysis capability is being progressively developed to enhance resilience assessment in line with regulatory guidance.

13.3. RISK MANAGEMENT

VFP has established processes to identify, assess, prioritize and monitor sustainability-related risks and opportunities and integrate them into the overall ERM framework.

13.3.1 Risk Identification

Climate-related risks are identified at:

- Counterparty level (borrower screening)
- Sector level (industry exposure mapping)

- Geographic level (exposure to climate-vulnerable regions).

Both physical risks and transition risks are considered during credit assessment and portfolio monitoring.

13.3.2 Risk Assessment and Monitoring

VFP has developed qualitative and quantitative indicators to monitor sustainability-related risk exposures. These include:

- Sectoral exposure analysis
- Concentration thresholds
- Portfolio screening metrics
- Climate risk exposure mapping.

The Risk function periodically reports sustainability-related risk exposures to the Board Audit and Risk Committee.

13.3.4. Integration into major risks facing VFP

Sustainability-related risks are assessed in relation to:

- Credit Risk: integration into credit underwriting, review and sector concentration monitoring;
- Liquidity Risk: assessment of potential funding volatility under stress;
- Market Risk: monitoring valuation sensitivity in affected sectors;
- Operational Risk: business continuity planning considering physical climate risks;
- Compliance and Reputational Risk: monitoring regulatory and stakeholder expectations.

The three lines of defense model applies to sustainability risk management.

13.4 METRICS AND TARGETS

13.4.1 Overview

VFP has established metrics and targets as a core component of its sustainability management and reporting framework. Metrics are used to measure exposure to sustainability-related risks and opportunities, monitor progress against strategic objectives, and support informed decision-making, while targets provide clear direction for improving performance over time.

The selected metrics and targets cover all material sustainability topics and are designed to reflect issues that are financially relevant to VFP's business model, risk profile, and long-term prospects. They focus on areas such as Green and sustainable financing, financial inclusion and access to VFP, Data privacy and cybersecurity, Risk management and controls,

Metric	Unit	2025 Baseline (Actual)	2028 Target	Commentary
Solar loans issued	% of total portfolio	0.01%	2%	Enables access to clean energy (SDG 7, SDG 13)
Green lending ratio	% of total portfolio	5%	10%	Share of loans for eco-projects (SDG 13, SDG 7

Regulatory compliance, Ethics, integrity and anti-corruption. In our first year of sustainability reporting, we have adopted a phased approach to metrics and targets. During this transition year, priority is placed on:

- Establishing reliable data collection processes,
- Identifying baseline measurements, and
- Setting realistic and achievable targets aligned with VFP's 'climate smart' goals.

We also invest in energy-efficient office practices and plan to assess financed-farm carbon footprints over time, in line with emerging climate disclosure requirements. In this way, VFP's lending aligns with SDG 7 (clean energy) and SDG 13 (climate action).

13.4.2 Social Metrics

Metric	Unit	2025 Baseline (Actual)	2028 Target	Commentary
Financial Inclusion: Loans to Micro, Small and Medium Enterprises (MSMEs)	% of total portfolio	37%	≥45%	MSME lending represents a significant portion of VFP's loan portfolio and reflects VFPs continued support for small and medium enterprises as part of its financial inclusion agenda.
Gender and Youth Empowerment	% of total portfolio	26% and 18%	≥40% and ≥25%	Tailored products such as Inuka Malkia and Fahari Malkia support women entrepreneurs, with of business loans disbursed to women in 2025. Youth-targeted financing further reinforces VFP's commitment to inclusive growth.
Community Investment & CSR	Education and Financial literacy to customers and CSR spend as % of profit	4.94%	≥1%	VFP finances private schools and tuition support through Education Loans, benefiting over 100 institutions and ~30,000 students. Regular client training sessions promote financial literacy,

				budgeting, and a savings culture. VFP continued to support community initiatives through its corporate social responsibility programmes during the reporting period.
Data Privacy & Cybersecurity: Data breaches	Number	0	0	No data breaches were recorded during the reporting period. VFP continues to maintain cybersecurity controls and monitoring processes aimed at safeguarding information systems and customer data.
Data Privacy & Cybersecurity: Training	% staff trained in cyber security	100%	100%	All employees completed cybersecurity awareness training during the year, supporting VFP's ongoing efforts to strengthen information security practices.

13.4.3. Governance Metrics

Metric	Unit	2025 Baseline (Actual)	2028 Target	Commentary
Ethics & Anti-Corruption:	Number of fraud cases	0	0	No fraud incidents were reported during the reporting period. VFP continues to maintain internal controls, monitoring mechanisms and ethical conduct standards to prevent and detect fraudulent activities.
Female Board Representation	%	30%	≥40%	Female representation on the Board stood at 29% during the reporting period. VFP will continue to consider diversity and inclusion in future Board appointments in line with its governance objectives.
Regulatory Breaches	Number	0	0	No regulatory breaches were recorded during the reporting period. VFP continues to maintain compliance monitoring processes to ensure adherence to applicable regulatory requirements.

14. STATEMENT OF COMPLIANCE

These disclosures have been prepared in accordance with Tanzania Guidelines on Climate-Related Financial Risks Management and Disclosures, 2025 and the Guidelines on Reporting of Sustainability Related Risks and Opportunities, 2025. The structure of this disclosure aligns with the four core pillars of IFRS Sustainability Disclosure Standards (IFRS S1 and IFRS S2). VFP will continue to enhance its sustainability-related disclosures as data maturity, internal systems and regulatory expectations evolve.

15. STAKEHOLDERS' RELATIONSHIPS

The Group continued to maintain good relationship with all stakeholders including customers, banks, microfinance institutions, vendors, impact funders, Tanzania Association of Microfinance Institutions (TAMFI) and regulators such as Bank of Tanzania (BOT), Tanzania Revenues Authority, Social Security Funds, and Tanzania Insurance Regulatory Authority Municipal Councils, Higher Education Students' Loans Board, BRELA, OSHA, Workers Compensation Fund, and Ministry of Trade and Industry.

16. SOLVENCY

The Board of Directors has reviewed the financial position of the Group for the year ended 31st December 2025 and the existing long-term, short-term obligations and means ascribed in the Companies Act No. 12 of 2002 and considers the Group to be a going concern.

17. CASH FLOWS AND LIQUIDITY

VFP Management has set out various strategies that will ensure long-term sustainable funding, which can be used to lend to the customers and maintain the optimal level of business operation. One of the strategies is engaging different Banks, Financial Institutions, and Impact Funders both within and outside the country, who can lend to VFP at an affordable cost. We are currently in discussion with several institutions, some of which are in the very advanced stage.

18. EMPLOYEE WELFARE

FINANCIAL ASSISTANCE

During the year, the Group offered its employees staff loans at an interest rate of 18% per annum. The loans are issued at concessionary lending rates pegged at the average cost of funds.

MEDICAL BENEFITS

During the year, the Group continued to offer its employees medical insurance cover for the whole year with Jubilee Health Insurance Limited.

MANAGEMENT/EMPLOYEE RELATIONSHIP

During the year, the relationship between management and employees remains good with sound collaboration and teamwork.

GENDER PARITY

The Group is an equal opportunity employer as of 31 December 2025, the Group had the following distribution of employees by gender. As of 31st December 2025, women employees accounted for 54% of all employees (2024:50%).

GENDER	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Female	21	12	19	10
Male	18	12	18	12
Total	**39**	**24**	**37**	**22**

PERSONS WITH DISABILITIES

Applications for employment by disabled persons are always considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues, and appropriate training is arranged. It is the policy of the Company that training, career development, and promotion of disabled persons should, as far as possible, be identical to that of other employees.

EMPLOYEES BENEFIT PLAN

The Group's contributions to a publicly administered pension plan on a mandatory basis, which qualifies to be a defined contribution plan.

19. RELATED PARTY TRANSACTIONS

All related party transactions and balances are disclosed in Notes 21 and 28 of these financial statements.

20. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Victoria Finance PLC continued to give back to the community in support of various developmental causes in areas of education, health, and environmental conservation. The Corporate Social Responsibilities initiatives are guided by Victoria's policy that requires Victoria Finance to spend up to 0.5% of its profit on community support in social activities.

Corporate Social Responsibility has become an integral part of our operations. As a corporate citizen, Victoria Finance believes that giving back to our communities is an opportunity to be closer to our customers and create a lasting bond.

21. AUDITORS

During the year 2025, Auditax International was appointed as the Group's auditors for the first time. The auditors have indicated their willingness for re-appointment for the year ending 31st December 2026.

By order of the Board

Leonard Chacha Kitoka
Chairman

Date

VICTORIA FINANCE PLC

ANNUAL REPORT AND GROUP CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2025

STATEMENT OF RESPONSIBILITIES OF THOSE CHARGED WITH GOVERNANCE

The Group's Directors are responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position as at 31st December 2025, and the statement of comprehensive income, the statement of changes in equity and statement of cash flow for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, per International Financial Reporting Standards and the manner required by the Tanzania Companies Act, CAP 212 of 2002.

The Directors' responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Directors acknowledge that they are responsible for establishing appropriate policies and procedures to prevent non-compliance with laws and regulations (NOCLAR), including whistleblowing procedures as a necessary part of good internal governance.

The Directors have assessed the Group's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

The auditors are responsible for reporting on whether the annual financial statements are fairly presented in accordance with the applicable financial reporting framework.

Approval of the financial statements

The financial statements, as indicated above, were approved by the Board of Directors on **28th July 2026,** and were signed on its behalf by:

Deusdedit Rutazaa

Director

Leonard Kitoka

Chairman

VICTORIA FINANCE PLC

ANNUAL REPORT AND GROUP CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2025

DECLARATION OF HEAD OF FINANCE

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 Head of Finance/Accounting responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors/Governing Body/Management to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements.

Full legal responsibility for the preparation of financial statements rests with the Board of Directors as under Directors Responsibility statement on an earlier page.

I Esther Ruge, being the Head of Finance of Victoria Finance PLC. hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31st December 2025 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of Victoria Finance PLC. as on that date and that they have been prepared based on properly maintained financial records.

Signature: .....

Position: Head of Finance

NBAA Membership No.: ACPA PP 6099

Date: 28/07/2026

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REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF VICTORIA FINANCE PLC

Opinion

We have audited the financial statements of Victoria Finance Plc, set out on pages 25 to 61, which comprise the statement of financial position as at 31 December 2025, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Victoria Finance Plc as at 31 December 2025, and its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards, the Microfinance Act, 2018 and the Companies Act, 2002 of Tanzania.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants, together with the ethical requirements that are relevant to our audit of the financial statements in Tanzania, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. The matter was addressed in the context of our audit of financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key Audit Matter

Impairment of Loans and Advances	
The key audit matter	**How the matter was addressed in our audit**
• Loans and advances to customers amounted to TZS 11,593,629,738 as at 31st December 2025 (TZS 10,254,023,010 as at 31st December 2024), and the total Expected Credit Loss amounted to TZS 405,507,671 as at 31st December 2025 (TZS 398,135,299 as at 31st December 2024). Refer to Note no. 12 • The company applies to IFRS 9 in estimating the expected credit loss. Judgement is applied to determine the appropriate parameters and assumptions used to estimate the provisions in the following areas: • 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); • Determination of exposure at default (EAD); • Determination of the forward-looking parameters to be incorporated in the estimation of expected credit losses; and • Determination of the loss given default (LGD) which includes estimation of the expected cash flows and recovery rates. Variations in the assumptions and inputs into the impairment models could result in material change in the financial results and position of the institution	• We tested the quantitative and qualitative criteria used in the classification of loans and advances. • 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. • We tested the portfolio segmentation which is used to determine PD and LGD. • We tested the reliability, accuracy and reasonableness of information used for estimating the exposure at default, probability of default and loss given default. • We tested the forward-looking scenarios and parameters used by management in estimating projected probabilities of default. • We challenged management's basis for establishing the correlation between forward looking parameters and the Company's non-performing loan trends. • We tested the loss given default for the secured loan portfolio. • We tested recovery costs and recovery periods used to estimate the recoverable amount of collateral for secured facilities. • We considered the adequacy of financial statements disclosures.

AUDITAX

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REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF VICTORIA FINANCE PLC (CONTINUED)

Other Information included in the Company's Annual Report

The other information comprises the Company Information, Director's Report, Statement of Directors' Responsibilities and Declaration by Head of Finance. The other information does not include the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance thereon.

In connection with our audit of financial statements, our responsibility is to read the other information 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, we conclude that there is material misstatement of this other information; we are required to report that fact. We have nothing to report on this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going

Concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Companies Act, 2002, to be kept by the Entity have been properly kept in accordance with the provisions of the Companies Act.

The engagement partner on the audit resulting in this independent auditor's report is Dr. Straton Makundi.

Auditax International

Certified Public Accountants

Dar es Salaam, Tanzania

Signed by: Dr. Straton Makundi (FCCA)

Date 30 July 2026.

Registration No: ACPA 1747

VICTORIA FINANCE PLC

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	GROUP 2025 TZS 000	GROUP 2024 TZS 000	COMPANY 2025 TZS 000	COMPANY 2024 TZS 000
Interest income					
Interest income	5	3,732,103	2,453,126	3,723,509	2,444,105
Interest expenses	6.1	(1,402,750)	(1,126,568)	(1,397,491)	(1,119,056)
Net interest income		**2,329,352**	**1,326,558**	**2,326,018**	**1,325,049**
Impairment of receivables	6.2	(356,876)	(115,580)	(355,800)	(105,532)
Net interest income after impairment charges		**1,972,476**	**1,210,978**	**1,970,217**	**1,219,517**
Non-interest income					
Fees & Commissions		413,864	293,592	332,221	207,754
Other income		112,977	130,216	112,977	130,216
Non-interest income	7	**526,841**	**423,808**	**445,198**	**337,970**
Total Operating Income		**2,499,317**	**1,634,786**	**2,415,415**	**1,557,487**
Personnel expenses	8	(1,074,137)	(841,194)	(1,024,453)	(741,721)
Administrative expenses	9	(925,801)	(558,768)	(866,708)	(484,291)
Total Operating Expenses		**(1,999,937)**	**(1,399,962)**	**(1,891,161)**	**(1,226,012)**
Profit before taxation		**499,379**	**234,824**	**524,255**	**331,475**
Tax expense	10	(121,508)	(36,284)	(113,195)	(47,648)
Profit after taxation		**377,871**	**198,540**	**411,060**	**283,827**
Other Comprehensive Income				(24,252)	(102,838)
Total Comprehensive Income		**377,871**	**198,540**	**386,808**	**180,989**
Total income for the year attributable to					
Equity holders		377,871	198,540		-
Non-controlling interest		6	3		-
Basic and diluted earnings per share – TZS	24.1	**50**	**27**	**55**	**39**

The annexed notes 1 to 32 form an integral part of these financial statements

Director **Director**

Date: 28/07/2026 **Date:** 28/07/2026

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VICTORIA FINANCE PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	Note	GROUP 2025 TZS 000	GROUP 2024 TZS 000	COMPANY 2025 TZS 000	COMPANY 2024 TZS 000
ASSET					
Current Assets					
Current Assets					
Cash and cash equivalents	11	3,207,430	2,023,150	3,157,750	1,923,834
Net Loans and Advances	12	11,188,122	9,855,888	11,188,122	9,855,888
Prepayments	13	293,735	250,457	286,460	243,193
Other Accounts Receivables	14	236,790	164,129	198,744	137,149
Intercompany Receivables	21	-	-	163,406	175,375
Corporate Tax Receivable	23	336,934	451,327	272,644	324,044
Other Assets	15	44,904	433,297	41,451	433,297
Total Current Assets		**15,307,915**	**13,178,248**	**15,308,576**	**13,092,780**
Non-Current Assets					
Property and equipment	16	237,027	164,338	226,496	141,591
Right-of-use assets	25	239,657	302,662	184,734	224,959
Deferred Tax assets	10	101,531	118,064	104,903	106,700
Equity Investments (Net)		-	-	-	24,252
Total Non-Current Assets		**578,213**	**585,064**	**516,133**	**497,501**
Total Assets		**15,886,128**	**13,763,312**	**15,824,709**	**13,590,282**
LIABILITIES AND EQUITY					
Liabilities					
Borrowings	17	13,254,543	8,848,771	13,254,543	8,848,771
Cash Collateral/Savings	18	173,393	126,577	173,393	126,577
Lease Liability	25	305,163	349,482	239,347	272,884
Special Funds	20	693,036	688,508	693,036	688,508
Other Liabilities	19	756,507	84,746	746,241	73,443
Total Liabilities		**15,182,643**	**10,098,085**	**15,106,561**	**10,010,183**
Equity					
Ordinary Share Capital	24	2,184,827	1,827,013	2,184,827	1,827,013
Share Premium		392,823	395,169	392,823	395,169
Retained Earnings		(1,886,426)	1,443,048	(1,871,760)	1,357,917
Capital Grant	30	12,259	-	12,259	-
Total equity and Reserves		**703,482**	**3,665,230**	**718,148**	**3,580,099**
Non-controlling interest	26	**4**	**(2)**	**-**	**-**
Total Liabilities and Equity		**15,886,128**	**13,763,312**	**15,824,709**	**13,590,282**

The annexed notes 1 to 32 form an integral part of these financial statements

Director

Director

VICTORIA FINANCE PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

GROUP	Share Capital	Share Premium	Retained Earnings	Non-Controlling Interest	Total Equity
			---------- TZS 000 ----------		
Balance as at 1st January 2024	1,817,237	387,935	1,244,509	(5)	3,449,676
Profit for the year	-	-	198,540	3	198,541
New Shares Issued During the Year	9,776	7,234	-	-	17,010
Balance as at 31st December 2024	**1,827,013**	**395,169**	**1,443,049**	**(2)**	**3,665,227**
Balance as at 1st January 2025	1,827,013	395,169	1,443,049	(2)	3,665,228
New Shares Issued During the Year	357,814	-	-	-	357,814
Profit for the year	-	-	377,871	6	377,877
Prior Year Adjustment *(Note 31)	-	(2,346)	(3,597,724)	-	(3,600,071)
Dividend Paid	-	-	(109,621)	-	(109,621)
7Balance as at 31st December 2025	**2,184,827**	**392,823**	**(1,886,426)**	**4**	**691,227**

VICTORIA FINANCE PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

COMPANY	Share Capital	Share Premium	Retained Earnings	Reserves	Total Equity
			TZS 000		
Balance as at 1st January 2024	1,817,237	387,935	1,049,836	127,089	3,382,097
New Shares Issued During the Year	9,776	7,234	-	-	17,010
Profit for the year	-	-	283,829	-	283,829
Fair Value Gain/loss - Investment in Subsidiary	-	-	-	(102,838)	(102,838)
Balance as at 31st December 2024	**1,827,013**	**395,169**	**1,357,917**	**24,252**	**3,580,098**
Balance as at 1st January 2025	1,827,013	395,169	1,333,665	24,252	3,580,098
New Shares Issued During the Year	357,814	-	-	-	357,814
Profit for the year	-	-	411,060	-	411,060
Fair Value Gain/loss - Investment in Subsidiary	-	-	-	(24,252)	(24,252)
Prior Year Adjustment* (Note 31)	-	(2,346)	(3,506,864)	-	(3,509,210)
Dividend Paid	-	-	(109,621)	-	(109,621)
Balance as at 31st December 2025	**2,184,827**	**392,823**	**(1,871,760)**	**-**	**705,889**

VICTORIA FINANCE PLC (VFP)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	GROUP 2025 TZS 000	GROUP 2024 TZS 000	COMPANY 2025 TZS 000	COMPANY 2024 TZS 000
CASH FLOW FROM OPERATING ACTIVITIES					
Profit Before Tax		499,379	234,827	524,255	331,475
Adjustments:					
Depreciation of Fixed assets	16	50,380	43,915	44,048	43,266
Interest on Lease Liability and depreciation - Right of use	25	79,438	76,112	60,534	67,744
Loss on Disposal		2,827	-	2,827	-
Provision for Loan impairment	12	7,372	115,580	7,372	105,532
Cash flow before changes in working capital		**639,396**	**470,434**	**639,036**	**548,017**
WORKING CAPITAL CHANGES					
(Increase)/Decrease in loans & advances	12	(1,339,607)	(1,139,724)	(1,339,607)	(1,129,677)
(Increase)/Decrease in short-term investment	11	-	(214,054)	-	(212,054)
(Increase)/Decrease in other assets	15	25,461	(32,181)	28,914	(32,181)
(Increase) in other prepayments	13	(43,278)	(86,954)	(43,266)	(88,886)
(Increase)/Decrease in other receivables	14	(72,662)	299	(61,595)	1,285
Increase/Decrease) in accounts payable	19	671,761	(79,838)	672,799	(22,579)
Increase in Special Funds	20	4,528	151,464	4,528	151,464
Increase in Collateral savings	18	46,816	1,527	46,816	1,323
(Increase)/Decrease in intercompany receivables	21	-	-	11,969	-
Prior year adjustment	31	(3,146,279)	175.368	(3,146,279)	-
Cash flow after change in working capital		**(3,213,862)**	**(753,659)**	**(3,186,684)**	**(783,288)**
Corporate Tax Paid	23	(51,178)	(36,000)	(51,178)	(36,000)
Withholding Tax Paid	23	(11,749)	(5,806)	(8,820)	(7,184)
Net cash used in operating activities		**(3,276,789)**	**(795,465)**	**(3,246,683)**	**(826,472)**
CASH FLOW FROM INVESTING ACTIVITIES					
Additional to Fixed Asset	16	(135,228)	(15,478)	(133,971)	(15,478)
Proceeds from Sale of Fixed Asset		2,191	-	2,191	-
Capital grant	30	12,259	-	12,259	-
Net cash flow used in investing activities		**(120,778)**	**(15,478)**	**(119,521)**	**(15,478)**
CASH FLOW FROM FINANCING ACTIVITIES					
Cash injection from shareholders		357,814	14,664	357,814	14,664
Lease Rental	25	(72,118)	(35,735)	(53,846)	(25,301)
Increase/Decrease) in borrowings	17	4,405,772	819,289	4,405,772	819,289
Dividend paid		(109,621)	-	(109,621)	-
Net cash flow generated from financing activities		**4,581,847**	**798,218**	**4,600,119**	**808,651**
CASH AND CASH EQUIVALENTS					

VICTORIA FINANCE PLC (VFP)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

Net (decrease)/increase in cash and cash equivalent		1,184,279	(12,715)	1,233,915	(33,298)
Cash and cash equivalent brought forward		2,023,150	2,035,875	1,923,834	1,957,132
Cash and cash equivalents carried forward	11	**3,207,430**	**2,023,150**	**3,157,750**	**1,923,834**

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2025

1. REPORTING ENTITY

Victoria Finance PLC (the "Group" or "Company") is a company domiciled in Tanzania. The financial statements of the Group are for the year ended 31 December 2025. These consolidated financial statements comprise of the Group and its subsidiary (together referred to as the "Group").

The Group is primarily involved in financial services, which comprise of microfinance and insurance brokerage services to the underserved community of Tanzania.

The Group registered office address is:

5th Floor, Mwanga Tower Building,

New Bagamoyo road, Kijitonyama, Kinondoni
P.O BOX 12102
Dar es Salaam, Tanzania

Both the parent Company financial statements and the Group financial statements have been prepared and approved by the Directors by International Financial Reporting Standards (IFRS). The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

2. MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. Amounts in the financial statements are stated in Tanzania Shillings, which is the Company's functional and presentation currency. All values are rounded to the nearest thousand (TZS '000) except where otherwise indicated.

a) Basis of preparation

The financial statements of Victoria Finance PLC comply with the Tanzania Companies Act, 2002 and have been prepared in accordance with International Financial Reporting Standards (IFRS).

The financial statements are prepared on a going concern basis and include the consolidated financial statements of the holding company and its subsidiaries (The Group) and the separate financial statements of the holding company (The Company).

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities and disclosures at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

The Group's critical accounting estimates and judgements in the preparation of financial statements in conformity with IFRS as determined by management, are detailed in note 4. These involve a higher degree of judgement or complexity and are areas where assumptions and estimates are significant to the financial statements. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

b) Adoption of new and revised international financial reporting standards ("IFRS")

The Company has not adopted any new standards, interpretations, or amendments that have been issued but are not yet effective in these financial statements. Other amendments and interpretations apply for the first time in 2025, but do not have an impact on the Company's financial statements.

The standards below did not have a significant impact on the Company's financial statements.

Standards and Amendments	Application date	Impact
Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	1 January 2026	No significant impact expected
Annual improvements to IFRS – Volume 11	1 January 2026	No significant impact expected
Amendment to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity	1 January 2026	No significant impact expected
Amendment to IAS 21 - Translation to a Hyperinflationary Presentation Currency	1 January 2027	No significant impact expected
Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36, and IAS 37- Disclosures about Uncertainties in the Financial Statements	1 January 2027	No significant impact expected
Amendment to IFRS 19, Subsidiaries without Public Accountability: Disclosures	1 January 2027	No significant impact expected
IFRS 18, Presentation and Disclosure in Financial Statements'	1 January 2027	No significant impact expected

Climate-Related and Sustainability-Related Financial Disclosures

"The International Sustainability Standards Board (ISSB) has issued IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures, effective for annual reporting periods beginning on or after 1 January 2024. These standards establish a framework for the disclosure of sustainability-related risks and opportunities, including climate-related financial impacts.

As at 31 December 2025, the Group has not yet implemented IFRS S1 and IFRS S2 disclosures in its financial statements. The Company has not yet conducted an assessment of the applicability of IFRS Sustainability Disclosures Standards. Management plans to evaluate this in the upcoming reporting period to ensure alignment with emerging global sustainability practices."

c) Basis of consolidation and equity accounting

The Group controls an entity when the Group is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiary is fully consolidated from the date on which control is transferred to the Group.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(i) **Separate financial statements of the Company**
In the separate financial statements of the Company, investments in subsidiary companies are carried at cost. In subsequent years, the carrying amount is reduced to recognize any impairment in the value of individual investments.

(ii) **Transactions with non-controlling interest**
The Group treats transactions with non-controlling interest as transactions with equity owners of the Group. For purchases from non-controlling interest, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposal to non-controlling interest without loss of control are also recorded in equity.

d) Foreign currency translation

(i) **Functional and presentation currency**
Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ("functional currency").

The consolidated and separate financial statements are presented in Tanzania Shillings ("TZS"), which is the Company's functional currency. All amounts are in Thousands except as otherwise stated.

(ii) **Transactions and balances**
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation when the items are remeasured.

Trading transactions denominated in foreign currencies are accounted for at the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities expressed in foreign currencies are reported at the rate of exchange ruling at the end of the reporting date. Differences arising from reporting monetary items are dealt with through profit or loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the dates of the transaction and are not subsequently retranslated.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

e) Interest income

Interest income is calculated by applying the effective interest rate to gross carrying amount of financial assets, except for:

(i) Purchased or originated credit-impaired ('POCI') financial assets, for which the original credit-adjusted effective interest rate is applied to the amortized cost of the financial asset.

(ii) (ii) Financial assets that are not 'POCI' but have subsequently become credit-impaired (or 'stage 3'), for which interest revenue is calculated by applying the effective interest rate to their amortized cost (i.e. net of the expected credit loss provision).

The Effective Interest Rate (EIR) is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortized cost before any impairment allowance) or to the amortized cost of a financial liability.

f) Fees and commissions

Fees and Commission income and expenses include fees that are not integral part of the Effective Interest Rate.

The Group recognizes fee and commission income charged for services provided by the Group as and when performance obligations are satisfied, for example, on completion of the underlying transaction.

A contract with a customer that results in a recognized financial instrument in the Group's financial statements may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15. If this is the case, then the Group first applies IFRS 9 to separate and measures the part of the contract that is in the scope of IFRS 9 and then applies IFRS 15 to the residual.

g) Investments, other financial assets and financial liabilities

Recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade date, the date on which the Group commits to purchase or sell the assets.

At initial recognition, the Group measures a financial asset or financial liability at its fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss (FVPL), transaction costs that are incremental and directly attributable to the acquisition of the financial asset or financial liability.

Transaction costs of financial assets carried at FVPL are expensed in profit or loss. An expected credit loss allowance (ECL) is recognized for financial assets measured at amortized cost and in debt instruments measured at fair value through other comprehensive income (FVOCI), which results in an accounting loss being recognized in profit or loss when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the Group recognizes the differences as follows:

(i) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.

(ii) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Amortized cost and effective interest rate

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in interest income using the effective interest rate method.

The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees.

For purchased or originated credit-impaired ('POCI') financial assets - assets that are credit-impaired at initial recognition, the Group calculates the credit-adjusted effective interest rate, which is calculated based on the amortized cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in net trading income. Impairment losses are presented as separate line items in the statement of profit or loss.

Loans originated by the Group by providing money directly to the borrower (at draw-down) are categorized as loans by the Group and are carried at amortized cost, which is defined as the fair value of cash consideration given to originate these loans as is determinable by reference to market prices at origination date. Third party expenses, such as legal fees, incurred in securing a loan are treated as part of the cost of the transaction.

FVOCI

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in fair value are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss.

When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in net trading income. Interest income from these financial assets is included in interest income using the effective interest rate

method. Foreign exchange gains and losses are presented in net trading income in the statement of profit or loss, and impairment expenses are presented as a separate line item in profit or loss.

FVPL

Financial assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. The Group may also irrevocably designate financial assets that would otherwise meet the requirements to be measured at amortized cost or at fair value through other comprehensive income, as at fair value through profit or loss, if doing so would eliminate or significantly reduce an accounting mismatch that would otherwise arise.

These will be subsequently measured at fair value through profit or loss with gains and losses recognized in profit or loss. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented in net trading income in the year in which it arises. A gain or loss on an equity investment elected to be measured at FVPL is presented in net gain from equity financial instruments carried at fair value through profit or loss.

Modification of loans

The Group sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Group assesses whether or not the new terms are substantially different from the original terms. The Group does this by considering, among others, the following factors:

(i) If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
(ii) Significant extension of the loan term when the borrower is not in financial difficulty.
(iii) Significant change in the interest rate.
(iv) Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan

If the terms are substantially different, the Group derecognises the original financial asset and recognises a 'new' asset at fair value and recalculates a new effective interest rate for the assets. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Group also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss in net impairment of financial assets.

In the case where the financial asset is derecognised the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is originated-credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised PAR amount because there remains a high risk of default which has not been reduced by the modification. The Group monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

Where modification did not result in derecognition, the estimate of PD reflects the Group's ability to collect the modified cash flows considering the Group's previous experience of similar forbearance action, as well as various behavioral indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. If a forborne loan is credit impaired due to the existence of evidence of credit impairment, the Group performs an ongoing assessment to ascertain if the problems of the exposure are cured, to determine if the loan is no longer credit impaired. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behavior following modification leading to a reversal of the previous significant increase in credit risk.

Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Group transfers substantially all the risks and rewards of ownership, or (ii) the Group neither transfers nor retains substantially all the risks and rewards of ownership nor the Group has retained control.

Financial Liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Group or a contract that will or may be settled in the Group's own equity instruments and is a non-derivative contract for which the Group is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Group's own equity instruments.

(i) Classification and subsequent measurement

In both the current and prior period, financial liabilities are classified as subsequently measured at amortised cost, except for:

- Financial liabilities at fair value through profit or loss: this classification is applied to derivative financial instruments, financial liabilities held-for-trading and other financial liabilities designated as such at initial recognition. Gains or losses on financial liabilities designated at fair value through profit and loss are presented partially in other comprehensive income (the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability) and partially in statement of profit or loss (the remaining amount of change in the fair value of the liability). This is applicable unless such a presentation creates, or

enlarges, an accounting mismatch, in which case the gains or losses attributable to changes in the credit risk of the liability are also presented in profit or loss;

- Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition, whereby a financial liability is recognised for the consideration received for the transfer. In subsequent periods, the Group recognises any expense incurred on the financial liability; and
- Financial guarantee contracts and loan commitments.

(ii) Derecognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expired).

The exchange between the Group and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability.

In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

h) Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses ('ECL') associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Group recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes.
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts for future economic conditions.

Definition of Default

The definition of default is critical to the determination of the ECL. It is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or

lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk. The Group considers the following as constituting an event of default:

- The borrower is past due more than 90 days on any material credit obligation to the Group; or
- The borrower is unlikely to pay its credit obligations in full to the Group.

The definition of default is appropriately tailored to reflect different characteristics of different type of assets. Overdrafts are considered as being past due once the customer has breached an advised limit or accounts are overdrawn for more than 90 days. When assessing if the borrower is unlikely to pay its credit obligation, the Group considers both qualitative and quantitative indicators such as breach of covenants and financial performance. The Group uses a variety of sources of information to assess defaults which are either developed internally or obtained from external sources such as Guideline on Credit Impairment Measurement and Income Recognition.

Credit impaired

A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flow of the financial asset have occurred. It is credit impaired and is in Stage 3 when contractual payments or accounts in excess are passed due by more than 90 days and/or other quantitative and qualitative factors indicate that the obligator is unlikely to honour its credit obligations.

Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for security because of financial difficulties; or
- the purchase of a financial asset at a deep discount reflects the credit losses incurred.

It may not be possible to identify a single discrete event instead; the combined effect of several events may have caused financial assets to become credit impaired. The Group assesses whether debt instruments that are financial assets measured at amortised cost or FVOCI are credit-impaired at each reporting date. To assess if sovereign and corporate debt instruments are credit impaired, the Group considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default.

Significant increase in credit risk

The Group monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group will measure the loss allowance based on lifetime rather than 12-month ECL. The Group's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result, the Group monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment including forward-looking information.

The Group uses forward-looking information that is available without undue cost or effort in its assessment of significant increase in credit risk as well as in its measurement of ECL. The Group employs experts who use external and internal information to generate a 'base case' scenario of future forecasts of relevant economic variables along with a representative range of other possible forecast scenarios. The external information used includes economic data and forecasts published by governmental bodies and monetary authorities.

Measurement of ECL

The key inputs used for measuring ECL are:

- probability of default (PD)
- loss given default (LGD)
- exposure at default (EAD)

These figures are generally derived from internally developed statistical models and other historical data and they are adjusted to reflect probability-weighted forward-looking information.

PD is an estimate of the likelihood of default over a given time horizon. It is estimated at a point in time. The calculation is based on statistical rating models and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on market data (where available), as well as internal data comprising both quantitative and qualitative factors. PDs are estimated considering the contractual maturities of exposures and estimated prepayment rates. The estimation is based on current conditions, adjusted to consider estimates of future conditions that will impact PD.

LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from any collateral. The LGD models for secured assets consider forecasts of future collateral valuation considering sale discounts, time to realisation of collateral, cross

collateralization and seniority of claim, cost of realisation of collateral and cure rates (i.e. exit from non-performing status). LGD models for unsecured assets consider time of recovery, recovery rates and seniority of claims. The calculation is on a discounted cash flow basis, where the cash flows are discounted by the original EIR of the loan.

EAD is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, and expected drawdowns on committed facilities. The Group's modelling approach for EAD reflects expected changes in the balance outstanding over the lifetime of the loan exposure that are permitted by the current contractual terms, such as amortisation profiles, early repayment or overpayment, changes in utilisation of undrawn commitments and credit mitigation actions taken before default. The Group uses EAD models that reflect the characteristics of the portfolios.

Write off Policy

Financial Assets are written off either partially or in its entirety when the Group has no reasonable expectations of recovering them. This occurs when the Group determines that the customer does not have the capacity to repay the amount due or the collateral given by the customer is not sufficient to cover the exposure. The write-off does not mean that the Group has forfeited its legal right to claim the sums due. The Group retains the right to proceed with enforcement actions under the Group's recovery procedure, and any recovery will be recognised in the statement of profit or loss under 'Net impairment of financial assets' as recoveries of advances written off.

i) Property, plant and equipment

Property, plant and equipment are carried at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Depreciation is calculated to write down the cost of such assets to their residual values on a straight-line basis over their estimated useful lives as follows:

Description of Items	Useful Life (Years)	Period of Depreciation
Computers	4	4
Office Equipment	4 – 8	8
Furniture	8	8
Motor Vehicles	4 – 8	8

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with effect of any changes in estimate accounted for on a prospective basis.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains or losses on disposal of property, plant and equipment are determined by reference to their disposal proceeds and their carrying amounts and are recognised as income or expense in profit or loss. Repairs and renewals are charged to profit or loss when the expenditure is incurred.

j) Intangible assets

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

Costs that are directly attributable to the design of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- the directors intend to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Direct costs include staff costs for the software development team and an appropriate portion of relevant overheads. Expenditure that enhances or extends the benefits of computer software programmes beyond their original specifications and lives is recognised as a capital improvement and added to the original cost of the software. Computer software development costs recognised as assets are amortised using the straight-line method over their useful lives but not exceeding a period of ten years.

The estimated useful life and amortisation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

k) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise unrestricted cash and, treasury bills and amounts due to and from banks which are short term, highly liquid with original maturities of 90 days or less, and borrowings of original maturities of 90 days or less that can fluctuate in value changing from an asset to a liability and vice versa across periods.

l) Provisions

Provisions are recognized when the Group has a present legal or constructive obligation because of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, considering the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, it carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

m) Savings from customers

Savings from customers are classified as financial liabilities at amortized cost. They are initially measured at fair value and subsequently carried at amortized cost.

n) Current and deferred income tax

The tax expense for the period comprises current and deferred income tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(i) Current income tax

The current tax charge is based on taxable income for the year calculated on the basis of tax laws enacted or substantively enacted by the end of the reporting period and includes the Corporate Social Responsibility charge and levy. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognized for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

(ii) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business

combination, that at the time of the transaction effects neither accounting nor taxable profit or loss, it is not accounted for.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the way the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted by the end of the reporting period and are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

o) Borrowings

Borrowings are recognized initially at fair value, being their issue proceeds (fair value of consideration received) net of transaction costs incurred. Borrowings are subsequently stated at amortised cost and any difference between net proceeds and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

p) Dividend declared and unpaid

Dividend declared and unpaid to the Company's shareholder at reporting date is recognised as a liability in the period in which dividend is declared.

q) Stated capital

Ordinary shares are classified as equity. Share issue costs are incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

r) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized until such time as the assets are substantially ready for their intended use or sale. Other borrowing costs are expensed.

s) Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee except or short-term leases (leases with a lease term of 12 months or less) and low value leases. For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove any improvements made to branches or office premises. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the Group's incremental borrowing rate. Generally, the Group uses the Key rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets in 'Property, plant and equipment' in the Statement of Financial Position and further elaborated in Note 10. The lease liability is recorded under 'Other liabilities' in the Statement of Financial Position.

The interest on lease liabilities is recorded under Interest expense, while the expense related to short-term and low-value leases is included in the 'Other Non-Interest expense' line in the Statement of Profit or Loss. The depreciation charge for leases is included in the depreciation of property, plant, and equipment under non-interest expense.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component based on the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

t) Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Any impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, which has less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

u) Earnings per share

Earnings per share are determined by dividing the profit or loss attributable to owners of the Group by the weighted average number of shares outstanding during the reporting year.

v) Operating segments

The Group's segmental reporting is in accordance with IFRS 8 Operating segment.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

As part of the process of preparing the financial statements of the Group, management is called upon to make judgements, estimates and assumptions. This affects the reported amount of revenues, expenses, assets, liabilities and the disclosures. Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates, assumptions and judgements concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) **Significant increase in credit risk**

As explained in note 3, ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased, the Group considers qualitative and quantitative reasonable and supportable forward-looking information.

(ii) **Fair value measurement**

The fair value is the price that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date. Fair values should be first calculated with reference to observable inputs where these

are available. Only where these are unavailable that the Group employ fewer observable inputs. Unobservable input is used where observable or less observable input is unavailable.

The fair value of securities not quoted in an active market may be determined by the Group using valuation techniques including third-party transaction values, earnings, net asset value, or discounted cash flows, whichever is appropriate. The Group would exercise judgment and estimates on the quantity and quality of pricing sources used. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(iii) Asset lives and residual values

Property, plant and equipment are depreciated over their useful lives, considering residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on several factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are considered. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.

The directors therefore make estimates based on historical experience and use best judgement to assess the useful lives of assets and to forecast the expected residual values of the assets at the end of their expected useful lives.

(iv) Deferred Tax

Deferred Tax are recognized to the extent that it is probable that future taxable income will be available against which unused tax losses can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Recognition of deferred tax assets depends on management's intention of the Group to generate future taxable profits which will be used against temporary differences and to obtain tax benefit thereon. The outcome of their actual utilization may be different.

(v) Provision and Contingencies

Provision is recognised in the financial statements when the Group has a present obligation because of a past event, and it is probable that a transfer of economic benefits will be required to settle the obligation. A reliable estimate is required to be made. Management makes various assumptions to determine whether to recognise a provision and its amount thereafter.

(vi) Measurement of expected credit loss

The measurement of expected credit loss allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g the likelihood of customers defaulting and the resulting losses). Explanations of the inputs, assumptions and estimation techniques used in measuring ECL are further detailed in the Risk and Capital Management report, which also sets out the key sensitivities of the

ECL to changes in those elements. Several significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for the significant increase in credit risk
- Choosing appropriate models and assumptions for the measurement of ECL
- Establishing the number and relative weightings of forward-looking scenarios for each type of market and associated ECL
- Establishing groups of similar financial assets to measure ECL

Detailed information about the judgements and estimates made by the Company in the above areas is set out in the Risk and Capital Management report.

(vii) Leases

The adoption of IFRS 16 requires significant judgment and estimation. Critical judgment like the determination of whether an extension or termination option will be exercised. Other key assumptions and estimates are:

- Determination of the appropriate rate to discount the lease payments
- Estimating the lease term
- Assessing whether the right of use is impaired

4. FINANCIAL RISK MANAGEMENT

a) Financial risk management

The Group is actively engaged in delivery of financial services. Managing financial risk is a fundamental part of its business activity. The main sources of financial risk that the Group faces arise from financial instruments, which are fundamental to the Group's business and constitute the core of its operations.

The Group has exposure to the following risks from financial instruments:

(i) Credit Risk
(ii) Liquidity Risk
(iii) Market risk (including interest rate and foreign currency risk)

The Group devotes considerable resources to measure, manage, mitigate and control each of these risks and ensures that its risk management systems and procedures are fitted to meet the needs of the business. The Group's risk management policies and processes are designed to identify and analyse these risks; set appropriate risk appetites; limits and controls; and to constantly monitor the risks and adherence to limits.

Given that the Company comprises a significant portion of the Group.

b) Credit risk

Credit risk arises when customers or counterparties cannot fulfill their contractual obligations. Credit Risk Management at the Company is under the responsibility of the Chief Credit Officer (CCO). The CCO has the task of reviewing the Company's credit policies and guidelines to

ensure that best lending practices are always upheld. Risk assessments are carried out to assist in portfolio management decisions including exposure levels and the constitution of required provisions.

The Group monitors the term to maturity of credit commitments because longer term commitments generally have a greater degree of credit risk than shorter term commitments.

c) Market risk

Market risk refers to the potential of market price fluctuations, such as those in interest rates, equity prices, foreign exchange rates, and market credit spreads, impacting a company's income or the valuation of its financial instrument holdings. The primary objective of market risk management is to proficiently handle and regulate these exposures within acceptable benchmarks, all while optimizing returns from risk-associated endeavors.

The formulation of market risk management policies within the Company lies under the jurisdiction of the Board Risk Monitoring Committee. The execution of these policies and the oversight of this risk category are entrusted to the Asset and Liability Committee (ALCO). These units play a pivotal role in the ongoing monitoring and regulation of market risk activities.

This is devoted to ensuring effective adherence to market risk policies and guidelines, as well as maintaining a vigilant watch over predetermined limits. Similarly, the Committee concentrates on monitoring the interest rate risk. Their collective efforts contribute to a comprehensive approach to risk management within the Company.

(i) Investment Price risk

Investment price risk pertains to the vulnerability of an investment's value to shifts in market prices. This risk emanates from a multitude of factors, including the interplay of supply and demand, prevailing economic conditions, geopolitical occurrences, and prevailing market sentiment. The Company designates a portion of its investments under the categories of Fair Value through Other Comprehensive Income (FVOCI) and Fair Value through Profit or Loss (FVPL).

(ii) Currency risk

Currency risk is defined as the risk that movements in foreign exchange rates adversely affect the value of the Company's foreign currency positions. Exposure resulting from trading activities is monitored using limits. Limits are given to the individual trader and monitored by ALCO. Overall exposure to foreign exchange, including those resulting from non-trading activities, is monitored against both the regulatory guideline and an internal target validated by the ALCO.

(iii) Interest rate risk

Interest rate risk in the portfolio encompasses the potential adverse effects on earnings resulting from fluctuations in market interest rates. This risk primarily affects non-traded assets and liabilities, specifically encompassing loans, deposits, and financial instruments held without the intent of trading.

To effectively manage this risk, the Asset and Liability Committee employs a variety of strategies. Net interest income (NII) sensitivity stands as a key metric, evaluating the

anticipated changes in net interest income across diverse interest rate scenarios, while holding all other economic factors constant. RALCO oversees the fluctuations in net interest income sensitivity.

The calculations of NII sensitivity assume uniform interest rate movements across all maturities within the 'up-shock' scenario. In contrast, the 'down-shock' scenario assumes a floor at zero for rates.

(iv) Liquidity risk

Liquidity risk entails the risk of being unable to procure readily available funds to satisfy immediate or near-term obligations in a cost-efficient manner. The Group recognizes the indispensable nature of skillfully managing liquidity, not only to foster market confidence but also to ensure the enduring viability of its operations. To effectively navigate liquidity and funding risk, the Group has established a robust internal framework that synergizes Risk, Finance, and Treasury Management functions, all of which operate under the vigilant oversight of the Risk, Asset and Liability Committee (ALCO). The Group has implemented a series of key strategies to proficiently manage liquidity risk:

- Proactively forecast future cash flows and devise plans to address both routine operational necessities as well as diverse potential scenarios and contingencies.

- Oversee day-to-day liquidity by closely monitoring intra-day liquidity dynamics and projecting future cash flows, thereby guaranteeing the capability to meet all outgoing fund requirements.

- Uphold a reserve of liquid assets that can be promptly mobilized in situations of unanticipated cash outflows.

- Foster a diversified and stable funding foundation to fortify the Group's financial resilience.
- Rigorously monitor a set of early warning indicators that signal potential liquidity stress.

- Maintain a comprehensive Contingency Funding Plan to address liquidity emergencies.

The table below provides a breakdown of financial assets and liabilities according to their remaining contractual maturities as of the end of the reporting period. The Group also holds financial assets and financial liabilities for which the expected cash flows are significantly different from the contractual cash flows. The amounts disclosed in the following tables are undiscounted.

d) Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held

by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily quoted equity investments and instruments for which a market, which is the most representative price, is readily available. These financial assets have been classified as fair value through profit or loss and fair value through other comprehensive income.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on specific estimates. If all significant input required to be fair value an instrument is observable, the instrument is included in level 2.

If one or more significant inputs are not based on observable market data, the instrument is included in level 3.

Specific techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- The fair value of interest swaps is calculated as the present value of the estimated future cashflows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined by using foreign exchange rates at the end of the reporting period, with the resulting value discounted back to present value;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

e) Capital risk management

Disclosures relating to capital risk management are available in the Risk and Capital Management Report.

		GROUP 2025 TZS 000	GROUP 2024 TZS 000	COMPANY 2025 TZS 000	COMPANY 2024 TZS 000
5	**Interest Income**				
	a. Interest- Loans to Customers	3,679,604	2,386,522	3,679,604	2,386,522
	b. Interest -Bank deposits	52,499	66,604	43,905	57,583
	Total Interest Income	**3,732,103**	**2,453,126**	**3,723,509**	**2,444,105**

		GROUP 2025 TZS 000	GROUP 2024 TZS 000	COMPANY 2025 TZS 000	COMPANY 2024 TZS 000
.1	**Interest Expenses**				
	a. Interest - Banks and financial Institutions	689,310	241,987	689,310	241,987
	b. Interest - Microfinance Service Providers	25,000	37,452	25,000	37,452
	c. Interest - Borrowings from Abroad	278,931	359,399	278,931	359,399
	d. Interest - Borrowings Local	296,501	364,579	296,501	364,579
	e. Interest - others/Processing fees	85,186	88,119	85,186	88,119
	f. Interest on Lease Liability	27,822	35,032	22,563	27,519
	Total Interest Expenses	**1,402,750**	**1,126,568**	**1,397,491**	**1,119,056**

.2	Provision for Bad and Doubtful Debts	(356,876)	(115,580)	(355,800)	(105,532)
	Net Interest Income after impairment	**1,972,476**	**1,210,978**	**1,970,217**	**1,219,517**

7	**Non-Interest Income**				
	a. Fees on Loans	413,864	293,592	332,221	207,754
	b. Other Operating Income	112,977	130,216	112,977	130,216
	Total Non-Interest Income	**526,841**	**423,808**	**445,198**	**337,970**

		GROUP 2025 TZS 000	GROUP 2024 TZS 000	COMPANY 2025 TZS 000	COMPANY 2024 TZS 000
8	**Personnel Expenses**				
	a. Salaries and Wages	842,037	673,549	801,812	591,953
	b. Social Security	85,818	67,720	81,833	59,560
	c. Skills and Development Levy	28,642	20,846	28,642	20,846
	d. Workers Compensation fund	4,291	3,386	4,092	2,978
	e. Medical Expenses	100,379	75,694	95,104	66,384
	f. Bonus Expenses	12,970	-	12,970	-
	Total Personnel Expenses	**1,074,137**	**841,194**	**1,024,453**	**741,721**

9 Administrative Expenses

	GROUP 2025 TZS 000	GROUP 2024 TZS 000	COMPANY 2025 TZS 000	COMPANY 2024 TZS 000
Auditor's fee	17,867	19,200	13,567	14,800
Printing And Stationery	40,830	6,921	39,564	6,045
Water And Electricity	16,808	18,723	14,258	15,423
Software Lease fee	57,035	47,122	57,035	47,122
Communication	30,040	20,753	28,877	18,481
Board Expenses	30,327	14,714	25,759	9,439
Director Fees	26,662	32,042	19,412	24,542
Office Expenses	103,306	67,673	94,405	55,101
Staff Training Expenses	22,367	11,554	20,667	9,174
Loan Recovery Expenses	83,806	46,082	83,806	46,082
Transport And traveling	106,898	7,809	106,438	7,389
Branch Office Rent	14,667	6,960	14,667	6,960
Depreciation	50,380	43,915	45,912	43,266
Depreciation Expense-Right of use	51,616	51,616	43,642	40,225
Professional Consultancy	22,687	8,872	20,787	3,872
Trading License	-	600	-	600
City Service Levy	9,710	2,557	9,464	2,273
Legal Fees	69,623	38,823	69,623	38,823
Customer Training	9,905	-	9,905	-
Other Administrative Expenses	161,268	112,831	148,920	94,673
Total Administrative Expense	**925,801**	**558,768**	**866,708**	**484,291**

10 Corporate Taxation

	GROUP 2025 TZS 000	GROUP 2024 TZS 000	COMPANY 2025 TZS 000	COMPANY 2024 TZS 000
The Major Components of Income Tax for The Year Ended 31 Dec 2025 are:				
Current Income Tax	112,301	64,678	111,399	64,678
Deferred Income Tax Charged/(Released)	9,207	(28,394)	1,796	(17,031)
	121,508	**36,284**	**113,195**	**47,648**
Reconciliation of tax on Profit and Current Tax				
Profit Before Tax	**499,379**	**234,823**	**524,255**	**331,476**
Tax @ 30%	149,814	70,447	157,276	99,443
Accelerated Wear and Tear	(24,637)	(2,752)	(26,682)	(6,182)
Non-deductible expenses	29,422	12,498	28,461	12,498
Deferred tax movement	(37,601)	(33,861)	(18,827)	(66,648)
Reconciled Current Tax	**116,997**	**46,332**	**140,228**	**39,112**
Deferred Income Tax				
Deferred Income Tax At 31 Dec Relates Accelerated Wear and Tear As follows:				
Accelerated Wear and Tear	**(24,637)**	**(2,752)**	**(26,682)**	**(6,182)**

Deferred Tax Movement				
At 1 January	(118,064)	(89,669)	(106,700)	(89,669)
Opening balance adjustment	7,326	8,536	-	8,536
Charged/(Released) During the Year	15,127	(3,170)	7,716	(1,854)
General Provision	(5,919)	(33,760)	(5,919)	(23,712)
At 31st December	**(101,531)**	**(118,064)**	**(104,903)**	**(106,700)**

		GROUP 2025 TZS 000	GROUP 2024 TZS 000	COMPANY 2025 TZS 000	COMPANY 2024 TZS 000
11	**Cash and Cash Equivalents**				
	Petty Cash	187	34	39	24
	Mobile Wallet Balance	28,109	70,382	28,109	70,382
	Bank Balances	1,996,241	160,052	1,968,708	137,746
	Total Cash and Cash Equivalents	**2,024,537**	**230,467**	**1,996,856**	**208,151**
	Short Term Investments				
	Bank Call	7,893	300,683	7,893	300,683
	Short term Investments	1,175,000	1,492,000	1,153,000	1,415,000
	Total Short-Term Investments	**1,182,893**	**1,792,683**	**1,160,893**	**1,715,683**
	Total Cash and Cash Equivalents	**3,207,430**	**2,023,150**	**3,157,750**	**1,923,834**

		GROUP 2025 TZS 000	GROUP 2024 TZS 000	COMPANY 2025 TZS 000	COMPANY 2024 TZS 000
12	**Net Loans and Advances**				
	a. Loans to Customers	9,714,034	8,020,330	9,714,034	8,020,330
	b. Loans to Staff	127,390	102,219	127,390	102,219
	c. Accrued Interest Receivables - Loans	1,746,584	1,599,997	1,746,584	1,599,997
	d. Accrued Penalty Receivables - Loans	5,621	531,477	5,621	531,477
	Total Gross Loans	**11,593,630**	**10,254,023**	**11,593,630**	**10,254,023**
	Impairment on loans balance at 1 January	398,135	292,603	398,135	292,603
	Charge/(Release) during the year	355,800	105,532	355,800	105,532
	Write-offs during the year	(348,427)	-	(348,427)	-
	Impairment on loans balance at 31 December	**405,508**	**398,135**	**405,508**	**398,135**
	Net Loans and Advances	**11,188,122**	**9,855,888**	**11,188,122**	**9,855,888**

13	**Prepayments:**				
	Rent	7,564	-	7,564	-
	General Office Insurance	22	3,660	(0)	3,639
	Medical Insurance	56,672	50,246	53,805	47,390
	External Loan Process fee	167,886	155,751	167,886	155,751
	Prepayment- Core System	56,854	36,414	56,854	36,414

Other Prepaid Expenses	1,725	1,375	350	-
Fidelity guarantee	3,011	3,011	-	-
Total Prepayments	**293,735**	**250,457**	**286,460**	**243,193**
	GROUP 2025 TZS 000	**GROUP 2024 TZS 000**	**COMPANY 2025 TZS 000**	**COMPANY 2024 TZS 000**

14 Other Accounts Receivable

Account Receivable	199,786	141,090	198,744	137,149
Commission on Insurance Receivable	37,005	23,039	-	-
Total Other Accounts Receivable	**236,790**	**164,129**	**198,744**	**137,149**

15 Other Assets

Cheque Inward A/C	-	188,258	-	188,258
Cheque Outward A/C	-	174,674	-	174,674
Asset Control A/C	-	-	-	-
Interest Receivable	21,625	78,460	19,372	78,460
Solar Unsold Stock	4,496	4,496	4,496	4,496
VAT Receivable	16,375	(12,591)	16,375	(12,591)
Salary & Advances to Staff	2,407	-	1,207	-
Total Other Assets	**44,904**	**433,297**	**41,451**	**433,297**

Other assets comprise cheque inward and outward clearing balances, vat receivable, advances to staff, interest receivable, and other control accounts.

During the year, other assets decreased by TZS 381,841 thousand, mainly due to settlement of cheque clearing balances. The movement includes non-cash reclassification adjustments amounting to TZS 362,932 thousand, representing prior-year inward and outward corrections recognized directly in equity. These adjustments did not affect profit for the year.

16 Property and Equipment - GROUP

	Computer	Equipment	Furniture	Motor Vehicle TZS 000	Software	Total
Cost						
At January 2025	129,097	87,030	161,182	26,725	66,279	470,313
Additional during the year	43,189	25,210	33,463	-	33,366	135,228
Disposals	(4,299)	(5,728)	(8,954)	(1,700)	-	(20,681)
Balance as at 31st December 2025	**167,987**	**106,512**	**185,690**	**25,025**	**99,645**	**584,859**
Depreciation						
At 1st January 2025	110,522	54,997	98,251	19,148	30,198	313,116
Charge during the year	9,390	7,616	16,237	3,616	13,521	50,380
Depreciation on disposals	(4,279)	(1,832)	(8,561)	(992)	-	(15,664)
At 31st December 2025	**115,633**	**60,781**	**105,927**	**21,772**	**43,718**	**347,832**
Netbook value						
31st December 2025	**52,353**	**45,731**	**79,763**	**3,253**	**55,927**	**237,027**
31st December 2024	18,575	32,033	62,930	7,577	36,081	157,197

16.2 Property and Equipment - COMPANY

	Computer	Equipment	Furniture	Motor Vehicle TZS 000	Software	Total
Cost						
At January 2025	118,270	83,123	137,238	26,725	51,204	416,560
Additional during the year	43,189	25,210	32,205	-	33,366	133,971
Disposals	(4,299)	(5,728)	(8,954)	(1,700)	-	(20,681)
Balance as at 31st December 2025	**157,160**	**102,605**	**160,489**	**25,025**	**84,570**	**529,849**
Depreciation						
At 1st January 2025	101,506	51,931	84,485	19,148	17,899	274,969
Charge during the year	8,548	7,616	13,524	3,616	10,744	44,048
Depreciation on disposals	(4,279)	(1,832)	(8,561)	(992)	-	(15,664)
At 31st December 2025	**105,775**	**57,715**	**89,448**	**21,772**	**28,643**	**303,353**
Netbook value						

31st December 2025	**51,385**	**44,890**	**71,041**	**3,253**	**55,927**	**226,496**
31st December 2024	16,764	31,192	52,753	7,577	33,305	141,591

		GROUP 2025 TZS 000	GROUP 2024 TZS 000	COMPANY 2025 TZS 000	COMPANY 2024 TZS 000
17	**Borrowings**				
	a. Borrowings in Tanzania	10,500,613	5,737,765	10,500,613	5,737,765
	b. Borrowing Abroad	2,267,033	2,681,586	2,267,033	2,681,586
	d. Accrued Interest payable	486,898	429,420	486,898	429,420
	Total Borrowings	**13,254,543**	**8,848,771**	**13,254,543**	**8,848,771**

		GROUP 2025 TZS 000	GROUP 2024 TZS 000	COMPANY 2025 TZS 000	COMPANY 2024 TZS 000
18	**Cash Collateral/ Savings**				
	Client's Fund	29,098	37,638	29,098	37,638
	Collateral Savings	144,295	88,939	144,295	88,939
	Total Cash Collateral/ Savings	**173,393**	**126,577**	**173,393**	**126,577**

		GROUP 2025 TZS 000	GROUP 2024 TZS 000	COMPANY 2025 TZS 000	COMPANY 2024 TZS 000
19	**Other Payables and Accruals**				
	Account Payable	685,894	34,101	684,780	30,296
	Directors fee Payable	4,853	10,542	4,853	8,667
	Auctioneer Payable	2,283	181	2,283	181
	Audit Fee Payable	7,878	16,355	3,522	11,955
	Dividend Payable	7,954	-	7,954	-
	Insurance Premium Payable	2,683	-	2,683	-
	Statutory Deductions Payables	44,962	23,566	40,167	22,344
	Total Other Payables and Accruals	**756,507**	**84,745**	**746,241**	**73,442**
20	**Special funds**	**693,036**	**688,508**	**693,036**	**688,508**

		GROUP 2025 TZS 000	GROUP 2024 TZS 000	COMPANY 2025 TZS 000	COMPANY 2024 TZS 000
21	**Intercompany Receivable/(Payables)**				
	Amounts due from related parties	-	-	163,406	175,375
	Amounts due to related parties	-	-	-	-
	Net Intercompany Receivables	**-**	**-**	**163,406**	**175,375**

During the reporting period, Victoria Finance PLC, the parent company, incurred certain expenses and settled liabilities on behalf of its majority-owned subsidiary, Victoria Insurance Brokers Ltd. The amounts advanced by the parent company are expected to be reimbursed by the subsidiary in the subsequent period.

All intercompany transactions were conducted on an arm's length basis, with the terms and conditions reflective of those available in transactions with independent third parties, in accordance with the applicable IFRS requirements.

22 Contingent Liabilities – Legal Proceedings

In accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, the Group has disclosed a matter of potential financial impact arising from ongoing legal proceedings between Victoria Finance and Stanbic Bank at the High Court of Tanzania. The dispute relates to the property of Mr. Deus Ntaje (William Masasi), a borrower who defaulted on his repayment obligations from Victoria Finance. As a result of the default, Victoria Finance was compelled to attach and subsequently sell Mr. Ntaje's mortgaged house—a property that the same customer has also used as security for another loan facility from Stanbic Bank. Victoria Finance is currently seeking a court order to recover outstanding loan arrears, and the proceedings have advanced to the execution phase with an attachment order proposed for Mr. Ntaje's (William Masasi) legal mortgage.

In a related development, Victoria Finance (VFP) has initiated an objection proceeding seeking a restraining order to forestall the eviction of a bona fide purchaser from the disputed house. The purchaser, who has resided in the property for over four years and has incurred considerable expenditures towards its development, faces potential displacement should the court rule adversely. If the court orders the eviction of the bona fide purchaser, she may assert a claim for a refund of the purchase price amounting to TZS 60,000,000, in addition to seeking compensation for the substantial improvements made to the property.

	GROUP 2025 TZS 000	GROUP 2024 TZS 000	COMPANY 2025 TZS 000	COMPANY 2024 TZS 000
23 Corporate Tax				
Tax (Payable)/ Receivable Balance	451,327	469,056	324,044	333,828
Prior Year Tax Adjustment	(65,019)	(23,250)	-	-
Prior Year Tax Paid	28,678	-	28,678	-
Provisional Tax Paid During the Year	22,500	36,000	22,500	36,000
Withholding Tax Paid Directly To TRA	11,749	5,806	8,820	1,864
Corporate Tax Expense	(112,301)	(36,284)	(111,399)	(47,648)
Corporate Tax (Payable)/ Receivable	**336,934**	**451,327**	**272,644**	**324,044**

	GROUP 2025 TZS 000	GROUP 2024 TZS 000	COMPANY 2025 TZS 000	COMPANY 2024 TZS 000
24 Share Capital				
Authorized Share Capital				
80,000,000 Shares of Tzs 250 Each	**20,000,000**	**20,000,000**	**20,000,000**	**20,000,000**
Issued and fully Paid Capital				
8,739,306 Shares of Tzs 250 each	2,184,827	1,827,013	2,184,827	1,827,013
Share Premium	392,823	395,169	392,823	395,169
Share Capital	**2,577,649**	**2,222,182**	**2,577,649**	**2,222,182**

		GROUP 2025 TZS 000	GROUP 2024 TZS 000	COMPANY 2025 TZS 000	COMPANY 2024 TZS 000
24.1	**Basic and Diluted Earnings Per Share**				
	Net Profit for The Year	**377,871**	**198,540**	**411,060**	**283,827**
	Weighted Average Ordinary Shares	7,502,900	7,150,837	7,502,900	7,150,837
	Basic And Diluted Earnings Per Share	**50**	**27**	**55**	**39**
25	**Leases**				
	i) Amounts recognized in balance sheet				
25.1	**Right -of -use Assets**				
	At the start of the year	291,271	342,887	224,959	265,184
	Amortization	(51,616)	(51,616)	(40,225)	(40,225)
		239,656	**291,271**	**184,734**	**224,959**
25.2	**Lease Liability**				
	Opening balance	**349,482**	**385,217**	**272,884**	**298,185**
	Interest on lease	27,822	35,032	20,309	27,519
	Repayments during the year	(72,141)	(70,767)	(53,846)	(52,820)
		305,162	**349,482**	**239,347**	**272,884**
25.3	ii) Amounts recognized in the statement of profit or Loss				
	Depreciation charge of right of use asset	51,616	51,616	43,642	40,225
	Interest Expense on lease liability	27,822	35,032	22,563	27,519
		79,438	**86,648**	**66,205**	**67,744**

26 Non-Controlling interest

The group's principal subsidiaries at 31 December 2025 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business

Name of entity	Country of incorporation	Principal activities	Group interest	NCI
Victoria Insurance Brokers Limited	Tanzania	Insurance Broking	99.9985 %	0.0015%

	2025	2024
Profit attributable to the NCI		
Group profit (TZS 000)	377,871,193	198,538,459
NCI (%)	0.0015%	0.0015%
Profit attributable to NCI	5,668	2,978

26.1 Set out below is summarized financial information for each subsidiary that has non-controlling interests that are material to the group.
The amounts disclosed for each subsidiary are before inter-company eliminations

	VIB 2025 TZS 000	VIB 2024 TZS 000
Summarized statement of financial position		
Current assets	162,746	195,824
Current liabilities	(190,284)	(203,267)
Net current assets	**(27,539)**	**(7,444)**
Non-current assets	65,453	85,956
Noncurrent liabilities	(53,099)	(60,509)
Net non-current assets	**12,354**	**25,448**
Net assets	**(15,185)**	**18,004**
Accumulated non-controlling interest in net assets	**179**	**179**

	2025 TZS 000	2024 TZS 000
Summarized statement of compressive income		
Revenue	90,236	94,858
Expenses	(115,112)	(198,652)
Profit/ (loss) Before Taxation	**(24,875)**	**(103,795)**
Profit / (loss) allocated to NCI	**-**	**(2)**
Dividend paid to NCI	**-**	**-**

	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
27 Number of Outreach				
As At January 2025	3	3	3	3
Opened / (Closed) During the Year	3	-	3	-
As At 31 December, 2025	**6**	**3**	**6**	**3**
28 Related Party Transactions				
Salaries and Directors' fees				
Fees to Directors	26,662	22,000	19,412	14,500
Salaries to management	305,265	272,343	305,265	272,343
Total payments	**331,927**	294,3438	**324,677**	286,843

Loans and advances				
Shareholders / Board Members	265,935	122,026	265,935	122,026
Management	110,200	51,210	110,200	51,210
Total Related Party lending	**376,135**	173,236	**376,135**	173,236

28.1 Compensation of Directors and Key Management

Key management personnel comprise Chief Executive Officer and heads of departments who report directly to the Chief Executive Officer.

28.2 Loan and Advance Credit Arrangement

Loan and advance credit arrangements with Shareholders, Board of directors, Chief Executive Officer, and heads of departments who are reporting directly to the Chief Executive Officer are offered at arm's length except for Management which have special concessionary terms as per staff loan guidelines.

28.3 Settlement of liabilities (Payments) on behalf of another party

In the year ending 31 December 2025, the COMPANY did settle TZS 20 Mn liability (Payments) on behalf of related party (2024: TZS149Mn).

29 SUBSEQUENT EVENTS

There has been no material adjustment and other non-adjusting events after the reporting date, which requires further disclosure and/or being accounted for in the financial statements.

30 CAPITAL GRANTS

	GROUP 2025 TZS 000	GROUP 2024 TZS 000	COMPANY 2025 TZS 000	COMPANY 2024 TZS 000
Balance as at 1 January 2025	-	-	-	-
Grant Received	14,404	-	14,404	-
Amortization to P&L during the year	(2,452)	-	(2,452)	-
Balance as at 31 December 2025	**12,259**	-	**12,259**	-

These are grants received from partners for acquisition of software assets and will be amortized for a period of 4 years to match the depreciation of the software assets.

31 PRIOR YEAR ADJUSTMENTS AND TAX

During the year ended 31 December 2025, management identified errors and omissions relating to prior accounting periods. In accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, these errors were corrected retrospectively through an adjustment to opening retained earnings.

The prior year adjustment represents the correction of material errors relating to prior reporting periods. The correction has been accounted for retrospectively by restating opening equity in accordance with IAS 8. The adjustment reduced opening retained earnings by TZS 3,146.279 million as at 1 January 2025

Summary of Adjustments

- Overstated NSSF Payable: Adjustment to reverse excess NSSF liabilities recognized in prior years not accounted for on the financials.
- Unrecorded WCF Liability: Recognition of Workers Compensation Fund obligations omitted in previous years not accounted for in the financials.
- Financial Statement Closure Adjustments: Historical accounting corrections identified during the financial statement finalization process.
- Share premium adjustments: Correction of overstated premium income recognized in prior periods.
- Interest receivable adjustments: represent corrections to interest income and accrued interest balances recognised in prior periods.
- Portfolio valuation/measurement adjustments: represent corrections and reassessments made to the valuation of the loan portfolio based on information that became available during the review process.

Cash prior year adjustments	GROUP 2025 TZS 000	GROUP 2024 TZS 000	COMPANY 2025 TZS 000	COMPANY 2024 TZS 000
Correction of overstated NSSF payable	(979)	-	(979)	-
Recognition of unrecorded WCF liability	6	-	6	-
Financial statement closure adjustments	2,342	-	2,342	-
Interest receivable adjustment	(2,419,177)	-	(2,419,177)	-
Portfolio valuation adjustments	(726,125)	-	(726,125)	-
Total cash adjustments to Retained earnings	**(3,143,933)**	**-**	**(3,143,933)**	**-**
Correction of overstated premium income recognized in prior periods.	(2,346)	-	(2,346)	-
Total cash adjustments	(3,146,279)	-	(3,146,279)	-
Non-Cash prior year adjustment				
Inward and outward adjustment	(362,932)	-	(362,932)	-
Total adjustments to equity	**(3,509,210)**	**-**	**(3,509,210)**	**-**

The above adjustments may have tax implications, including possible effects on prior year taxable income, corporate income tax, deferred tax, tax refunds, offsets or amended tax computations. Management is in the process of assessing the tax impact of the adjustments.
At the reporting date, the tax impact had not been fully quantified. Accordingly, no related tax asset or liability has been recognized in financial statements. Any resulting tax impact will be recognized when the assessment is completed and when the recognition criteria under the applicable accounting standards are met.
The Company will engage tax advisors and, where necessary, consult with the Tanzania Revenue Authority to determine the appropriate tax treatment.

32 PRESENTATION

Figures have been rounded off to the nearest thousand Tanzanian Shillings.

33 DATE OF AUTHORISATION

These financial statements were authorized for issue by the Board of Directors in their meeting held on 25/07/2026